

**An analysis of the learning relationships amongst owner/managers  
in a micro-firm learning network**

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## **An analysis of the learning relationships amongst owner/managers in a micro-firm learning network**

### **ABSTRACT**

Learning networks are clearly cited in contemporary literature as a key means for creating and sustaining competitive advantage in micro-firms. Specifically, national and international research studies acknowledge the importance of micro-firm network-centred learning in the tourism sector, where an integral part of this learning process is the network of relationships participants cultivate through involvement in formal learning programmes of this nature. Despite their importance in the context of small business development, networks have traditionally been relatively neglected as an area of academic study. The paper commences with a comprehensive review of relevant literature while the primary research focuses on the South and South East Tourism Learning Network (TLN) initiative, facilitated by Fáilte Ireland and Waterford Institute of Technology. Each author is directly involved in the TLN programme as research assistant and academic liaison and pursued an optimum research approach in this regard. Adopting an action research methodology, the authors seek to establish, catalogue and analyse the learning relationships amongst owner/managers within a micro-firm learning network. The authors go on to propose a framework of participant learning in a micro-firm network environment, and offer avenues for further research.

## **INTRODUCTION**

Learning networks are clearly cited in contemporary literature as a key means for creating and sustaining competitive advantage in micro-firms<sup>2</sup> (Chell and Baines, 2000; Devins et al., 2005; Hannon et al., 2000; Witt, 2004). Specifically, national and international research studies acknowledge the importance of small firm network-centred learning in the tourism context (Morrison and Teixeira, 2004; Ahmad, 2005), where an integral part of this learning process is the network of relationships participants cultivate through involvement in formal learning programmes of this nature (Bottrup, 2005; Foley et al., 2006). Despite their importance in the context of small business development, networks in this environment have traditionally been relatively neglected as an area of academic study (Down, 1999; Devins et al., 2005; Gibb, 1997). This paper seeks to address this literary gap, and commences with a comprehensive review of relevant literature, while the primary research focuses on the South and South East Tourism Learning Network (TLN) initiative, facilitated by Fáilte Ireland and Waterford Institute of Technology. Each author is directly involved in the TLN programme as research assistant and academic liaison and pursued an optimum research approach in this regard. Adopting an action research methodology, the authors seek to establish, catalogue and analyse the learning relationships amongst owner/managers within a micro-firm network. The authors go on to propose a framework of participant learning in a micro-firm network environment, and offer avenues for further research.

## **LITERATURE REVIEW**

A review of the relevant literature reveals that the micro-firm is unique in the learning context, and that little has been written academically in this area (Devins et al., 2005; Kelliher, 2006; Sullivan, 2000). The training needs of this heterogeneous group are also highly differentiated (Dutta and Evrard, 1999; Mainemelis et al., 2002), and various internal

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<sup>2</sup> Micro-firms are defined as those firms with no more than 10 full-time employees (EU, 2005) for the purposes of this study. When academic literature refers to 'small business' and equates to this micro-firm definition, it can be assumed to relate to micro-firm despite the different label of such a business.

and external characteristics influence learning in the micro-firm setting. Specifically, micro-firms tend to be person-centred (Lange et al., 2000), and exhibit a flat organisational structure (Morrison and Teixeira, 2004), with little separation of ownership and control (Greenbank, 2000). Smaller firms are therefore less likely to be functionally structured (Hannon et al., 2000) and owner/managers and their employees have to be multi-skilled (Lange et al., 2000) to fulfil numerous organisational roles. The resultant informal relationships are reflective of the informal management style found in the majority of micro-firms (Matlay, 1999; Kelliher and Reinl, 2007). As culture is seen as an extension of the owner's personality in the micro-firm setting (Lange et al., 2000) it can be assumed that the owner/manager will shape learning in the micro-firm environment. Furthermore, the lack of organisational and management layers in this environment has been found to promote cross learning (Van der Wiele and Brown, 1998), which can in turn support a learning culture with the objective of building capabilities to assist the firm to survive and prosper (Kelliher and Reinl, 2007).

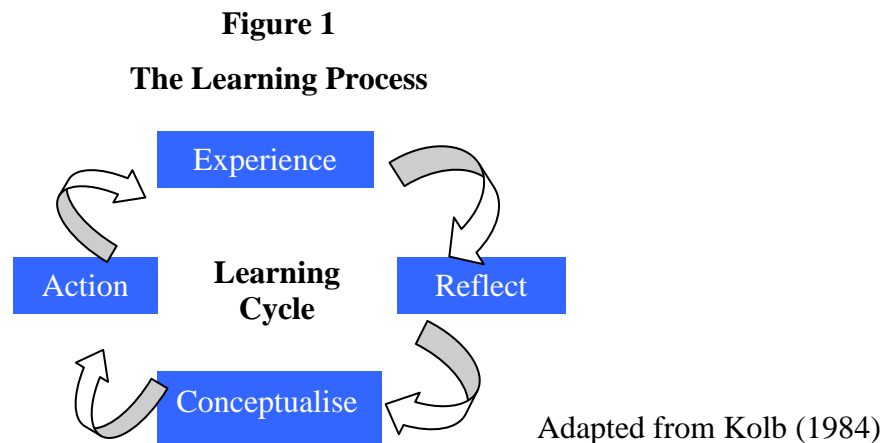
From a strategic management perspective, strategy is an incremental and often informal process in the small-firm setting, which emerges as the organisation adapts or learns (McCarthy and Leavy, 2000; Wyer et al. 2000). Schaper et al. (2005) found that the micro-business owner has difficulty in separating strategic planning from day-to-day problem solving, which may have an impact on the micro-firm's long-term success. As the owner/manager's management skills are developed largely by trial and error (Schaper et al., 2005), Gibb and Scott (2001) encourage the development of strategic awareness amongst small-firm owner/managers to ensure organisational evolution in this environment. From a development perspective, barriers to learning opportunities have been cited as a reason for weak management skills and business failure within the tourism sector in particular (Comhar Briefing Paper, 2006). Lack of growth, an issue in the majority of micro-firms (Devins et al., 2005), may therefore be explained by a lack of managerial capability (O'Dwyer and Ryan, 2000; Report of the Expert Group on Future Skills Needs, 2006).

The difficulty is that these firms are extremely resource poor (Devins et al., 2005; Welsh and White, 1981) leaving little opportunity for developmental learning and reflection (Kelliher, 2006), which may in turn impact the operation, development and growth of the business (Perren, 1999). In essence, these resource constraints make formal learning interventions a luxury that most micro-firm owner/managers simply cannot afford. As a result, Gibb (1997) argues that the traditional approach to learning de-contextualises it and results in managers lacking the ability to use their knowledge in order to improve performance. Owner/managers are primarily interested in learning that has a focus on performance rather than analysis or planning. Their concern for survival linked with the need for immediately applicable learning leads to what Lawless et al. (2000) term a ‘crisis driven approach’ to learning. Consequently small-firm training needs are unplanned and are dealt with when they arise, and training is viewed as something that happens as a result of necessity and not as a developmental process. Schaper et al. (2005) also point out that there is danger in trying to adopt a formal learning approach for this business cohort, due to the contextualisation issues discussed above. It is useful at this point to tabulate the outlined learning and development issues from a micro-firm owner/manager perspective before moving on to explore the network impact on the owner/manager’s individual learning. These issues are outlined in Table 1.

**Table 1**  
**Learning and development issues in the micro-firm**

Criteria	Aspect of learning	Impact on learning
Formal management development	Unlikely in micro-firm setting	Little opportunity for formal developmental learning & business development
Learning	Unconscious informal process	Single loop learning (problem solving)
	Reactive in nature	Crisis management
	Analytical process bypassed	Learning needs are unidentified Learner isolation
	Existing norms are unidentified/ unarticulated	Tacit knowledge may not be transferred
	Poor reflexive capabilities	Action emphasis, Surface learning

It has been argued that the owner/manager's 'life experience' acts as a buffer against business failure and that business ownership can be viewed as a 'learning experiment' in and of itself (Storey and Cressey, 1996), resulting in a predisposition to learning when coupled with the enactment of the learning process (Figure 1). The challenge is therefore to raise the manager's ability to learn better from experience (Hannon et al., 2000) demanding an action learning approach (Kolb et al., 1986).



According to Kolb (1976) true learning takes place when values and norms become modified through a cycle of concrete experience, reflective observation, abstract conceptualisation and active experimentation. Kolb (1984) highlights a difficulty in developing reflective practice in the micro-firm context as reflective observation is seen as a disturbance to the process of action, thus straining already scarce resources. Notably, Garavan and Ó'Cinnéde (1994) point out that "*action in the absence of reflection precludes learning*" in the small-firm setting. Therefore, developing the owner/manager's reflective abilities should result in the application of learning back in the small business environment, as the learner gains the ability to stand back and reflect on the situation in the context of past experiences enhancing the learning capability of the individual (Sullivan, 2000) and ultimately the firm as an extension of that individual (Lange et al., 2000). Notably, small-firms can overcome their limited resources through the leveraging of relational capital achieved through networking (Julien, 2007), and it is this aspect of learning that is the focus of this study.

## **LEARNING NETWORKS IN A MICRO-FIRM ENVIRONMENT**

A network can be defined as a ‘set of relationships between individuals and groups to achieve a particular purpose’ (Tinsley and Lynch, 2007); while a micro-firm learning network seeks to encourage business development through a complex network of relationships of the owner-manager (Ahmad, 2005; Jack et al., 2004; Taylor and Thorpe, 2004). From a tourism sector perspective, research findings emphasise the overriding importance of networks in a firm’s survival and growth (Morrison and Teixeira, 2004; Ahmad, 2005), while international studies acknowledge the value of network-centred learning (Devins et al., 2005; Hannon et al., 2000; Morrison and Teixeira, 2004) in the small-firm environment. Networks have also been found to assist in combating resource issues by providing a means for participants to acquire information and resources that would otherwise be unavailable to them (Witt, 2004; National Commission on Entrepreneurship, 2006). As such Witt (2004) contends that the resources possessed by a business will have a bearing upon network success. This reflects a view that combined resources (if they are disseminated throughout the network) will result in the improvement of owner/manager competencies and hence improve individual business performance (Hannon et al., 2000; Jack et al., 2004).

Research provides statistical evidence of the positive relationship between business performance and networking (Chell and Baines, 2000) reinforcing the potential value of networking in this context. However, the level and sophistication of networking affects the quality of experiential learning (Johannisson, 2000). Gibb (1997) reasons that improving the development of small businesses requires the competency of the network as well as the competency of the businesses involved in that network (the learning set). Gregory (1994) argues that ‘the learning set’ is of value in terms of enabling and enhancing individual learning on a number of levels. Although Gregory (1994) refers to learning in the ‘set’ (Revans, 1982) the focus is nonetheless on the individuals in that set, encompassing the notion of learner interdependency.

As learning is a process (Figure 1), which occurs through a social practice (Brown and Duiguid, 1991; Lave and Wenger, 1991), Gibb (2006) argues that the owner/manager's ability to learn from stakeholders and embed this learning in business development is the key to small-firm survival and growth (a view supported by Lave and Wenger, 1988; and Johannisson, 2000). Collaboration is therefore an important component of the learning process in this context (Schrage, 1991), wherein interacting with other like-minded individuals in a network can *"help foster an environment in which knowledge can be created and shared and, most importantly, used to improve effectiveness, efficiency, and innovation"* (Lesser and Everest, 2001: 46) in a small-firm environment. Intangible assets exchanged in learning relationships include tacit learning, problem solving and experience (Hannon et. al, 2000). Furthermore, Greenbank (2000) found that an owner/manager's reliance on their own experience means that they are at the mercy of its quality and appropriateness and also their willingness to reflect upon and analyse the information that has been absorbed. Finally, Down (1999) argues that if a small-firm is integrated particularly through information exchange relations with other firms that have different knowledge contexts and resources, then the potential for enhanced learning might be improved.

## **PROPOSING A LEARNING NETWORK MODEL FOR MICRO-FIRMS**

Having explored the literature review and tabulated the key themes in relation to micro-firms, learning, and networks, a number of factors are revealed that impact owner/manager learning in the micro-firm network setting (Table 2).



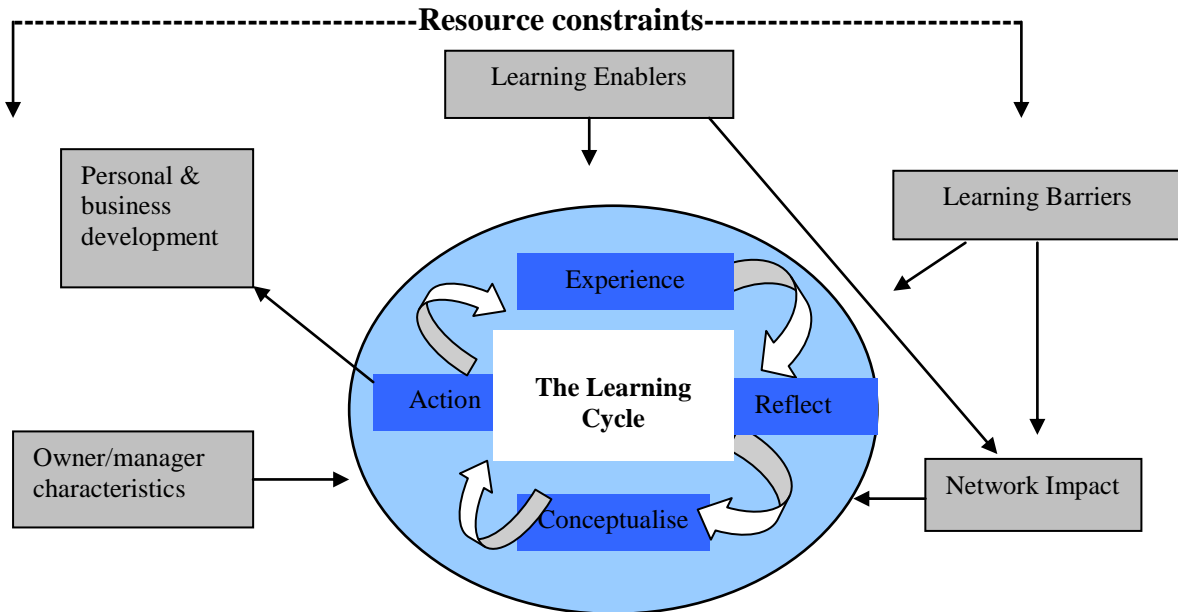
**Table 2**  
**Key themes from Literature Review**

Theme	Criteria	Influence/Impact
Micro-firm owner/manager characteristics	Informal Planner Poor analytical skills Opportunistic & intuitive	Low identification/analysis of learning needs Crisis management Value business experience
Resource Constraints	Time  Limited Human Resources  Financial	Immediately applicable learning is valued Little opportunity for developmental learning/reflective thinking  No expertise (learning requirements) Little impetus for developmental activity  Little investment in learning & training Need to see immediate value added
Learning Barriers	Owner/manager inability to reflect  Established management practice, views & norms  Low autonomy/ responsibility  Perception of relevance of subject/ material  Learning structures  Ineffective learning relationships	No reflection no action  May not open to change  Learned helplessness  Low levels of engagement in the learning process  Reinforce learned helplessness  Reliance on informal information to aid decision making
Learning Enablers	Learning tools to aid reflection  Learning structures  Effective learning network relationships	Reflexive practitioner role developed  Increased ownership of the learning process  Facilitate & enhance individual learning in the network setting
Network Impact	Learning structures  Stakeholder learning relationships	Engagement, contribution Reflection and anchor  Share different knowledge contexts and resources Challenge & enquire

These themes informed the subsequent framework (Figure 2), in which Kolb's (1984) model is adapted to show the relationship between owner/manager learning and the impact of the network environment on that learning.

**Figure 2**

**A framework for owner/manager learning in a micro-business network environment**



Reinl and Kelliher (2008), adapted from Kolb (1984)

## THE IRISH TOURISM SECTOR

Having derived the micro-firm learning network framework, the authors' sought to explore this model in a practical setting. Acknowledging that micro-firms are not a homogenous group (Duhan et al., 2001), particularly in relation to learning (Devins et al., 2005; Johnson, 2002), the authors' focused on a specific sector (as recommended by Roper, 1999) – that of the Irish tourism sector. Tourism is the largest and most important component of indigenous industry within the Irish economy, contributing an estimated 6.1 billion Euros to national revenues in 2006 (Department of Arts Sports and Tourism, 2007). In total the sector comprises 16,500 enterprises (Fáilte Ireland HRD Strategy, 2005), ninety percent of which are micro-firms. The importance of the role that micro-firms play in the tourism sector has only begun to emerge in the last few years: Thomas and Thomas (2006) accentuated the role that micro-firms play in shaping the tourist experience and influencing the development and reputation of tourist destinations, while Morrison and Teixeira (2004) emphasise the importance of micro-firms in maintaining the future market for tourism. Ireland

outperformed its European counterparts in the 1990s but has become less competitive over the last decade in the tourism context. Therefore remaining competitive requires the improvement of the *'quality and appeal of the tourism product'* (TPDS, 2007-2013: 1). As the development of the tourism product relies on the people involved in delivering that product; expanding the skills, competencies and capabilities of these individuals is vital. This is not without its challenges however as the learning needs of this diverse cohort are highly differentiated. According to Fáilte Ireland (2004), the Irish tourism development agency, small Irish tourism businesses can struggle to provide an environment within which sustained and developmental learning takes place, particularly when coupled with severe resource constraints and a suspicion of formal academic training (Morrison and Teixeira, 2004; Hannon et al, 2000; Smallbone, 1990). Taking these factors into account, Fáilte Ireland established the Tourism Learning Network (TLN) initiative in 2006 in order to cluster small tourism business owners and managers in the hopes of future collaborative activity and effective learning (a view supported by: Tinsley and Lynch, 2007). This initiative emerged from the Fáilte Ireland Human Resource Development Strategy for Irish Tourism (2005-2010: 75) and provides the learning catalyst in the context of this research.

## **AN ACTION RESEARCH APPROACH**

Grant et al. (2001) contend that researchers who hope to understand the small firm must approach the research, employing a method that takes into consideration the specific characteristics of the small firm and the contextual dimensions of the environment in which they operate. An action research approach has been recommended in the context of learning development (Zuber-Skerritt and Perry, 2002), while many authors support the value of insider research in the small business context (Brannick and Coghlan, 2007; Grant et al., 2001; Hill and McGowan, 1999; Down, 1999). Considering the primary objective of this study was to: *analyse the learning relationships amongst owner/managers within a micro-firm learning network*, the authors felt that an action research approach would capture and

facilitate the contextual and collaborative contribution that owner/managers involved in the TLN programme can make, by taking the opportunity to observe them from an ‘insider’ perspective. Researcher participation in the TLN fulfils the requirement for ‘closeness’ in the micro-firm setting (Down, 1999; Gibb, 1983; Devins et al., 2005; Hill and McGowan, 1999), and allows the researchers to understand learning in the context that it occurs (Down, 1999). The action research approach capitalises upon the value of the ‘insider’ view afforded to the researchers in their roles as research assistant working in the observed TLN and academic liaison interacting with the TLN support team and participant firms. This allowed the authors to observe the TLN support office, TLN participants and academics/mentors over a two-year period from the vantage point as member or ‘insider’ of the support team (an approach utilised and recommended by many, including: Riordan, 1995; Mumford, 2001; Brannick and Coghlan, 2007).

The applied data collection techniques (observation, focus groups, and internal and public documentation review) also facilitate the capturing of a range of experiences, attitudes and opinions (Patton, 1990) and preferences (Devins et al., 2005), an integral element of this research study. This research approach requires the researchers to take on multiple roles: that of researcher and academic liaison and on the other hand the role of insiders within the system. Notably, Herr and Anderson (2005) advise that ‘dual role’ complexity (created by the researcher as insider environment) be addressed and incorporated into the research methodology, an approach enacted in this research through both authors’ maintaining reflexive diaries (Saunders, Lewis and Thornhill, 1998) throughout the study, as a means to record choices and their consequences (Reason and Bradbury, 2001).

In terms of data management, Susman and Evered (1978) argue that the focus of action research is upon the modification of relationships within the system under study in order to generate communication and problem solving skills. Thus, action research supports the need

for qualitative methods when researching the micro-firm (Burrows and Curran, 1989; Curran and Blackburn, 2001) as it mirrors the way that micro-firm owner/managers do business (Grant et al., 2001). Brannick and Roche (2005 in Brannick and Coughlan, 2007) and Zuber-Skerritt and Perry (2002) contend that theory development in action research is brought about through a cyclical process, which involves two action research cycles, which operate in parallel. While one cycle focuses upon the core research project the other is a reflection cycle that inquires into the enactment of the core research project. Action research contributes to the development of theory through action taking that is guided by theory and supported and revised through evaluation (Susman and Evered, 1978). This study maintains this ethos, applying amendments to the TLN based on participant feedback with the action process, as discussed in the findings, ultimately pursuing the research objective.

### **FÁILTE IRELAND'S TOURISM LEARNING NETWORK INITIATIVE**

The learning catalyst in the context of this research study is the Fáilte Ireland Tourism Learning Network South and South East (TLN). This TLN has been developed by WIT Business School in conjunction with Fáilte Ireland to provide tourism-related businesses with a substantial business development programme while also developing a closer relationship with specific industry sectors. The observed TLN has over 140 small tourism owner/managers participating in the programme, whose business interests range from traditional bed and breakfasts to hotels, heritage sites and marine activities. The TLN support team constitutes a programme manager; three staff and three research assistants, and an academic liaison team, and operate out of the WIT Main Campus and a regional office based at Cork Institute of Technology. Learning within the network is enhanced with the involvement of other agencies who are partners in the initiative, including the LEADER companies throughout the relevant regions and a number of local authorities. Initial capability analysis is addressed in the TLN programme with a focus on capturing the learning status of the participant on entry to the network through an individual learning needs analysis (LNA)

which each participant completes when commencing the programme. The LNA provides a tangible statement of existing level of capability across a number of functional areas in the tourism enterprise, and facilitates the participant in the process of setting action-oriented objectives, to enhance key capabilities. Each participant is then assigned to a learning set composing up to 12 entrepreneurs meeting 6-8 times throughout the year, ensuring the recommended network ethos is embedded in the programme (as advised by: De Faoite et al., 2003; Morrisson and Teixeria, 2004; Ahmad, 2005). A trained facilitator is matched to each learning-set on the basis of the development needs of the individual participants, combined with local industry development requirements. Generally, these sets are geographically allocated, though in some instances, they can be themed by product orientation; and allow tourism businesses to raise a broad range of issues, from marketing to product development, to requests for tourism research, which are then highlighted in the web community. The learning sets are complemented by two residential ‘networking events’ where all 140 tourism businesses in the network congregate, typically in a member hotel, for two days of interactive workshops on a range of business development issues across such areas as marketing, the regulatory environment, Information Technology, tourism enterprise development and human resource management. Thus, participants are supported in achieving self-directed learning objectives through a number of complementary learning interventions, which inform individual tourism business development plans (TBDP). The underlying goal is for perpetual action-led learning to be achieved through interaction with the learning sets and the wider TLN and to embed the learning network ethos in individual mindsets.

## **RESEARCH FINDINGS**

The principal objective of this research is to: *analyse owner/manager learning in the micro-business network environment*. Addressing this research objective required the researchers to gain a contextualised understanding of the learning environment. The adopted research approach allowed the authors to explore micro-firm owner/manager learning in the network

through researcher immersion in the learning environment. The value of presenting these findings is in mapping the criteria that influences owner-manager learning in a network environment and these findings will subsequently inform the framework for micro-firm owner/manager learning in a network environment (Figure 2).

The findings show a majority preference for immediately applicable action learning, reinforcing the views of Lawless et al. (2000) in the literature review. The group also displayed a preference for drawing on previous experience and knowledge, as they were *‘attending the university of life’* (Participant feedback, 2007), much like that described by Storey and Cressey (1996), Sullivan (2000) and Hannon et al. (2000). It is also evident that formal learning needs analysis, specifically the completion of LNA documentation, was not initially seen as valuable in terms of a continuous learning or development. While some participants did not have any difficulty *‘filling it out’* (Participant AP1, 2007), they questioned the LNA value in relation to their business, although the participants subsequently agreed that the document had focused them on what they had to do to develop their businesses (Table 3).

**Table 3**  
**Sample comments from TLN participants**

Relevance	LNA terminology	Reflection
‘I just ticked the boxes’  ‘...we didn’t know if it was going off to the outer Hebrides’.	‘I would need a dictionary beside me to understand some of the terminology’	‘I would put a lot more thought into it now’  ‘Much more focused about the business now’
‘People management is not relevant to the small business’	‘The language is all wrong’  ‘...even though this is not our everyday language...’	‘Had I kept in mind that it didn’t all have to relate to me it would have been easier’  ‘...very beneficial in terms of clarifying my thought process.’

Terminology and relevance are major barriers to the analysis of learning needs: *“the LNA was the first thing I knew about the TLN programme and I had no idea what most of the document meant”* (Participant BP5, 2007). This indicates that support at pre-entry phase would be a learning barrier release for micro-firm owner/manager learning in the network environment. **(Framework: Pre-entry support)**

When questioned if their learning needs was something that they had given any thought to since filling out the LNA, participant BP3 stated: *“I take the opportunity from time to time to flick back over the LNA document, if I was writing it again it would be completely different”*. All participants agreed that they would fill the document out differently if they had to do it again. BP2 stated that they *“had not gone over it [the LNA] yet but would in time”*. These findings suggest that making time for reflection is difficult for participants, consolidating the findings of Devins et al. (2005), Welsh and White (1981) and Kelliher (2006). The group demonstrated willingness to take ownership of the learning process but tools and structures are required to facilitate this, as proposed by Morrison and Teixeira (2004) and Ahmad (2005) in the tourism context. **(Framework: Learning structures)**

Findings show that there is evidence of peer learning and group interaction in the network supporting the views of social learning theorists (Brown and Duguid, 1991; Lave and Wenger, 1991) that learning emerges from networks of relations (communities of practice). There is some evidence to supports Downs’ (1999) contention that learning can be socially constructed, participants remarked that the network was effective in the facilitation of peer to peer learning however findings suggest that a stronger emphasis could be placed on this type of learning as it offers the opportunity to encourage and support deeper levels of learning in the micro-firm context. **(Framework: Facilitate peer learning and interaction)**



Participant discussion confirms the value of peer reflection and analysis: *'It definitely brought me back into thinking, lovely to meet other small business people'* (BP3, 2007) while others (AP5 nodding to AP4) believe the TLN *'is a fantastic opportunity for new businesses to learn from mistakes that we've all made over the years'* (**Framework: Peer reflection**). The authors noted undertones of disappointment among some of the group that this 'life experience' was not being tapped into on a more regular basis, however the quality and accurateness of the group's own information and experience is not always conducive to effective learning and business development suggesting the need for the process to be facilitated. The relative effectiveness of the TLN learning interventions in relation to network-based learning can be seen in the context of participant feedback (Table 4).

**Table 4**

**TLN learning interventions and effectiveness**

<b>Intervention</b>	<b>Effective</b>	<b>Ineffective</b>	<b>Learning value</b>
<b>LN meetings</b>	Depends on facilitator  'Queries are always answered at the LN meetings... great for local information'	'...don't feel that the facilitator...talking shop, no control'  Talking shop with no finality  'If we didn't have x (facilitator) there to step in and control the meetings.....'  '...not very focused.'  '...objectives are way too broad'	'from the facilitator'  'What we share with each other'  'I feel drowned out by the bigger businesses'
<b>Residential events</b>	'Excellent'  'Very relevant to the small business'  'ten out of ten'  'You will always take something even if it doesn't suit...'  '...very positive ...meeting other like minded people'		<ul style="list-style-type: none"> <li>• Presentations</li> <li>• Networking</li> <li>• Each other</li> </ul>
<b>On-line marketing</b>	'Brilliant'		'...so <u>relevant</u> to everyone'

<b>Pricing &amp; Finance</b>	'Highlight of the whole training event'.		'He made the information <u>very simple....</u> '
<b>One to ones</b>	'Not long enough but very helpful in terms of learning'  'I could talk more freely, not as restrictive'  'Clarified the mind, I left with more questions than answers'	'Very one way...I didn't benefit from it'  '...a complete waste of time.'	'I enjoyed the one to one environment'  'I found that I was answering or laying out my business strategy, which was helpful but I didn't get any solutions or opportunities to discuss particular problems'
<b>Extranet</b>	'So much information to contend with at the start of the programme'  'Great for local information'	'the information gets lost in the extranet'  'It takes ages to trawl through it'	'Time is an issue if I could give it 10 minuetts a week it would help'

Findings of the study reveal that formal training interventions are successful and that participants demand relevance to their own business environment, supporting Gibb's (1997) contention that there must be competency of the network as well as of the businesses involved. Individual one-to-one sessions are more successful with members that appear more willing and open to reflect on their learning needs and analyse their business problems (Table 4), while more action-focused participants appear impatient that solutions are not provided to their own business concerns and problems, confirming Kolb's (1984) contention that reflection is viewed as a disturbance to action, despite Garavan and O'Cinnede's (1994) warning that this approach *'preludes learning'*. Finally, while findings show that learning expectations were exceeded they were not well developed initially, supporting the need for assistance at pre-entry phase. **(Framework: Support at pre-entry phase)**

Findings suggest that relevance is vital if reflection and deep learning are to take place. Notably, reflection does not necessarily equate to action, and there is evidence that the owner/manager does not see the value of reflection, suggesting that some form of additional support is required to assist micro-firm owner/manager learning in this setting. The

owner/manager needs assistance to develop learning competencies in order to anchor learning in the micro-business environment (Wyer et al., 2000). **(Framework: Follow up)**

Although analytical skills appeared poorly developed initially, they did show signs of improvement as the TLN progressed (Table 5).

**Table 5**  
**Development of network participants' analytical prowess**

Sample comments by focus group participants			
<b>Prior behaviour &amp; views</b>	'...before you just get stuck in a run and forget about improving...'	'I just ticked the boxes...'	'It was before we knew that there was a right or wrong way to do it.'
<b>Reflective process</b>	'Now I think about everything I do from my customers perspective'	'If I had just remembered that it didn't all have to relate to me then...'	'expanding skills and knowledge that are already there...'
<b>New behaviour &amp; views (Learning impact)</b>	'I feel that I will now pick other things to learn.'	'I would go about filling it out completely differently now'	'I would be much more focused now on my business needs'

Network involvement appeared to boost the confidence of participants and they began to think more strategically about their learning needs – offering a clear indication as to the benefit of network involvement (Devins et al., 2005; Hannon et al., 2000; Morrison and Teixeira, 2004) from a small-firm perspective. Group interaction and collaboration were found to be particularly valuable in this context, reinforcing the findings of Witt (2004) in relation to resource sharing impact on network success. As articulated by participant AP1: *'we have a lot more knowledge to share than we realise'*. Participant willingness to assist each other was evident throughout the research, even in the wider network. **(Framework: Modify learning structures to facilitate collaborative learning and reflection)**

The most successful learning relationships between participants and trainer/presenter appear to be evident where practical learning occurs and where that learning can be applied (Table 6)

**Table 6**  
**Statements of learning and intended application**

<b>Intervention</b>	<b>Learning</b>	<b>Application</b>	<b>Source/Tools</b>	<b>Barriers</b>
Residential	‘Learning and ideas are generated at these events and these ideas can be brought back to the group’	Using what had been learned a calendar promoting the groups collective businesses was produced  New pricing strategy	TBDP  Top tips sheet  Evaluations  Focus group	
On-line marketing training	I couldn’t wait to go back and apply it’	Learning applied	Class/presenter notes	Time
Pricing & Finance Master class	‘Busy fool, we’ll never forget that phrase...’  ‘...food for thought, even though my product was not priced right, I had no means to make changes’	New pricing structure	Notes & Formulas Provided by trainer	Regulatory restrictions

There are several examples where changes were introduced to participant businesses with immediate results. One participant (BP3) commented that he analyses his actions in the business now to a greater extent. Another (AP6) explained that from the learning she had received on the programme (pricing) had changed her opinion about the voucher system<sup>3</sup>. These examples are exemplary of changes in behaviour and views (much like that described in Chell and Baines [2000] and Johannisson’s [2000] work). These ‘stories’ of successful implementation of learning narrated by participants appear to motivate others in the group, reinforcing the findings of Gregory (1994) and Revans (1982). Participants were also interested to hear other perspectives on implementing learning at residential events. These findings support the views of Schaper et al. (2005), Hannon et al. (2000) and Jack et al. (2004), all of whom found that network interaction results in the improvement of

<sup>3</sup> The B&B voucher system refers to a system where B&B properties are listed with a travel agent. Vouchers can be pre-booked and purchased through the tour operators by visiting tourists. The B&B owner pays a fee to be listed as an approved accommodation provider under the scheme.

owner/manager competencies and ultimately in the improvement of business performance. Tools and interventions that facilitate reflection are therefore a learning barrier release in the micro-firm context and as such will inform the framework on owner/manager learning in the micro-business environment. **(Framework: Tools and intervention to facilitate reflection)**

Findings show that feedback varies from one LN to another regarding the effectiveness of the learning relationship between facilitator and participant (Table 4). Service consistency represents a learning barrier in the context of this particular intervention and it requires clearer communication from the support office to participants and facilitators. **(Framework: Communication and best practice sharing)**

Findings also reveal that the support office is important to participants on a number of levels and the TLN support team are instrumental in facilitating individual learning. There are however indications that the structure of the network reinforces learned helplessness to an extent for the micro-firm owner/manager. The degree of resource dependency (cited as variables in the effectiveness of this participant provider relationship) is amplified in the micro-firm context and as such learner autonomy must be encouraged in this environment if the learning relationship is to be successful. Specifically, if the micro-firm owner/manager is unable to develop learning competencies in the network environment due to the unique constraints which impact on the learning process outside of the network environment, he/she may become reliant on existing structures of the TLN and ownership of the learning process is not assumed by the owner-manager in this case. Responsibility for this must be equally understood by both parties and facilitated through the support office so that provider learning dependencies do not occur. **(Framework: Facilitate learner autonomy through the development of learning competencies)**

## DISCUSSION

The key themes forthcoming from the research findings are outlined in Table 5.

**Table 5**  
**Research findings: key themes**

Theme	Theory	Findings
<b>Micro-firm owner/manager characteristics</b>	Informal Planner Opportunistic & intuitive  Poor analytical skills	Emphasise action over reflection  Support required at pre-entry phase
<b>Resource Constraints</b>	Time: Immediately applicable learning is valued  Human: No expertise (learning requirements)	Structures & tools developed with time constraints in mind (Build into existing learning structures)  Require support to identify & articulate learning needs at pre entry phase  Learning competencies require development
<b>Learning Barriers</b>	Owner/manager inability to reflect Autonomy/ responsibility  Relevance	Learning tools and structures required to enable reflection and encourage autonomy  Communication & sharing best practice
<b>Learning Enablers</b>	Learning structures to assist reflection & learning  Learning tools & facilitated learning structure to assist reflection & peer learning	Pre-entry support Customer management <ul style="list-style-type: none"> <li>● Peer reflection &amp; analysis</li> <li>● Group interaction &amp; analysis</li> <li>● Learning tools to apply learning back to the individual business</li> </ul>

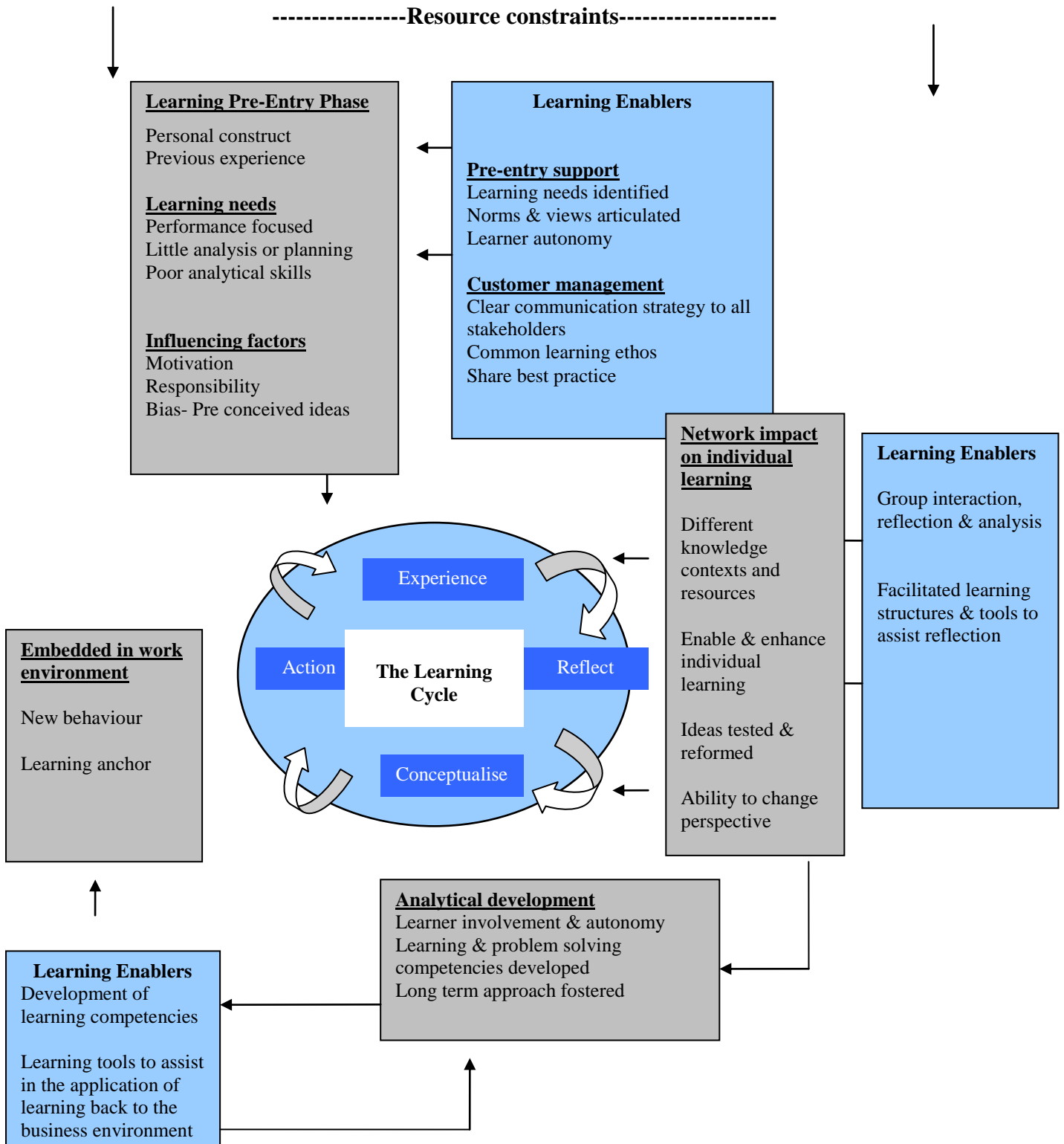
Key findings indicate that the micro-firm operates within a very competitive environment, this coupled with significant resource constraints results in an incremental, reactive approach to learning in this environment. The structure and informal management style found in the micro-firm suggest that owner/manager influences business learning, suggesting that supports are required to assist the micro-firm owner/manager to engage effectively in the learning

process. These individuals display a preference for action learning and relate learning back to their own experience, therefore relevance is demanded to engage these learners. The concept of reflection is difficult for owners' as they prefer to focus on immediately applicable learning, and reflection when it does take place does not necessarily equate to action. The identification of learning needs is a difficult and unfamiliar process in the micro-firm environment. Findings show that learning needs are not well developed initially, necessitating support at pre-learning phase to assist owner/managers to articulate norms and establish learning needs. Peer experience is valued in this setting, however facilitation of this form of learning is required to ensure the quality and appropriateness of the group collective experience. Furthermore, the success of other learning relationships identified in this study depend upon a number of factors including the practicality and relevance of the material and an opportunity to apply learning back to the participants own business environment. The expertise of those in a facilitator/presenter role needs to be established to ensure buy-in to the learning process from micro-firm owner/managers. Finally, findings suggest that the TLN support office is important to participants on a number of levels. The degree of resource dependency (cited as a variable in the effectiveness of this participant provider relationship) is amplified in the micro-firm context and as such learner autonomy must be encouraged in this environment if the learning relationship is to be successful. Responsibility for this must be equally understood by both parties and facilitated through the support office.

These findings facilitated the development and subsequent refinement of the framework for owner/manager learning in a micro-business network environment (Figure 3).

### **Figure 3**

#### **A framework for owner/manager learning in the micro-business network environment**



**CONCLUSION AND RECOMMENDATIONS**



This research sought to explore the learning relationships amongst owner/managers in a micro-firm learning network environment. In light of the reviewed literature and research findings the authors propose that the framework for owner/manager network learning (Figure 3) captures the unique learning environment of the micro-firm and shows how learning relationships in a network environment influence individual learning and capability development in this context. The research suggests that the following recommendations may improve owner/manager learning in a micro-business environment.

### **Learning structures**

Residential events and other classroom-based training should be incorporated into micro-firm learning structures. Formal learning interventions such as residential events, allow the micro-firm owner to take time out of their business and engage in the learning process. Less formal learning structures could be facilitated to support learning in this time-constricted environment. It is evident that some learning structures and tools can reinforce learned helplessness thus creating the false impression that learning ownership among this group is not strong. Based on this research study individual learning seems to be more successful among participants that appear more willing to reflect upon and analyse their business problems and learning requirements. However a strong preference for action focused learning was evident throughout the research; reflection needs to be encouraged to ensure effective learning takes place in this environment. Finally, the most successful learning relationships provide practical learning and equip participants with learning tools that provide an opportunity for that learning to be applied. This finding supports the view that relevance and reflection are both key criteria for the achievement of deeper levels of learning. It also suggests that the micro-firm owner/manager requires an opportunity to apply learning back in their own business environment, resource constraints make it unlikely that this will occur outside the network environment unless follow-up support is available.

### **Pre-entry support**

The identification and articulation of learning needs are required early on in the learning process to ensure that a level of autonomy can be developed among micro-firm owner/managers. Support at this stage of the learning process would be a learning barrier release in the micro-firm context as the vast majority of owner/managers will not have undertaken any form of learning needs analysis in the micro-business environment. This support would bridge the current gap in the micro-firm learning process where views and norms of the owner/manager are unidentified and unarticulated. Pre-entry support would be a learning barrier release in this context transforming the learning process from learning product to process in this environment.

### **Action/reflection balance**

There is a majority preference for action learning in this environment and participants also draw from their previous experience. There research shows evidence of peer reflection and analysis in the network environment and focus group discussions provided evidence of the value of this peer-to-peer learning in the reflection and analysis phase of the learning process. Findings also reveal analytical process development in this setting. Tools and structures to facilitate individual and peer reflection could be built into learning structures (bearing in mind the severe time constraints identified in this context) to assist deeper levels of learning in this environment. There is evidence that this type of forum results in a more strategic approach to learning being developed.

### **Learner autonomy and competency development**

The importance of reflection to the effectiveness of the learning process has been proven. Yet findings also show that reflection does not appear to necessarily link to action in the micro - business environment. Findings reveal that owners want to manage their own learning and are willing to take ownership of the process but a level of competency/skill is required to successfully achieve this, which is supported in the proposed framework (Figure 3).

The research has shown that the micro-firm is unique in the learning context thereby requiring specific supports at different phases of the learning process to engage successfully in double loop learning and embed that learning back in the business environment. The network environment can provide these supports or learning enablers as outlined in the preceding recommendations. It could be argued in light of the findings that the network provides a learning environment which encourages, supports and enhances the development of analytical skills and learning competencies whilst also providing a knowledge intensive resource for its members. While certain learning structures act as learning enablers, other tools appear to reinforce behaviour that is counter productive to deep learning. Several tools are utilised within this network to assist learners to put what they have learned into action within their own firms, however resource constraints must be kept in mind, as learning may not be applied if there was not some form of follow up, and further research would seek to explore these criteria in greater depth.

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