

<b>Institution: LEEDS METROPOLITAN UNIVERSITY</b>
<b>Unit of Assessment: UNIT 19: BUSINESS AND MANAGEMENT</b>
<b>Title of case study: Improving Leadership in SMEs through Coaching and Action Learning</b>
<p><b>1. Summary of the impact</b></p> <p>Our research has impacted on the development of Small and Medium Sized Enterprises (SME) leadership and management policy and practice over the last decade. Through our knowledge exchange activities with the Council for Excellence in Management and Leadership, the Institute of Directors, the Northern Leadership Academy and the UK Commission for Employment and Skills, we have influenced policy, informed by the interests of the SME community. The research is cited in government White Papers and influential policy papers and continues to have impact at the local level through action learning to support SME development and at the national level through contributions by the Northern Leadership Academy to Government.</p>
<p><b>2. Underpinning research</b></p> <p>The underpinning research highlighted the heterogeneity of the small business population which presents challenges to both researchers and policy planners. Devins and Kinbara (1997) compared differences between UK and Japanese approaches to supporting SME development, particularly with respect to innovation in manufacturing. It was found that policy in the UK was less developed with insufficient attention given to stimulate an investment in the development of systems and procedures to make the most of their employees.</p> <p>Based on data collected over three years from a programme targeted at 40 SMEs in Sheffield, funded by Sheffield TEC, Gold and Devins (2002) switched attention away from generalised notions of tool-kits of techniques, based on a 'one-size fits all' approach to the development of SME leaders, towards a social constructionist view of supporting SME managers and the development of their organisations. This shifted recognition towards understanding the uniqueness of SMEs, the process of formulating organisational culture and the importance of working within it based on the crucial role of talk and conversation that engaged with the interests of leaders.</p> <p>Gold and Devins (2004) showed how coaching constitutes a form of intervention that provides a means of working with the values and interests of SMEs. Drawing on ideas from Bakhtin's dialogism and Vygotsky's socio-cultural theory of human development, they showed how coaching allowed interventionists to gain a unique understanding of the culture of an SME and the way it works and learns. By paying careful attention to values and interests, coaches could create a conversational space to consider problems and desires as a source for learning by leaders.</p> <p>In addition to coaching or mentoring as a helping process for SMEs, focussing attention on the value of talk in the way SME managers make their worlds meaningful also allowed consideration of the social context of SMEs and interactions with others both inside and outside the organisation, approaches that give emphasis to the social in learning. Clarke et al (2006) showed how the non-contrived and informal aspects of learning in SMEs could be simulated by action learning, which could also allow an element of critical reflection to be embraced as well as commitment to take action.</p> <p>Growing recognition of the importance of informal learning also allowed more attention to be given to engagement with SMEs in order to stimulate demand for learning. Gold and Thorpe (2008) considered engagement with SMEs, again taking a social constructionist approach to consider how argument and persuasion are crucial skills that allow interaction which attunes to the needs, desires and interests of SME leaders.</p>
<p><b>3. References to the research</b></p> <ul style="list-style-type: none"> <li>• Devins, D. and Kinbara, T (1997) Competitive Advantage of SMEs in the UK and Japan, <i>Local Economy</i>, Vol 12, No 2, pp133-145.</li> <li>• Gold, J. and Devins, D. (2002) Social Constructionism: a theoretical framework to underpin</li> </ul>

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support for the development of managers in SMEs? *Journal of Small Business and Enterprise Development*, Vol.9, No.2, pp.111-119.

- Gold, J. and Devins, D. (2004), The Value of HRD in Small Firms: The Role of External Coaching. In J.Stewart and G. Beaver (Eds), *HRD in Small Businesses*, Routledge, London
- Clarke, J.,Thorpe, R.,Anderson,L. and Gold, J. (2006), It's all action, it's all learning: action learning in SMEs, *Journal of European Industrial Training*; Volume: 30 Issue: 6; p.441 – 455.
- Gold, J. and Thorpe, R. (2008), "Training, it's a load of crap!": the story of the hairdresser and his 'Suit', *Human Resource Development International*, Vol.11, No.4, pp. 385 – 399.

#### 4. Details of the impact

The research has influenced the development of university-business knowledge exchange, as recommended in the recent Witty Report, through our work with professional bodies such as the Institute of Directors (IoD) and the Northern Leadership Academy. For example, we have worked with the IoD to support the development of programmes to support leadership and corporate governance impacting on over 10,000 directors, many of whom lead SMEs. It has also supported the work of the Alternative Board (<http://www.thealternativeboard.co.uk/explore-board-membership>) as a means of enhancing SME performance. In particular, the social constructionist approach was accepted as the approach to working with SME leaders and managers. The notion of the world of entrepreneurs and SME managers was invoked to counter the devotion to packaged resources that reflected large company requirements but failed to meet the needs of SMEs. It was claimed that there was a need to 'join entrepreneurs in their own world', a world which reflected a valued local ontology. To do this, it was necessary to start with 'a clean sheet of paper' (CEML 2002).

Through work for the Council for Excellence in Management and Leadership (CEML) the research has helped to stimulate demand within professional bodies through the process of building leadership and management accreditation within Continuing Professional Development (CPD) schemes. This was most notably adopted by the Royal Institute of Chartered Surveyors. Working with CEML, our research helped to focus attention on SMEs and Entrepreneurship. For engagement to stimulate management development, CEML suggested the establishment of a network of intermediaries and development partners. This tended to be translated by Government as a need for local agencies with formal and numerical targets.

The research has informed the work of the Northern Leadership Academy (NLA), which has advocated a more varied approach and their principles of good practice for leadership development with SMEs include the need to understand and build from context so that development could take into account the lived experience of managers, including day to day issues and problems (NLA 2008). The NLA has provided a range of interventions, often working with intermediaries such as sectors skills councils and private sector agents who were incentivised to engage with SMEs (Thorpe et al, 2008).

Since 2008, the lessons on engagement and preferred activities have become more embedded. Working with regional centres throughout Yorkshire and supported with funding from the Regional Development Agency, the NLA established regional centres for delivery, providing a combination of Action Learning Sets, peer mentoring and coaching schemes, and 'masterclasses' offering businesses special advice (NLA 2010). These activities gave prominence to the social aspects of learning and the need for trust between provider and manager or between managers as peers. There was growing recognition of the importance of engagement with centres making use of networks that included local consultants, chambers of commerce, external facilitators and recent graduates of MBA/BA programmes.

Drawing on the evidence of NLA activities, a growth programme was developed with partners and delivered in West Yorkshire in collaboration with SEMTA and Proskills. An engagement strategy was developed with local consultants resulting in the recruitment of 28 participants, organised into four action learning sets. Evidence was submitted on behalf of the NLA to the recent House of Lords Committee enquiry into exporting by SMEs (HOL, 2013).

The research has influenced national policy development and discourse in a number of other ways.

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For example, researchers were invited to contribute to the Catalyst Series produced by the Sector Skills Development Agency (Johnson and Devins, 2008) which sought to shape policy development in the UK. Work undertaken on employers 'collective measures' for training and development (Devins et al 2009) had an influence on the *Skills for Growth* White Paper (BIS 2009) with the government subsequently committing to the development of Coaching for Growth as a significant policy intervention (BIS 2012). The analysis undertaken in Gold and Devins (2002) continued to inform policy discourse related to the social and situated elements of SME leadership learning (UKCES 2010). This research points to the value of employer networks as a way of engaging leaders in peer to peer learning that focuses on relevant business issues. Such networks, some of which have been operating for more than 10 years, allow the sharing of ideas and information, including offers of funding for support.

More recently, Leeds Metropolitan University has sought to apply the research by using Higher Education Investment Funds to establish an SME hub, where the aim is to set up networks of 15 owner-managers. One such network is being co-ordinated with Business Alliance (<http://www.businessalliance.co.uk/>), the owner-manager network that featured strongly in UKCES (2010), which has been sustained since 1997. Leeds Met has recently augmented Business Alliance with an action learning process to support the development of the business network.

**5. Sources to corroborate the impact**

Our research has contributed to and is cited in

- CEML (2002), *Joining Entrepreneurs in their World: Improving Entrepreneurship, Management and Leadership in UK SMEs*. London, Council for Excellence in Management and Leadership.
- Gold, J. (2002) *Toward Leadership and Management in the Professions*, London, Council for Excellence in Management and Leadership
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- NLA (2008), Principles of Good Practice for Leadership Development, available from [http://www.northernleadershipacademy.org.uk/wp-content/uploads/2011/10/7164\\_nla\\_leaflet\\_D-prin\\_good\\_prac\\_lead\\_dev\\_PRINT.pdf](http://www.northernleadershipacademy.org.uk/wp-content/uploads/2011/10/7164_nla_leaflet_D-prin_good_prac_lead_dev_PRINT.pdf), accessed 12 May 2012.
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- HOL (2013) Roads to Success: SME Exports. Select Committee on SMEs. online <http://www.publications.parliament.uk/pa/ld201213/ldselect/ldsmall/131/131.pdf>

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