

Curriculum content for small business management modules

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This study investigates the curriculum of Small Business Development with special reference to modules dealing with the small business such as Growing of a small business, Small Business Marketing and Small Business as natural port of entry. The study concludes with a generic curriculum framework and suggestions from small businesses to bridge the gap between the higher education and the business world.

Keywords: External advice for small businesses is from the private sector. Educate students regarding the basic elements of business. Small business management curriculum. Content in higher education institutions. Higher education authorities

Introduction

The formal education authorities and the private sector have recognised the need for a curriculum, which will enable students to acquire knowledge, basic skills and appropriate attitudes with respect to the business world and entrepreneurship.

The vital role that small businesses play in stimulating economic growth and job creation has been recognised by both higher education authorities and the South African government (Naude 2004:10). The unemployment rate of 39 percent in 2007 is still unacceptably high, despite reports that the official rate of unemployment has dropped by nearly six percent (Cull, 2007:12). The need to educate students regarding the basic elements of business and to stimulate students' interest in entrepreneurship should be a driving force for the development of small business management curriculum content in higher education institutions.

It is certainly the case that curriculum was a matter of intense debate during the twentieth century, and the debate will continue during the twenty first century. Jeevanantham (1999:4) states that while there are many high-quality programmes in South African higher education, it is evident that the higher education sector as a whole is not in good form to meet the main challenges of the new dispensation. There is a need for higher education institutions to respond to the changing environment in a positive, learner-centered manner with quality curriculum forming one of the fundamental principles guiding the process of transformation (Department of Education, 1996:2).

Mdladlana (2003:1) indicates that the success of the Skills Development Strategy in South Africa is based on a common ambition driven by a set of objectives and targets. The main objectives are to develop a culture of high quality lifelong learning; encouraging skills development in the formal sector; increasing skills through social development programmes; and supporting skills development in small businesses. The competence-based curriculum produces graduates who are better prepared for their future management tasks, students who have learned to adapt to change and to adapt their abilities to a variety of contexts and situations, developing managerial competencies for a turbulent world (Pacheco, 2000:6).

Business management modules

The Business Management modules and chapters dealing with small businesses formed the basis and comparison of the needs of small business owners, namely:

Creative Entrepreneurship

In the small business section of the module "Creative Entrepreneurship" for first year students, they are taught why most entrepreneurs enter the business world via the small business sector and also to gain

understanding of the differences between small and large enterprises. References are made to strengths and weaknesses of small enterprises; reasons for small business failure and the role of government in small business development (Struwig, 2002:71).

Growing a small business

The outcome of this second year module is that students will be able to understand the growth process in small businesses and confront issues arising owing to growth in small businesses. Content matter of this module:

- Analysing growth in small businesses. The student will be able to identify growth and what it encompasses in a small business.
- The life cycle of business ventures. The student will be aware of the growth phases in small businesses and will demonstrate an understanding of aspects occurring during each phase.
- The entrepreneurial manager. The student will be able to identify the management orientation needed to handle growth in small businesses.
- New venture team formation. The student will understand new venture team formation in small businesses.
- Ensuring proper opportunity utilisation in a growing small business. The student will be able to use marketing at the different stages of growth in a growing small business.
- The implications of growth on financial management in a small business. The student will be able to understand the financial implications of growing a small business (Verhoeven & Mayhew, 2000).

Small business marketing

The outcome of this third year module is that students will be able to market their own small business. Content matter of the module:

- Building your own marketing plan. The student will comprehend the nature and importance of compiling a marketing plan before participating in any marketing activities.
- Selecting your customer. The student will demonstrate the ability to explore and engage in the selection of customers.
- Salesmanship and selling. The student will be able to demonstrate the ability to engage in sales activities.
- Distribution management. The student will be able to demonstrate an understanding of the range of distribution activities in the business world and their implication for his/her small business.
- Satisfying your customer. The student will understand the inter-relationship between the customer and the small business.
- Export marketing. The student will be able to demonstrate an understanding of the range of economic activities globally and their implications for South Africa.
- Computers in the small business environment. The student will be able to understand the nature and the value of the computer in the small business environment (Mayhew & Struwig, 2001).

Research objectives

The main aim of this study:

- To evaluate the content matter of the Small Business Management modules
- To make recommendation to stakeholders concerned with curriculum development.

Research design

The triangulation research was used as the primary research methodology. According to Leedy: (1993:139), triangulation research is a compatible procedure designed to reconcile the two major methodologies by eclectically using elements from each of the major methodologies and therefore contributes to the solution of the major problem. The probability sampling method was used whereby the researcher specified in advance each segment of the population that was presented in the sample.

Results and analysis

The hypothesis was tested by means of personal interviews and completed questionnaires were thereafter analysed.

To establish content validity the questions in the questionnaire were designed within the framework of the theory. The content validity was furthermore verified with the help of experts from the Department of Management and the Statistical Consultation Services (STATCON) at the University of Johannesburg.

The questionnaire (excluding the biographical data questions) consisted of forty-eight questions. The forty-eight questions were subjected to a factor analysis (Principle Axis Factoring; Varimax Rotation). "Factoring" comes from factor analysis, a statistical technique for representing a large number of measured variables in terms of a smaller number of unobserved, usually hypothetical, variables. These second-order variables (factors) may be largely uncorrelated, or may have "communality", overlapping with each other.

The factor analysis resulted in the 48 items in the questionnaire being reduced to **twelve factors on first order**. The twelve first order factors (using the Extraction method: Principle Axis Factoring, and Rotation method: Varimax with Kaiser Normalisation) were then further reduced to two factors namely:

Second order factor one, consisting of 26 items with a Cronbach Alpha reliability coefficient of .910. This factor was termed **marketing policy of small businesses**. This factor can be represented by one scale with a maximum value of 3.556 and minimum value of 2.901.

Second order factor two, consisting of 21 items with a Cronbach Alpha reliability coefficient of .883. This factor was termed **the role of small businesses**. This factor can be represented by one scale with a maximum value of 3.661 and minimum value of 2.438.

First Order Factor One was used to indicate what the owners / managers of small businesses emphasize as *extremely important, important, somewhat important and not important* with reference to the present Small Business Management content for Business Management students of University of Johannesburg (Vista University, Soweto Campus).

First order factor one - **Marketing policy for small businesses** reflected a Cronbach alpha coefficient of 0.842. The nine items in this section in essence amounted to attitudes and practices towards the four marketing policies.

*Small business owners indicated the following curriculum content as **extremely important** in this section:*

- To know what licenses and permits are needed to start a new business or continue an existing one
- To be able to devise a pricing strategy
- To know that the outward appearance of a business can affect sales
- To understand the inter-relationship between the customer and the small business
- To be able to engage in sales activities
- To understand the range of distribution activities in the business world
- To assess a potential supplier before making a purchase agreement
- To identify the qualities one will be looking for in order to engage in sales activities

*Small business owners indicated the following content as **somewhat important**:*

- To know the factors that influence pricing decisions

Table1: Frequency distribution – Marketing policy for small businesses

<i>Question and number</i>		<i>Not important</i>	<i>Somewhat important</i>	<i>Important</i>	<i>Extremely important</i>	<i>Total</i>
23. To know the factors that influence pricing decisions.	Count	2	22	86	138	248
	%	.8%	8.9%	34.7%	55.6%	100.0%
24. To be able to devise a pricing strategy.	Count	2	31	93	122	248
	%	.8%	12.5%	37.5%	49.2%	100.0%
25. To assess a potential supplier before making a purchase agreement.	Count	9	24	100	114	247
	%	3.6%	9.7%	40.5%	46.2%	100.0%
26. To know that the appearance of a business can affect sales.	Count	7	26	86	125	244
	%	2.9%	10.7%	35.2%	51.2%	100.0%
27. To be able to engage in sales activities.	Count	6	23	90	128	247
	%	2.4%	9.3%	36.4%	51.8%	100.0%
28. To identify the qualities one will be looking for in a salesperson.	Count	20	25	81	121	247
	%	8.1%	10.1%	32.8%	49.0%	100.0%
29. To understand the range of distribution activities in the business world.	Count	12	45	94	96	247
	%	4.9%	18.2%	38.1%	38.9%	100.0%
30. To understand the inter-relationship between the customer and the small business.	Count	6	23	81	138	248
	%	2.4%	9.3%	32.7%	55.6%	100.0%
47. To know which licenses and permits are needed to start a new business or continue and existing one.	Count	7	14	66	161	248
	%	2.8%	5.6%	26.6%	64.9%	100.0%

First order factor two - **social and ethical roles played by small businesses** reflected a Cronbach alpha coefficient of 0.783. The five items in this section in essence amounted to attitudes, practices and social and ethical responsibility.

Small business owners indicated the following content as important:

- To understand the small business' social responsibility towards the community
- To be aware of the variety of programs to help promote small businesses
- To be aware of skills training courses offered to your employees
- To understand the contribution made by the small enterprise in the economy of South Africa
- To know the ethical role played by small businesses

Table 2: Frequency distribution – Social and ethical roles played by small businesses

<i>Question and number</i>		<i>Not important</i>	<i>Somewhat important</i>	<i>Important</i>	<i>Extremely important</i>	<i>Total</i>
1. To understand the contribution made by the small business enterprise in the economy of South Africa.	Count	13	49	99	86	247
	%	5.3%	19.8%	40.1%	34.8%	100.0%
37. To understand the small business' social responsibility towards the community.	Count	20	42	104	81	247
	%	8.1%	17.0%	42.1%	32.8%	100.0%
38. To know the ethical role played by small business.	Count	17	49	103	79	248
	%	6.9%	19.8%	41.5%	31.9%	100.0%
39. To know the legal issues pertaining to small businesses.	Count	2	12	84	150	248
	%	.8%	4.8%	33.9%	60.5%	100.0%

42. To be aware of skills training courses offered to your employees.	Count	5	27	122	92	246
	%	2.0%	11.0%	49.6%	37.4%	100.0%
48. To be aware of the variety of programs to help promote small businesses.	Count	19	31	113	84	247
	%	7.7%	12.6%	45.7%	34.0%	100.0%

First order factor three - **Marketing plan for small businesses** reflected a Cronbach alpha coefficient of 0.809. The six items in this section in essence amounted to knowledge of a business plan.

*Small business owners indicated the following content as **extremely important**:*

- To understand the importance of drawing up a marketing budget
- To understand market related concepts such as market segmentation, target market and market positions
- To understand the importance of compiling a marketing plan prior to implementation
- To understand the implications of growth on financial management in the business
- To know how to make tactical decisions regarding the product or service offered

*Small business owners indicated the following content as **important** :*

- To identify the characteristics involved at each stage of the growth process of a small business

First order factor four - **Exports markets and small businesses** reflected a Cronbach alpha coefficient of 0.809. The four items in this in essence amounted to a need to be knowledgeable with regard to international trade.

*Small business owners indicated the following content as **important**:*

- To know the reasons why small business avoid the export market
- To use e-commerce in your businesses

*Small business owners indicated the following content as **somewhat important**:*

- To know what exporting documentation is necessary for transactions
- To be able to evaluate the foreign markets

First order factor five - **Labour laws and regulations** reflected a Cronbach alpha coefficient of 0.787. The four items in essence dealt with labour laws and labour regulations.

*Small business owners indicated the following content as **extremely important**:*

- To know the labour laws dealing with hiring and firing of employees
- To know the legal issues pertaining to small businesses

*Small business owners indicated the following content as **important**:*

- To be able to deal with labour unions
- To know how recent labour market legislation's have an impact on your business

First order factor six - **Strength and weaknesses of small businesses** reflected a Cronbach alpha coefficient of 0.699. The four items in essence dealt with weaknesses and strengths.

*Small business owners indicated the following content as **extremely important**:*

- To know the weaknesses of small enterprises
- To know the strengths of small enterprises
- To be aware of the challenges facing the small business owner
- To be aware of the reasons for small business failure.

First order factor seven – **The role of teams in small businesses** reflected a Cronbach alpha coefficient of 0.737. The three items dealt with working teams in a business.

*Small business owners indicated the following content as **extremely important**:*

- To know why new venture teams are successful

*Small business owners indicated the following content as **important**:*

- To understand the formation of teams in new ventures
- To understand that an entrepreneur moves from doing thing to managing things

First order factor eight - **Stages of small businesses** reflected a Cronbach alpha coefficient of 0.685.

*Small business owners indicated the following as **extremely important**:*

- To understand the problems which growth poses on the owner and the small business

*Small business owners indicated the following content as **important**:*

- To understand what the growth stages in small businesses entail
- To be aware of the pre-requisites for a small business to grow
- To understand the problems which growth poses on the owner and the small business

First order factors nine - **Financing** reflected a Cronbach alpha coefficient of 0.806. The two items in this section in essence amounted to knowledge of financing.

*Small business owners indicated the following content as **extremely important**:*

- To know what kind of financing is available
- To know which institutions provide financial assistance

First order factor ten - **Human resources and small businesses** reflected a Cronbach alpha coefficient of 0.715.

*Small business owners indicated the following content as **important**:*

- To know that education (qualification and training) is a prerequisite for managing a business
- To know that many of the characteristics needed for a successful small business can be acquired through study
- To know the channels of recruitment

First order factor eleven - **Decisions and solutions in a small business** reflected a Cronbach alpha coefficient of 0.488.

*Small business owners indicated the following content as **extremely important**:*

- To be able to provide solutions to financial management problems caused by growth

*Small business owners indicated the following content as **important**:*

- To know what factors influence decisions about the benefits of the product or service offered.

Conclusions based on the findings

Research revealed that knowledge of small businesses was essential for those wishing, to start or manage a small business, in order for them to be made aware of potential pitfalls. Higher education could not assume that small business owners and students knew what they would need to learn and consequently a needs assessment of Small Business Management content matter must be conducted. The respondents perceived most of the Small Business content matter as important or very important. Of all the items surveyed the following nine items were ranked as *extremely important* by small business owners (above 90%). See Figure1

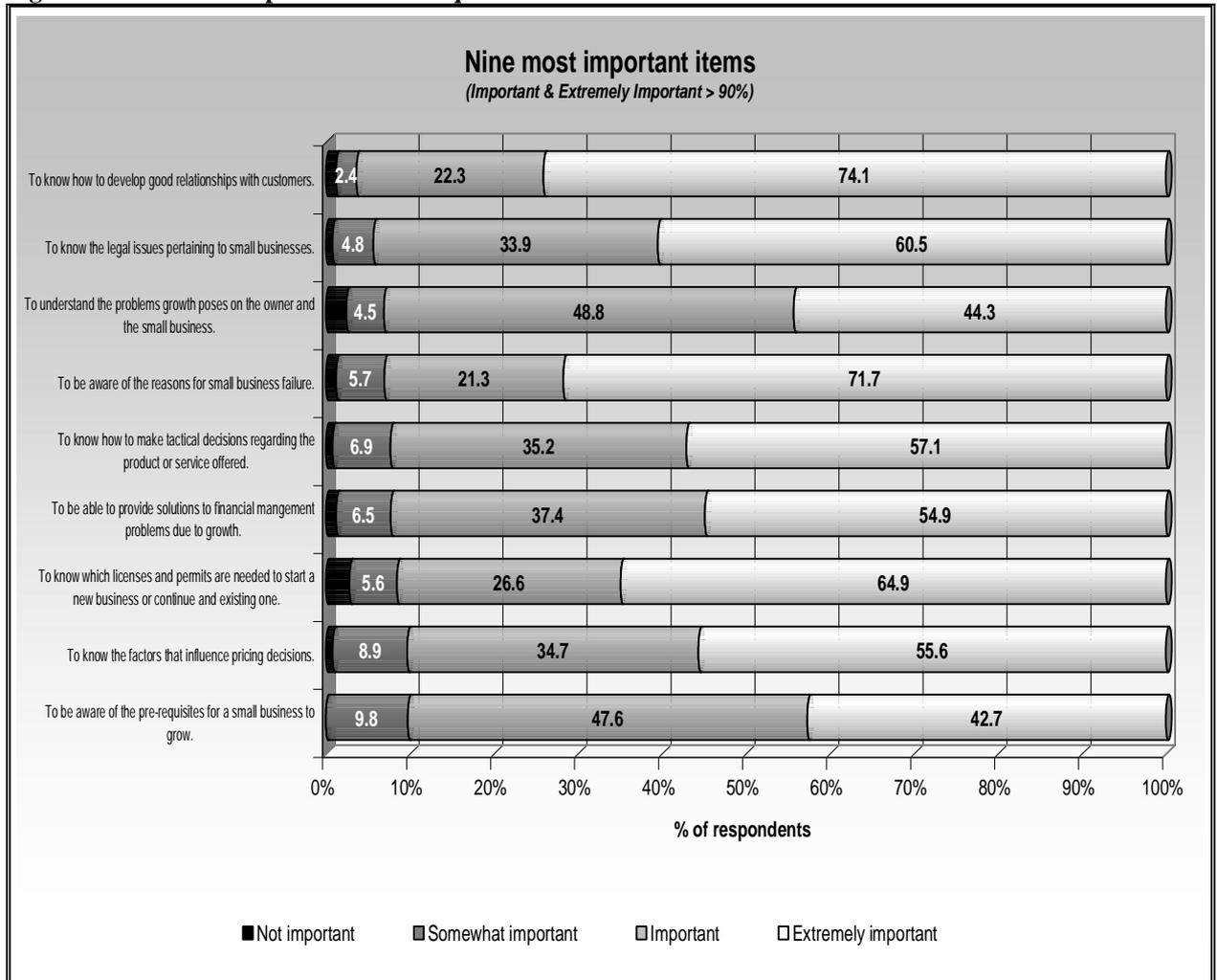
To be aware of the pre-requisites for a small business to grow

To know the factors that influence pricing decisions

To know which licenses and permits are needed to start a new business or to continue the existing business

To be able to provide solutions to financial management problems resulting from growth
 To know how to make tactical decisions regarding products or services offered
 To be aware of the reasons for small business failure
 To understand the problems growth poses on the owner and the small business
 To know the legal issues pertaining to small businesses
 To know how to develop good relationships with customers

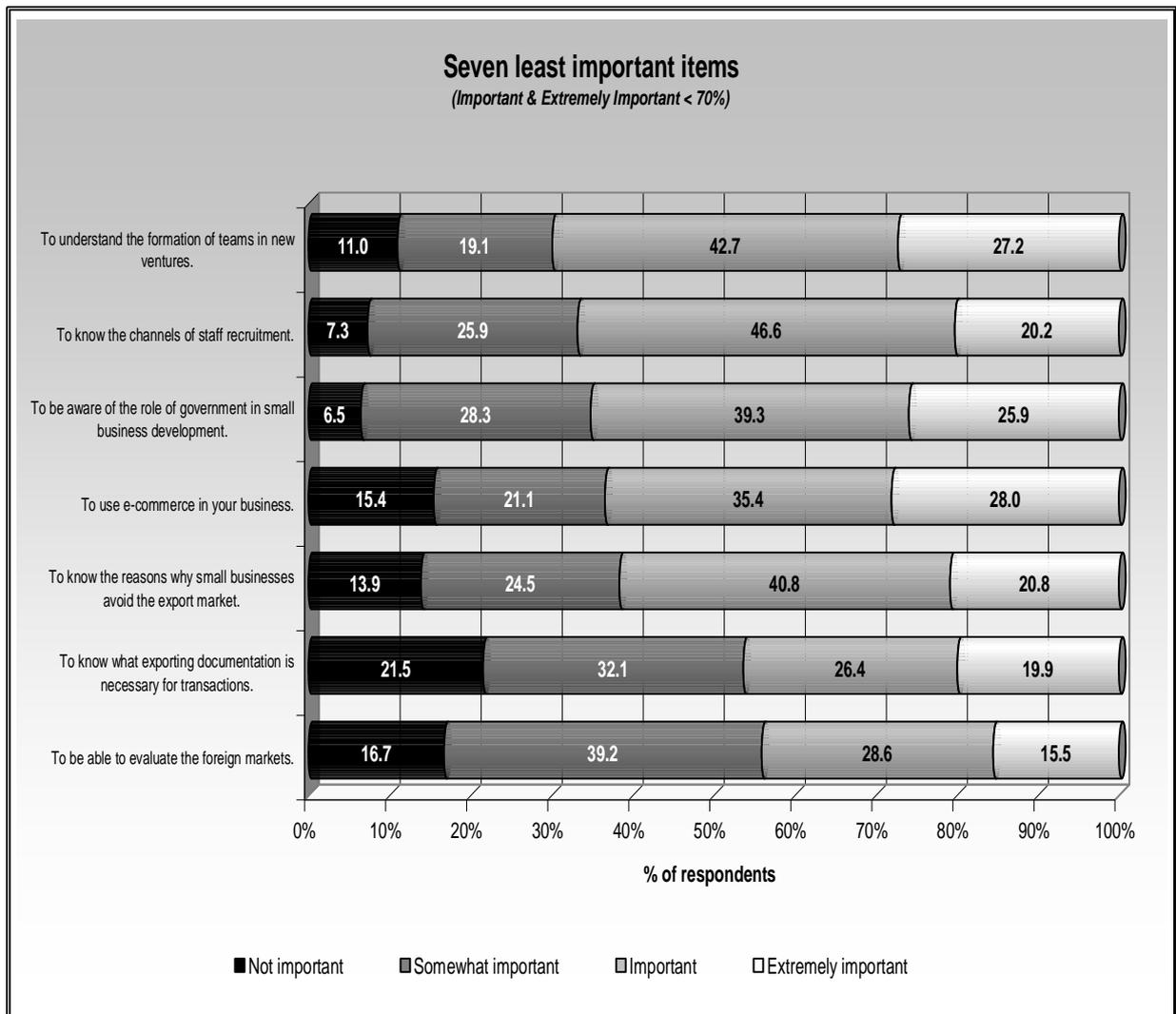
Figure 1 : Nine most important items in questionnaire



Some aspects of the current curriculum for small business development are not relevant to students or owners of small businesses irrespective of the kind of small business. The following 7 items were ranked as *not important* by small business owners. See Figure 2

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

Figure 2 : Seven least important items in questionnaire



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

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

- To understand the importance of drawing up a marketing budget;
- To understand market related concepts such as market segmentation, target market and market positions;
- To understand the importance of compiling a marketing plan prior to implementation;
- To understand the implications of growth on financial management in the business;
- To know how to make tactical decisions regarding the product or service offered.

As far as small businesses are concerned, it is recommended that topics such as the following could be considered as very important: Marketing policy / Finance and budgets / Labour laws and legislation / Legal issues pertaining to small businesses

Recommendations

Understanding learning and curriculum theories and principles is essential for the design and restructuring of effective curriculum programmes. The findings of this research from both the literature overview and the empirical study are consolidated in the following recommendations:

Regarding the Small Business Management content, the small business owners felt that because they were not involved in the selection of subject content, some of the present content was irrelevant to the needs of both students and the business environment. As far as the world of small businesses was concerned, topics such as the following could be considered as most important: marketing policies, finance and budgets, labour laws and legislation and legal issues pertaining small businesses.

The development of a small business curriculum and the creation of new businesses should be seen as a long-term process and the proposed model should be adapted to suit the different small businesses. It is recommended that a democratic process of curriculum development be introduced, which make provision for participation by all the role players. The management process should be a bottom up as well as a top down process with participation on university level, national level as well as participation by the business sector. The curriculum should be based on a modular approach with basic modules being compulsory for all students.

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

Recommended framework for Small Business Management content elements relevant to generic undergraduate Business Management students

The recommended framework of Small Business Management content elements identified as being relevant to generic undergraduate Business Management students. **Sub-category A:** These content elements were considered extremely important (highly relevant) by small business owners. The content elements of **Sub-category B** were considered important (relevant) by small business owners and **Sub-category C** content elements were considered somewhat important and only slightly relevant to small business owners, therefore these content elements warrant only a brief mention.

All role players should be involved in content elements restructuring, through the determination of aims and objectives, the selection of learning material developed for small businesses and the determination of the needs of the students. Small business owners and lecturers consider themselves closer to the students and to society.

<i>SMALL BUSINESS MANAGEMENT CONTENT ELEMENTS</i>	<i>OUTCOME STATEMENTS</i>
<p>NEEDS RELATING TO GROWTH</p> <ul style="list-style-type: none"> • Sub-category A: • Permits and licenses required to start a new business or to continue an existing one • Labour laws and legal issues pertaining to small businesses • Implications of growth on financial management • Problems which growth poses on the owners and the small business • Successful venture teams 	<ul style="list-style-type: none"> • Small businesses need to have knowledge, skills and competence to do proper planning of the various aspects of their business, for example human resources and management, prior to starting and during the growth stages of their business.

<ul style="list-style-type: none"> • Sub-category B: • Characteristics involved at each stage of the growth process • What the growth stages in small businesses entail • Pre-requisites for a small business to grow • How to deal with labour unions • Recent labour market legislation and the impact it has on businesses • Sub-category C • The formation of teams in a new venture • Channels of recruitment 	
<p>NEEDS RELATING TO FINANCE</p> <ul style="list-style-type: none"> • Sub-category A: • Kinds of financing available • Institutions providing financial assistance 	<ul style="list-style-type: none"> • Small businesses need to have knowledge, skills, competence and a sound understanding of all financial elements
<p>NEEDS RELATING TO SOCIAL AND ETHICAL ROLES</p> <ul style="list-style-type: none"> • Sub-category B • Social responsibility towards communities • Ethical roles played by small businesses • Programmes to help promote small businesses • Skills training courses • Contribution made by small businesses in the economy • Which qualifications and training are a prerequisite for managing a business • Characteristics of a small business owner 	<ul style="list-style-type: none"> • Small businesses need to have the correct attitudes, knowledge, practices and social and ethical responsibility.
<p>NEEDS RELATING TO INTERNATIONAL TRADE</p> <ul style="list-style-type: none"> • Sub-category C • Reasons why small businesses avoid export markets • Exporting documentation and transactions • Evaluating the foreign markets • E-commerce in business 	<ul style="list-style-type: none"> • Small businesses need to be knowledgeable with regard to export markets.

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