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A model of management learning for occupational therapists in small business in Australia

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USE OF THESIS

The Use of Thesis statement is not included in this version of the thesis.

ABSTRACT

This research sought to identify factors that contribute to occupational therapists developing management competencies when they become small business owners providing professional clinical services. This is an important for several reasons and precipitated by the Australian government's introduction of incentives that encourage health professions to move from employment in public hospitals into the private sector, coupled with a recognition that occupational therapists receive no formal business training in their professional education, and the reported high levels of business failure in the small business sector. A review of the literature established the value of small business to the Australian economy, growth in the health sector generally, and increasing opportunities for allied health professionals to consider starting their own small business. Such a move requires occupational therapists to gain mastery as business managers in addition to their existing professional clinical knowledge and skills.

The context of the research was set with a review of the literature on management development in small businesses, which indicates that professionals starting their own small business often have poorly developed management skills, and some experience high rates of failure. Theories on management development in small business were reviewed, and the conclusion drawn that a gap in knowledge on how occupational therapists develop their management skills existed. These gaps in the literature gave rise to the principal research question, that being 'what factors contribute to the success of occupational therapists as small business owners providing professional services?' Four related questions focused on motivations for starting a business, the management competencies needed, learning management competencies, and perceptions of business success.

The study used a qualitative exploratory approach. Twenty-six female occupational therapists, who were small business owners were interviewed on their

experiences of becoming a business manager. Purposive sampling ensured diversity across backgrounds, prior experience, clinical specialisations, and the age of the business. A thematic analysis of data built an understanding about why and how occupational therapists develop their management capabilities in small business.

The principal factors affecting the development of the participants' business and management skills were the interactions between their initial motivations for start-up, career aspirations, and engagement with external business environments. The participants learnt their business skills through a combination of formal learning prior to starting their businesses, and informal learning once they started their businesses. Lower-level learning occurred in the more routine and operational processes, the 'know-how' aspects of the business. However, most of their higher-level learning was through discontinuous events that had serious consequences for their businesses if not addressed. These higher-level learning events resulted in participants understanding that 'know-why' change was needed, and a transformation in their understanding about themselves as business managers. The participants were central in determining the level of interaction between the resources and capabilities in their internal environments, and engagement with external environments that enable the development of their business and management capabilities.

The findings led to a theoretical proposition on how occupational therapists make the transition to develop their management capabilities and become successful small business owners. A model of business starts with the nascent business owner assessing their business capabilities, learning to identify environmental opportunities and risks, and finally learning to identify and respond to new opportunities and changing circumstances in the external environment, was developed.

DECLARATION

I certify that this thesis does not, to the best of my knowledge and belief:

i. Incorporate without acknowledgement any material previously submitted for a degree or diploma in any institution of higher education;
ii. Contain any material previously published or written by another person except where due reference is made in the text of this thesis; or
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Jeannine Millsteed

11th October 2013

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER 1. INTRODUCTION

This research sought to identify factors that contribute to occupational therapists developing management competencies when they become small business owners providing professional clinical services.

The purpose of this chapter is to provide an overview of the thesis and its organisation. It starts by recognising the value of small business to the Australian economy and then moves on to outline growth in the health sector, and its effect on the provision of health care in Australia. The chapter then proceeds to explain why these changes are relevant to small business, and in particular to occupational therapists who are relative newcomers to the small business sector, and who are required to gain mastery as business managers in addition to their professional clinical knowledge and skills. The context of the study is set by reviewing research conducted on management development and learning in small businesses, including professional service firms, which highlights that a high level of heterogeneity exists across different professional disciplines. Overall, a gap in knowledge on how occupational therapists develop their management knowledge and skills is identified as an issue worthy of investigation. This gives rise to the overarching research question for this study, which is:

What factors contribute to the success of occupational therapists as small business owners providing professional clinical services?

A justification for the study and a brief overview of the research methodology used is outlined. The chapter concludes with an outline of the overall structure of the thesis.

Background and context to the research

The value of small businesses to the economy is recognised globally (Bannock, 2005; Department of Industry Tourism & Resources, 2007c; Storey, 2003). According to the latest data from the Australian Department of Innovation, Industry, Science and Research (2011, p. 3),

Small businesses make a significant contribution to the Australian economy, accounting for almost half of industry employment and contributing over a third of industry value added in 2009-10 , where 'industry value added' is the measure of the contribution by businesses in each industry to gross domestic product. Small businesses contributed around 35 per cent of industry value added in 2009–10, compared with 42 per cent contributed by large businesses and 22 per cent by medium-sized businesses.

The same report notes that in 2010 there were approximately 1.96 million actively trading small businesses, representing 96 per cent of all business in Australia. These businesses provide employment for almost half (46%) of private sector employment and generate an estimated 39 per cent of Australia's economic production (Department of Industry Innovation Science and Research, 2011). The Australian Bureau of Statistics (2004, p. 1) defines small business as one with less than 20 employees. It further categorises small businesses in the following ways.

- *Non-employing businesses – sole proprietorships and partnerships without employees;*
- *Micro businesses employing less than five people and including non-employing businesses; and*
- *Other small businesses employing five or more people, but less than twenty people*.

Successive Australian Governments have recognised the significant contribution the small business sector makes to the economy and the community.

They have introduced policies with the aim of encouraging productivity and labour force participation, which are critical to the nation's long-term prosperity. As a result, small businesses have adopted new technology and embraced e-commerce to reach wider markets and enhance their competitiveness (Department of Industry Innovation Science and Research, 2011).The structural changes brought about by globalisation and technology have resulted in lowering barriers to business operations, and contracting out and downsizing, have opened up new opportunities for small business (Department of Industry Innovation Science and Research, 2011; Premkumar, 2003).

Whereas small businesses have predominantly clustered in certain industry sectors, for example, manufacturing, retail and trades related to construction, industries that traditionally were the domain of large organisational structures, are now seeing some growth in smaller enterprises. For example, successive Australian governments have included the health sector in their structural reforms, and this has encouraged the development of new small businesses that have an allied health focus. In the Australian context allied health professions generally indicate that they are health professions distinct from medicine, pharmacy and nursing, and all allied health professions require a post-secondary degree or higher qualification. Currently the spiralling costs of health services are mainly borne by the public sector so in order to curb this trend, recent Government policies have been intentionally designed to move the burden of cost from the public sector to the private sector (Podger & Hagan, 1999; Productivity Commission, 2006).

In 2006, the Health and Community Services sector employed approximately 1.1 million people in a mixture of public and private agencies, and it contributed 9.7% in economic terms to the small business sector (Australian Bureau of Statistics, 2007). Growth in the Health and Community Services sector has been positive since the 1980s and has increased in recent years. The consumption of health services is increasing due to an ageing population, technological changes, and rising incomes

and wealth, which paradoxically leads to poorer overall health, such as obesity and diabetes. As Australians become more prosperous, their demand for services including medical and health services expands also (Department of Industry Tourism & Resources, 2007a, 2007b, 2007c). Predictions are that growth will continue (Productivity Commission, 2006), and there are opportunities for allied health professionals to expand out of the public sector into the private sector. This is of course not without challenges.

These changes in demography, technology, consumerism, information, growth, managerialism, re-structuring of the workforce, and market forces mean that health services in Australia are in a constant state of flux. Evidence of this is seen in the way patient care has been shifting from the hospital to community settings for several decades (Boex et al., 2000; Ferenchick, Simpson, Blackman, DaRosa, & Dunnington, 1997; Mennin, 2000; Simpson, Tuck, & Bellamy, 2004). The various scenarios of care and services in community settings can challenge health professionals in the goals they set, choices they make, and how they evaluate outcomes. These changing work contexts set new demands regarding the range of competencies that health professionals need to fulfil their work roles and responsibilities successfully. This is especially the case if they establish their own private practice, that is, if they become self-employed as a sole trader or small business owner-manager providing a clinical service.

Historically many health professions have an established place in the private sector, for example, medicine, dentistry, pharmacy, podiatry and optometry. Some education providers have recently see this as an opportunity and have incorporated small business management into their degrees, for example, the University of London has a unit in entrepreneurship in its Bachelor of Veterinary Medicine degree (University of London, 2012). Chiropractic has also identified the need to include business skills in its professional education courses (Henson, Pressley, & Korfmann, 2008). This is not the case for occupational therapy, which has been principally

located in the public or corporate sectors. In recent years there has been a trend for occupational therapists to move into self-employment by establishing their own private practices, which is in fact operating a small business (Productivity Commission, 2006). However, becoming a small business owner requires them to reconcile the dilemma between their professional predilections to provide the highest quality services, and commercial pressures to survive as a profitable enterprise (Ottewill, Jennings, & Magirr, 2000). Will they be successful in making this transition from public sector employees to small business owners? Evidence suggests that in spite of the many contributions the small business sector makes to the economy and the community it has a history of high failure rates and poor performance levels (Fielden, Davidson, Dawe, & Makin, 2003; Ricketts Gaskill, Van Auken, & Manning, 1993; Rogoff, Lee, & Suh, 2004; Ruuska & Vartiainen, 2003). Key reasons for failure often relate to the lack of overall planning and the low level of general managerial competence of the owner-manager (Jundt & Blackwell, 2007; Mazzarol, 2005; Pena, 2002).

With the possibility of failing, given the previous evidence, several questions arise regarding the viability of occupational therapists becoming self-employed. What are the drivers that motivate them to start their own business? What are their needs in business management development? What do they perceive to be indicators of successful business outcomes? Many factors regarding small business ownership and operations are mentioned in the literature, including motivations for starting a small business, the personal characteristics of the business owner, the growth aspirations of businesses, and the barriers and challenges and the high rates of failures in business. However, the study of management development and business performance in small businesses is less well researched as performance constructs incorporate many diverse dimensions. Consequently, theory on these aspects in small business is limited. This study aims to contribute to theories of management development as pertaining to occupational therapists who become self-employed owner-managers in small businesses.

Literature review

This brief literature review focuses on the key aspect of success or failure in relation to small business ownership, and the management skills and competencies that are required for successful business performance. It will conclude with a short overview of classical management theory and how this study will use these theories to explain the operations and potential success or otherwise of small business owner-managers.

Success and failure

While there is recognition that small businesses create a substantial economic impact on the economy, the failure rate seems to remain high over time (Haswell & Holmes, 1989; Jundt & Blackwell, 2007; Pena, 2002; Reijonen & Komppula, 2007). There are various explanations for this. The extant literature suggests that business performance outcomes are a function of many variables, including individual owner characteristics, owner behaviours, and environmental influences (Altinay, 2011; Cook & Belliveau, 2004; Reijonen & Komppula, 2007)

Other studies have pointed to inadequate or non-existent planning and inefficient decision-making as major factors on why businesses fail (Cressy, 2006; Franco & Haase, 2010; Headd, 2003; Reijonen & Komppula, 2007). Poor managerial skills and inexperience have also commonly been associated with business failure (Frankish, Roberts, & Storey, 2008; Haswell & Holmes, 1989; Pena, 2002; J. Perry, 2001; Richbell, Watts, & Wardle, 2006). Jundt and Blackwell (2007) reported that over half of all small and sole practitioner law firms in the U.S. fail and this is attributed to poor management practice. This is the result of the failure of lawyers to recognise that to provide a viable professional legal service they must develop the managerial acumen to run an efficient business. There is some evidence of similar findings in the health professions of medicine, physiotherapy, nursing,

pharmacy and dentistry where the primary focus is on being a 'professional' rather than a successful business manager (Cashin, 2006; Knight & Gurd, 2007; Ottewill et al., 2000; Wong & Braithwaite, 2001).

Proudlock, Phelps and Gamble (1999), investigated different approaches to information technology (IT) assessment and adoption in small professional service firms, focusing on four professions: architecture, dentistry, law and veterinary science. They found that small firms tend to be resource-poor both financially and in time, had poor IT knowledge and were reluctant to undertake longer-term planning. They also found management attitudes to be a significant barrier to adopting IT in business. General management planning was poor and only 18 percent of firms surveyed produced documented business plans. Thirty-seven percent reported undertaking no planning whatsoever, preferring instead to run their business on a day-by-day basis. What appears to be the case is that there is a lack of clarity and understanding by professional service providers who become self employed, as to the requirements over and above their professional competencies, and that are required to operate a successful private practice.

Management development for business sustainability

Some research has focused on the managerial skills needed not only for start-up but also for the development and growth of small businesses. Devins et al. (2005) state that the management process in small firms is unique, and is not the same as professional management in larger organisations, practiced on a reduced scale. They discuss the management process in the context of various roles, and argue that in the smallest firms all these roles may reside in one individual, and conclude that the personality and experience of the key role player influences the management process. They theorise that one of the primary components in small firm success must be the managerial competence of the owner-manager. Tweed and McGregor (2000) agree with this view that managerial competence operates differently in small businesses compared to larger organisations. They suggest that

studying the competences of the owner-manager is interlinked with studying the core competencies of the enterprise. They go further and state more empirical research to demonstrate and understand the linkage between managerial competence and goal attainment in small businesses is needed.

Contrary to a common view that small business can be thought of as a specific group or industry sector, Devins et al. (2005) state that small businesses are in fact heterogeneous and complex social organisations in which managers have a primary role in their culture. The importance of good management skills is pivotal to achieving productivity improvements that will benefit the economy as a whole and the effective operation of individual firms (Karpin, 1995). Government initiatives designed to encourage start-ups and to boost the growth of small firms have emphasised the importance of management development for improving overall productivity (Breen, 2003; Department of Industry Tourism & Resources, 2007b; Fuller-Love, 2006; Palakshappa & Gordon, 2007).

The literature associated with the nature of management in small and micro professional service businesses is very limited. Most management theory derives from experiences in large firms, where common managerial skills may be apparent in businesses of differing size. However, the contextualisation of these skills within a specific business-type is distinctive (Anderson & Boocock, 2002; Carr & Gannon-Leary, 2007; Devins et al., 2005; Down, 1999; Ettl & Welter, 2010; Floren, 2006; McGregor & Tweed, 2001). Many owner-managers of small businesses who are skilled trades people or technicians, see themselves as 'business people' with a focus on providing technical skills and services, rather than as professional managers, committed to good management and business practices (O'Dwyer & Ryan, 2000b). This has implications for any future development of their management skills and interests. In many small businesses, the owner-manager is the person doing most of the operational and managerial tasks, and in these cases the managerial roles are likely to be performed by a single person whose personality, experiences and knowledge influence the management process. This

leads to the core competencies of the enterprise becoming synonymous with the competencies of the manager, and the owner-manager sees themselves 'as the business' (Stockdale, Rowe, & Walker, 2004).

This is a common scenario as many owner-managers of small businesses have few if any formally acquired managerial skills. What they have instead are technical or trade skills. Walker, Redmond and Wang (2008, p. 366) make a general observation of small business managers, that "…their business skills vary from poor to excellent with their one common trait being that most small business owner-managers are competent technicians in their area of expertise but often have limited managerial experience".

Sahin (2011) states that professional service firms such as law, accounting and computing are increasing their role in modern economies, as both employers and as economic value providers. These new firms are more flexible and have different organisational and management structures when compared to conventional firms. They have intangible inputs and outputs making it difficult to measure efficiency compared to the traditional output measures which were derived from a manufacturing mindset. Building good relationships with clients is essential for professional service firms to maintain and increase their customer base and to sustain their successful performance (Dickens, 1996). Allied health professionals are specialised and highly skilled, and in professional service firms the practice-related competence of the professionals, is sometimes more important than financial capital. Whilst there is literature on the importance of management and managerial abilities for competitiveness in businesses in general, studies on the same issues in professional service firms are rare (Sahin, 2011). These differences can be drilled down even further to review other managerial aspects that include competencies.

Competencies

Pilling (2004) has described competence as the modern terminology for ability and adds that there is considerable confusion around the concept and what "competency' means. Ruth (2006) identifies three broad approaches to competency: the behavioural approach, the standards approach, and the situational approach. Briefly, the behavioural approach assesses actual behaviour that relates to the personal characteristics that make people competent; the standards approach defines minimum levels of accepted performance in a specific job and details those job functions that competent people can perform effectively; and the situational approach explores factors that may influence the required competencies, such as culture or change.

Researchers have used the behavioural and standards approaches to study management competencies as a major method in management development programs. These studies are especially prevalent in larger firms where management strategies include management development programs to improve business performance (Ruth, 2006; Viitala, 2005), but again there is little research that includes small firms in general, and professional health service businesses specifically. However, what Ruth and Viitala have done is highlight the lack of theory around this issue and what this study attempts to do is to position the research within a theoretical management framework.

Classical management theories

Classical management theories and perspectives are dominant in contemporary management practice. There are two distinctive branches: scientific and administrative management (Lussier, 2008). Scientific management theory, also known as Taylorism, deals with approaches aimed at improving the performance of individual workers through analytical procedures to lift workplace efficiency, such as standardisation of best practices, mass production and knowledge transfer between workers (Lussier, 2008). The management of a business operation

incorporates many diverse and complex dimensions (Hawawini, Subramanian, & Verdin, 2003; Lumpkin & Dess, 1996) and relies heavily on measurement and monitoring activities (Garengo, Biazzo, & Bititci, 2005). The link between these dimensions and the impact they have on business performance has been widely studied in large business (Foley & Samson, 2003; Lam, 2000) but there has been little study of this area in professional service firms (Anderson-Gough, Grey, & Robson, 2006; Freeman & Sandwell, 2008; Marlow & Carter, 2004).

Whereas scientific management theory focuses on individual performances to lift productivity, administrative management theory focuses on managing the total organisation. In the early twentieth century, Henri Fayol (Rausch, Sherman, & Washbush, 2001) developed a general theory of business management, and was the first to identify the specific managerial functions of planning, leading, organising and controlling as the core of the management process. The planning function is concerned with defining goals for future organisational performance and deciding on the tasks and resources needed to attain them. The organising function focuses on assigning, grouping and allocating tasks, leading involves the use of influence to motivate employees to achieve the organisation's goals, and the controlling function is concerned with monitoring employees' activities, keeping the organisation on track towards its goals, and making corrections as needed (Goss, 1989; Korunka, Frank, Lueger, & Mugler, 2003; Marshall, Alderman, Wong, & Thwaites, 1995; O'Dwyer & Ryan, 2000b). Whereas all of this is standard practice for larger businesses, it is less apparent for smaller businesses.

Classical management theories also identify that managers need to be competent in conceptual and decision-making skills, human and communication skills, and technical skills (Lussier, 2008). There is an established body of knowledge on the managerial competences needed in large organisations. O'Gorman, Bourke and Murray (2005) report that much of the research on small business has used Fayol's management functions to judge the effectiveness of owner-managers, and

have failed to find consistent results between these functions. Overall, there is little empirical research on identifying the managerial competencies in small businesses, and the development needs of owner-managers in small businesses (Floren, 2006; Floren & Tell, 2004).

Summary of the literature

This summary review of the extant literature indicates that Australian governments have been looking to make significant cost shifting measures in the health sector over a number of years, with the consequence of a growth in new enterprises in the allied health sector. Concurrently they have also developed policies to support the development and growth of small businesses in a general sense. In spite of this, there is considerable evidence that failure in small businesses remains high. Added to this concern is the apparent reluctance of professionals to define and develop themselves as business owners and managers. Their tendency is to focus on delivering specialised technical knowledge and skills to their patients and clients. Their skills in conceptual thinking, decision-making or communication principally relate to the expert technical skills they deliver. The issue is whether these skills for specialist practice can be a basis for management development and the achievement of efficient and effective outcomes for their business.

All these issues are pertinent to occupational therapists who are not trained in the skills required to be successful in the small business world. An understanding of the factors involved in how they make the transition from clinical (professional) employee to successful business owner is critical. It is critical for the individuals themselves once they decide to start their own business, and in contributing to the success or otherwise of governments' economic policies for small business and health reforms. Therefore, the purpose of this study is to identify factors that contribute to occupational therapists developing management competencies when they become small business owners providing professional clinical services. This will provide some clarity on the factors that may be specific to this group of small

business owners, and may be different to other small businesses, given the heterogeneity across the professional services sector that exists.

Justification of the research issue

The study of management development and improving business performance in small businesses is motivated by the knowledge that many small businesses fail. Emerging from this concern is a need for a better understanding of the influence that management development has on improved business performance outcomes.

In accomplishing this study its purpose was to contribute to theoretical perspectives on management development in small professional service businesses. Small businesses are heterogeneous and there is considerable variation in the ways in which they operate and the management functions they fulfil (Devins et al., 2005). It is possible that how management competencies develop will vary from one sector to another. Therefore, the focus of this study on self-employed occupational therapists in small professional services will contribute to a theoretical perspective that may explain some of these sector-related differences in context.

Therefore, the main question, which this research investigated, was:

What factors contribute to the success of occupational therapists as small business owners providing professional services?

There are four related questions:

1. Why do occupational therapists become small business owner-managers? (Motivation)
2. What management competencies do occupational therapists need to be successful small business owner-managers? (Management competencies)
3. How do successful occupational therapist owner-managers develop their

management competencies? (management learning)

4. Do occupational therapists perceive they are successful in managing their small business? (Self reflection and self-assessment)

These questions explored motivations for starting the business, the importance of particular goals and the degree of satisfaction experienced by the participants, and their perceptions of their management capabilities, skills and needs. Overall, the questions centre on an understanding about the factors that assist or impede the development of management competencies necessary for an owner-manager to operate their small professional services business successfully. This study has practical applications in identifying differences in the management needs of small businesses and large firms, and implications for the management training needs of small business owners that provide professional services in the health sector.

Research significance

The aim of this research was to contribute to a gap in the existing literature and empirical evidence pertaining to management competencies needed in micro and small business, which is where occupational therapy professional services sit. An understanding of the factors that influence the development of management competencies in the context of micro and small businesses is vital to the success of professionals making the transition from an employed professional to being the owner-manager of their own business.

The importance of this research is justified on practical and theoretical grounds. The practical grounds relate to the dominance of small business in the Australian society and economy, and the specific importance of professional service firms (private practice) to the health services sector. Justification of the research on theoretical grounds addresses the previous neglect of the specific research problem.

Research methodology

The approach proposed in this study provides a framework for identifying the factors that influence the development of the management competencies for occupational therapists to become successful small business owners. The methodology includes a consideration of the philosophical assumptions underpinning the study, the approach and method used to collect and analyse the data, and to report the results (Bassey, 1999; Collis & Hussey, 2009; Guba & Lincoln, 1994; Saunders, Lewis, & Thornhill, 2009).

The choice of an exploratory qualitative research design was determined by the reason for the study (Collis & Hussey, 2009). Exploratory studies investigate a topic where there is little in the way of previous studies, and although there may be information available on related issues, greater understanding on a specific topic is sought (Eisenhardt & Graeber, 2007; N. Lee & Lings, 2008; Myers, 2009; Saunders et al., 2009). The literature review indicates very little is known on why occupational therapists become small business owner-managers, and how they develop their managerial competencies. It was concluded that an exploratory study, using individual in-depth interviews was the most appropriate research method to develop an understanding about the transforming processes in context, and to provide some theoretical propositions that might be tested (Collis & Hussey, 2009; N. Lee & Lings, 2008; Meyer, 2000; Saunders et al., 2009; Yin, 1994).

The first phase was a comprehensive literature review of factors that contribute to the success of small business owners, and a conceptual model that reflects these factors was developed. The second phase used a qualitative in-depth interviews to explore the conceptual model (C. Perry, 1998; Yin, 1994). The participants were twenty-six occupational therapists that currently operate a small professional services business (a private practice). The interviews focus on the relative importance of the variables outlined in the conceptual model and the inter-relationships between them. A qualitative in-depth semi-structured interview

protocol was used to collect data from participants on demographic data, descriptive information about the business, management strategies and skills used, and plans for the future (Dooley, 2002; Rubin & Rubin, 2005; Schostak, 2006).

The third phase was analysis of the results, which led to a theoretical proposition on how occupational therapists make the transition along a continuum with varying levels of interaction with others, and develop their business and management capabilities to become successful small business owners. From this proposition, a model of business learning that explains how these factors interact was developed. The model has progressive stages with the individual assessing their initial business capabilities, learning to identify environmental opportunities and risks, and to respond to new opportunities and changing circumstances by developing their capabilities in envisaging, and strategic planning for growth and development.

In summary, based on the literature a conceptual model for successful business outcomes for occupational therapists was developed. The model was tested with input from twenty-six occupational therapists who are owner-managers of their own small businesses that provide professional services. Based on the results a revised model was developed and shows the relative importance of a number of factors, not explored in the literature previously, thus making a new contribution to this area of study.

Participants

Purposeful sampling (Eisenhardt & Graeber, 2007) was used to select twenty-six self-employed occupational therapists. The sampling parameters involved decisions about participants, and settings to provide a wide range of variability to increase the explanatory power of the study as a whole. As the majority of occupational therapists are women, this was borne in the sample. Participants were

located in Melbourne, Adelaide, Perth and three regional towns in Western Australia.

Interviews and procedures

The study used qualitative in-depth, semi-structured interviews to examine the experiences, attitudes and perceptions of the self-employed occupational therapists (Carroll & Swatman, 2000; Mallon & Cohen, 2001; Myers, 2009; Rubin & Rubin, 2005). The questions were derived from the research literature, and tested for face validity by a panel of experts comprised of private practitioners and academics (Strauss & Corbin, 2008; Yin, 1994). Each interview was digitally recorded and transcribed, and field notes were maintained throughout the study.

Data analysis

A case-oriented data matrix facilitated the systematic and logical reduction and display of the data. The matrix also facilitated the identification of patterns, themes, and contradictions related to factors affecting the development of management competencies in the accounts of the small business owners (Huberman & Miles, 2002; Yin, 1994).

The computer program N-Vivo 10 (QSR International, 2012) was used for the analysis of data. Bryman and Bell (2007) suggest that a simple application of the quantitative researcher's criteria of reliability and validity to qualitative research is not desirable. This is especially pertinent when considering validity issues, where it has strong connotations with measurement in quantitative research. Guba and Lincoln (1994) propose it is necessary to specify terms and ways of establishing and assessing the quality of qualitative research that provide an alternate to the conventional concepts of reliability and validity used in quantitative research. They advise that attending to issues related to credibility, transferability, dependability and confirmability enhances the trustworthiness of qualitative research. Strategies

to achieve these in this study included triangulation by using multiple sources of information, peer debriefing, and establishing audit trails of the entire process (Creswell & Miller, 2000).

Ethical considerations

The University's Research Ethics Committee approved the study, ensuring it met the criteria for responsible research practices. Special attention ensures that anonymity of businesses and their owners in the analysis and reporting of the findings.

Limitations of the study

The delimitations of the study relate to the explicit boundaries and scope of the research (C. Perry, 1998). The study was limited to self-employed female occupational therapists who are owner-managers of small professional services in Melbourne, Adelaide, Perth and three regional areas in WA.

The majority of businesses owned and managed by occupational therapists in Australia are micro businesses, with less than five employees (Occupational Therapy Board of Australia, 2012). This may affect the range of factors affecting the resources and management capabilities required by the business owners compared to managing larger small businesses.

The management performance dimension is limited to the owner-managers' perceptions on their management capabilities and the success of their businesses, and as a qualitative method is used, implications rather than generalisations are presented.

Structure of the thesis

Chapter one, this chapter provides an overview of the study and details on the background to the study, and an outline of the initial review of the literature is provided. This leads to the purpose and significance of investigating how self-employed occupational therapists develop their management competencies to be successful small business owners. Brief details on the methodology and analyses are given.

Chapter two focuses on a review of the literature pertaining to the main issues affecting failure and success in small business in Australia. This includes factors external to the small business owner, and the personal characteristics of the small business owner, including their motivation to start their own small business. It also examines approaches to management development, the concept of competence, competency frameworks, measurement of competencies, and management learning.

Chapter three describes, explains and justifies the interpretive research paradigm, and associated processes used in the conduct of the study. The chapter concludes with the limitations of the methodology.

Chapter four reports on the analysis procedures used and the findings of the interviews with the participants. This includes the development of a matrix for each participant and the inclusion of four vignettes to illustrate the emerging issues and themes. The techniques that linked the thematic analysis of the data to the resultant theoretical conjectures are given.

Chapter five discusses the findings and their relationship to the relevant literature on social and human capital, business networks, and life-work balance

and growth aspirations. A synthesis on the trajectories taken by the occupational therapists with growth or non-growth aspirations is given.

Chapter six concludes the thesis with a commentary on the findings as applied to the study's research questions. It also describes practical implications for policy and practice as applied to a specific subgroup of professional women who become self-employed small business owners. Limitations of the study are given, and the chapter concludes with recommendations for future research.

Operational definitions

Small business owner

Throughout this study, the small business owner is referred to as the owner-manager when referring to the person who has the majority ownership and operation of the business. The literature uses the term 'entrepreneur' extensively when referring to small business owners, and has associations with risk taking and innovation. Many researchers have attempted to define entrepreneurship (Ahl, 2006; Carsrud & Brannback, 2011; Kautonen & Palmroos, 2010). This study does not focus on differences between small business owners and entrepreneurs, or on risk and innovation. The terms self-employment and sole operator are also used to mean small business ownership (Barbato, DeMartino, & Jacques, 2009; Cook & Belliveau, 2004).

Managerial competence

The term used to encompass job related competences, skills, knowledge and understanding, as well as competencies relating to the attributes of an individual (S. Watson, McCracken, & Hughes, 2004).

Growth

Growth is defined as an increase in one or all of the following; profit, sales or number of employees (Australian Bureau of Statistics, 2007; Sousa, Aspinwall, & Rodrigues, 2006).

Measures of managerial competency

There are various approaches to measure managerial competency, and there is evidence of a strong relationship between perceived and actual competencies (Mitchelmore & Rowley, 2010; Pansiri & Temtime, 2008). In this study, managerial competency is determined by the participants' self-assessment of their level of competence.

CHAPTER 2. LITERATURE REVIEW

The previous chapter outlined the rationale and objective for this exploratory study, the key terms, research issue and methodology used. This chapter proceeds to review the literature on factors that lead to potential success or failure in relation to small business ownership. The chapter starts by describing small business and outlining its importance to the Australian economy. It then introduces the factors at the macro, meso and micro levels that affect the performance of small businesses, and that influence the businesses' success, growth, or failure. The effects of all these factors on small businesses are examined, and conclude that the internal environmental factors that affect business performance closely relate to the capabilities of the owner-manager.

Of particular interest are the characteristics of small business owner-managers, their motivations for small business start-up, their capabilities, their propensity to network and the relevance of management competencies for business survival and growth. A review of the literature on the concept of competence and frameworks for learning, and developing management competencies is given, and it becomes evident that there are many barriers to identifying a common list of key managerial competencies, and attempting to measure them. The chapter then considers the types of managerial competencies owner-managers need for business success and growth. The association between professional service firms and managerial competencies is the specific focus to this study, in particular how occupational therapists develop their managerial competences to run their small businesses effectively.

The chapter proceeds to identify the research issue, and the contribution this study aims to make by enhancing an understanding about factors that influence the development of management competencies in occupational therapists in small business. It concludes with the presentation of a conceptual model that reflects the

factors influencing management development in small business.

The importance of small business and its business context

The importance of small businesses to all economies, and why policymakers see small business as a means to stimulate growth, restructure economies and revitalise stagnating industries is well documented. According to official Australian data, "small businesses make a significant contribution to the Australian economy, accounting for almost half of industry employment and contributing over a third of industry value added" [industry value added is the measure of the contribution by businesses in each industry to gross domestic product] (Department of Industry Innovation Science and Research, 2011, p. 3). Canada and Australia have many similarities in terms of geography, population, and historical background and it to put somewhat of a global perspective on the issue, comparisons regarding small business have been made. According to Hughes (2005, p. 4),

Since the mid-1970s, self-employment has accounted for one-quarter of all job growth in Canada, and its importance has accelerated over time. In the early 1990s, when economic downturn and extensive public and private sector restructuring brought job growth to a near halt, nearly three-quarters of all new jobs in the economy were created through self-employment.

Clearly small businesses are important to economic prosperity, however not all new ventures survive. Gray, Saunders and Goregaokar (2012, p. 5) state that

The precarious nature of SMEs' existence has been well documented. Only about 65% of small businesses are still trading after the first three years of initial start-up. After five years, fewer than 45% of businesses will have survived. Put simply, small firms are more likely to die than larger firms.

What needs to be acknowledged is that new enterprises are dynamic entities and there is always an element of risk associated with starting a new business.

Governments try to mitigate some of that risk by providing various support programs to increase small business success. These programs normally aim to encourage business innovation, the application of new technology, and management development for small businesses and their owner-managers (Victorian Auditor-General's Office, 2011). Other supports provide access to information on government assistance programs, encourage networking, and provide practical and financial assistance to the small business sector (Organisation for Economic Co-operation and Development, 2002). What constitutes 'small' in terms of government support varies from country to country, and by industry (M. Clark, Eaton, Lind, Pye, & Bateman, 2011). In Australia, the most common ways of defining small business is by annual turnover, the number of employees, or a combination of both. The Australian Bureau of Statistics (2004) defines small business as having less than twenty employees, and micro businesses as having less than five employees. These can be significantly smaller than medium-sized businesses, which the Australian Bureau of Statistics defines as having between 20 and 199 employees. As way of clarification, discussion around small business in this study relates to the Australian definitions of business size.

While there is recognition that small businesses create a substantial impact on the economy, and in spite of assistance provided by governments, the failure rate of small businesses remains high over time and has repercussions for the wider economy (Haswell & Holmes, 1989; Jundt & Blackwell, 2007; Pena, 2002). Failure in business may also adversely affect the small business owner-manager from obtaining financial assistance in the future. There is also evidence that at a personal level business failure can be harmful to the general health and wellbeing of small business owner-managers and their families (Rogoff et al., 2004).

One of the issues when considering how best to assist small businesses is to acknowledge that small businesses can be differentiated from larger firms by a number of key characteristics. These include providing personalised management

with little devolution of authority; limited human and financial resources; reliance on a small customer base and limited market share; flat, flexible structures; a potential for innovation; quicker to react to external environmental issues; and using informal processes for determining business strategies (Devins et al., 2005; Fuller-Love, 2006; Goss, 1989). The significant differences in the structure and philosophy of small businesses compared to big business indicates a need to better understand the management development processes used in small business (Goss, 1989; Korunka et al., 2003; Marshall et al., 1995; O'Dwyer & Ryan, 2000b).

Some studies have viewed small businesses as one homogeneous group despite the differences in the definition of small business around the world (Floren & Tell, 2004; Morrison & Teixeira, 2004; O'Gorman et al., 2005). Devins, et al. (2005) are more considered when they state that small businesses are heterogeneous and complex social organisations, and there is a need to develop an understanding of the ways in which management practices might vary across sector types. Other research acknowledges that the operational activities that drive performances in a business with less than twenty employees are different to businesses that employ hundreds of workers (Laitinen, 2002; Morrison & Teixeira, 2004). The distinctive nature of small business was acknowledged by Jennings and Beaver (1997, p. 64), who state "The management process in the small firm is unique. It bears little or no resemblance to management processes in larger organisations". Despite this growing recognition though, the majority of business improvement research on small business has not accounted for differences in size nor considered that management in micro businesses might be different to 'larger' small businesses (Laitinen, 2002; Morrison & Teixeira, 2004).

Accepting that small businesses are not just scaled down versions of big business, an area that has not been explored in the literature is the aspect of using the traditional management functions, derived from classical management theories, to ascertain if successful small businesses adhere to them in an operational sense.

Acknowledging that if they do use them they might be used in a more informal rather than structured way, which is often how small business operates (Devins et al., 2005).

Much of the small business literature emphasises the owner-manager as the focus for analysis on aspects related to management development. This contrasts with studies on management development in larger businesses, where owner-managers can focus more on managing the business because they have a team of employees who share the operational responsibilities and tasks (Goss, 1989). Many owner-managers of micro businesses see themselves as capable business operators and focus most of their efforts on the operational aspects on the business, utilising their technical (professional) expertise, rather than regarding themselves as professional (expert/very good) business managers (Cashin, 2006; Jundt & Blackwell, 2007; Knight & Gurd, 2007; Pilling & Slattery, 2004). Consequently, they generally do not have a management structure that requires a management development policy or system that larger businesses do (Devins et al., 2005; O'Dwyer & Ryan, 2000a). However, while they do not necessarily need formal systems to operate effectively, it can be agreed they do need formal documented plans if they want to grow and expand (Allred, Addams, & Chakraborty, 2007; J. Perry, 2001).

Devins, et al. (2005) found that characteristics of management in the micro and small business contexts differ from the more formal management structures and processes found in medium-sized and large business contexts. These characteristics included the business being managed by a single person, or by two people working in partnership; owner managers being very involved with the day-to-day running of the business; managing a small team; having a significant financial stake in the business; and there being little scope for other staff to progress into managerial positions in the business. Basically the owner-manager is directly involved in all aspects of operating the business and therefore has an impact on the performance of the business. In essence the owner-manager is the business. They

do not have the luxury of operating in a bubble and are very much subject to the vagaries of the wider business and general environment.

Heterogeneity in and across small business sectors

Many variations exist across all businesses, including size, sector types and the role of the owner-manager, and it is clear that heterogeneity exists. Many researchers have noted the differences in management practices between small and big businesses (D. Clark & Douglas, 2010; Devins et al., 2005; Floren, 2006; O'Gorman et al., 2005). Micro businesses provide another variation in the small business sector and research with a specific focus on these has historically been sparse. The extant literature identifies that micro businesses differ in their organisational characteristics and approach to business issues. These differences mean that theories derived from studies on larger businesses are inappropriate for micro businesses, for example, several studies identify differences in management where the owner-manager is self-employed, those who work closely with their staff, those who do not work alongside their staff, and those who have management hierarchies (Ettl & Welter, 2010; Floren & Tell, 2004; Fuller-Love, 2006). Self-employed owner-managers in smaller businesses were more likely to lack confidence in their managerial abilities, and were reluctant to give up personal control, or to seek opportunities to develop their skills and knowledge (Martin & Staines, 1994; Raffo, Lovatt, Banks, & O'Connor, 2000). Recently calls have been made for more research to be conducted on the micro business sector in its own right, and that the management processes and their responses to issues that affect them should be studied separately (Devins et al., 2005; Eraut, 2004; Floren & Tell, 2004; Fuller-Love, 2006; Kelliher & Henderson, 2006; Martin & Staines, 1994; Raffo et al., 2000).

Another area where there is a growing recognition that heterogeneity exists across the different industry sectors in small businesses, is on the manufacturing sector where the processes and products are very different to businesses in the

services sector (Malhotra & Morris, 2009; Page, Wilson, Meyer, & Inkson, 2003; Silversides, 2001; Stringfellow & Shaw, 2008). An example of a major difference between these small businesses is evident in the service sector where high customer contact is more crucial to their success than in the manufacturing sector (Thakor & Kumar, 2000). Small business owner-managers with high levels of customer contact will place more emphasis on personal competencies and people management skills (Leek & Canning, 2011; Sahin, 2011; Young-Hyuck & Hongji-Dong, 2011). Other studies found a wide variety of management practices within the professional services sector of small businesses that related to organisational variables such as ownership, size and managerial philosophies (Leek & Canning, 2011; Sahin, 2011; Young-Hyuck & Hongji-Dong, 2011).

The management structure of small businesses places the owner-manager in a critical position in running the business, and the success or failure of the business depends heavily on the owner-manager's competencies (Cressy, 2006; J. Perry, 2001; Reijonen & Komppula, 2007), and highlights why managerial competencies have such important economic implications (S. Carter, 2011; Koellinger, Minniti, & Schade, 2007). There is also agreement that the range of competencies required to run a small business are qualitatively and quantitatively different from those needed in larger organisations. Researchers have made the point that small businesses are more likely to be resource-poor, and are more vulnerable to economic conditions than larger ones (Kelliher & Reinl, 2009; Runyan, Huddleston, & Swinney, 2007; Teece, 2007). They are also more likely to use informal management practices (Eraut, 2004; Reinl, 2009). Many of these differences in small businesses focus on how owner-managers apply their traits, skills, resources and knowledge in different contexts (Altinay, 2011; Davidsson & Honig, 2003; Manev, Gyoshev, & Manolova, 2005; W. Thomas, Lau, & Snape, 2008).

Assumptions about the homogeneity in small businesses include a tendency to ignore these variations in size, sector and organisational structures, and their

wider economic and social context, and attribute all small businesses with similar qualities of innovation; shared common interests and that they have similar organisational structures (Loscocco & Smith-Hunter, 2004; Malhotra & Morris, 2009; Martin & Staines, 1994; Stuart & Sorenson, 2003). However, differences across small businesses in each of these areas provide evidence of significant heterogeneity in the small business sector. This suggests that there may also be variations in the competencies owner-managers need, depending on the type of small business they manage. The professional socialisation experienced by owner-managers of professional service businesses might influence how they approach their management development, and may be another example of heterogeneity in small business. This is conjecture and raised here because there is little research in this area, and it may be pertinent to occupational therapy, which is a relative newcomer to the small business arena.

Factors affecting small business performance

Circumstances in the external and internal environments influence small business performance. The external environment factors divide into two categories, the macro level, or general environment, and the meso level, or task environment. The internal environment includes all the elements within the business, such as management practices, structure, number and type of employees, and culture (Samson & Daft, 2009). The relationship among the external and internal environments is shown in Figure 1.

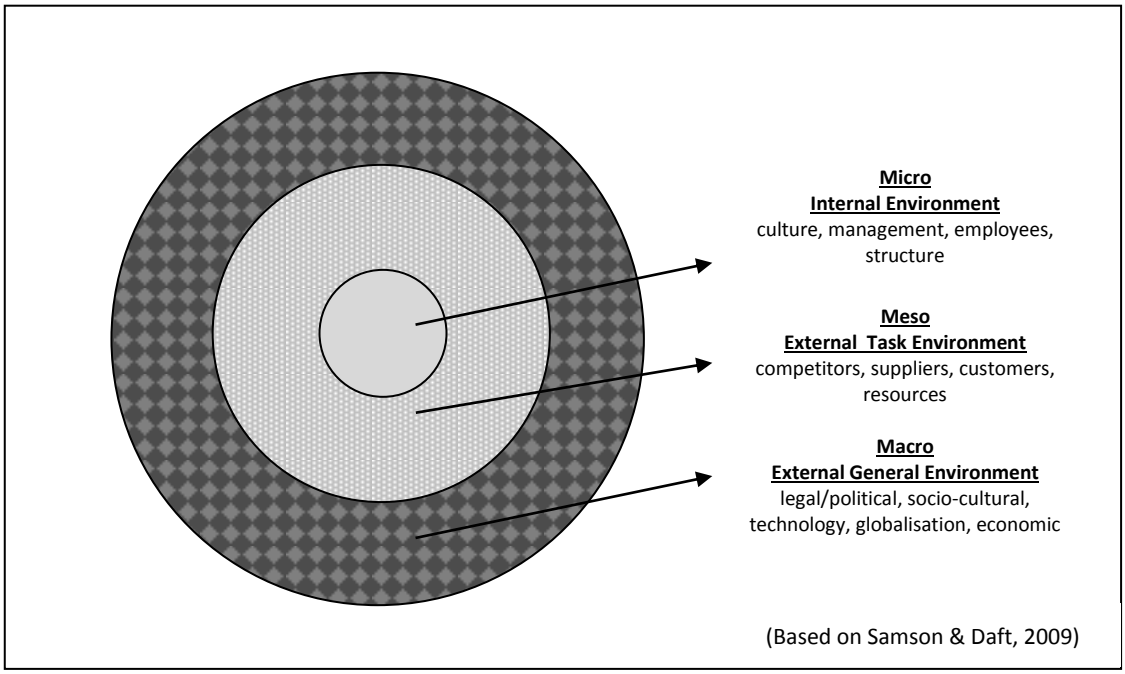


Figure 1. Internal and External Environments

The general environment includes those dimensions that influence small businesses over time and include globalisation, technological advances, economics, legal-political and socio-cultural factors. Small businesses have little control over any of these aspects including the power to influence government policies that affect business (Hutchinson & Quinn, 2006). They need to be alert to changes caused by factors in the general external environment, and be aware that responsive businesses are more likely to have successful business outcomes (Lerner & Almor, 2002; Smallbone & Welter, 2006).

Closer to the small business, at the meso or task level, are the sectors with which they interact directly, and that influence its basic operation and performance, for example, competitors, suppliers, customers and the labour market. All these aspects require the owner-managers of small businesses to be constantly adapting and changing their business practices to remain competitive (Bergmann-Lichtenstein & Brush, 2001; Haber & Reichel, 2007).

Altogether, many factors in the general and task environments give rise to significant challenges for small business. The most common factors attributed as causing some small businesses to fail includes adverse economic conditions, fiscal policies of government, the effects of globalisation, lack of access to finances, resources and information, market climate, changing technologies, and regulatory requirements. Many of these are beyond the control of the small business owner-manager, for example, government policies, markets, access to resources, and the pressure exerted by globalisation to increase productivity (Cressy, 2006; Franco & Haase, 2010). However, owner-managers who use strategic capabilities to learn from networks, recognise opportunities, and can adapt to changes in the environment are more likely to have successful business outcomes (Haber & Reichel, 2007; Hitt, Bierman, Shimizu, & Kochhar, 2001).

Research on the external factors often investigates the role of government in creating an environment that supports small business success. These studies conclude that major obstacles to success for small businesses are the lack of support, for example financial and training. However, this focus on business context and the role of government support overlooks the importance of the capabilities of the owner-manager as the key decision-maker in influencing business outcomes (Baum & Locke, 2004; Cools & Van den Broeck, 2008a). A number of studies argue that it is the owner-manager's lack of managerial and planning skills that often inhibit or enable business success (Mazzarol, 2004; Ricketts Gaskill et al., 1993) and therefore, a greater focus should be placed on the owner-manager as the unit of analysis in predicting business success (Baron & Markman, 2003; S. Carter, 2011).

Other studies broaden the focus away from the characteristics of the owner-manager, and consider other internal factors that can affect business success (Babalola, 2010; Baron & Markman, 2003; Brooksbank, 2006). These include the small business's resources, culture and structure. The next section examines the critical influence of the owner-manager on these variables and highlights the

importance of examining the knowledge, skills, values and behaviours of owner-managers, and their effect on business performance. In addition, where the business operates from also has a bearing on the potential success of the enterprise, and this is discussed.

Factors in the internal environment

It is clear that interest in the causes of failure and success in small businesses has focused on the management capabilities of the owner-managers and the internal environment of small businesses (Barbero, Casillas, & Feldman, 2011; O'Regan & Ghobadian, 2004). As a result, the greatest amount of research has focused on identifying the factors internal to small businesses that result in business success or failure. These include the culture and organisation of small businesses, and the personal characteristics and the management capabilities of the owner-managers. The most common reasons cited for failure in small businesses include poor business plans, managerial inexperience, inefficient decision-making, and skills and personal qualities (Cressy, 2006; Pena, 2002; J. Perry, 2001; Richbell et al., 2006). In addition, small businesses often use informal management practices, and planning and control processes that involve short time horizons (Murphy & Young, 1995; O'Gorman et al., 2005).

Poor managerial skills and inexperience have also commonly been associated with business failure in professional service firms. Jundt and Blackwell (2007) reported that over half of all small and sole practitioner law firms in the U.S. fail due to poor management practice. The lawyers failed to recognise that to provide a viable professional legal service they must develop the managerial skills to run an efficient business. There is some evidence of similar findings in the health professions of medicine, physiotherapy, nursing, pharmacy and dentistry where the primary focus is on being a 'professional' in their chosen occupation, rather than a professional business manager (Cashin, 2006; Knight & Gurd, 2007; Ottewill et al., 2000; Wong & Braithwaite, 2001). Proudlock, Phelps and Gamble (1999)

investigated different approaches to information technology, technology assessment and adoption in small professional service firms in architecture, dentistry, law and veterinary science. They found that these small professional service firms were resource poor financially, had poor IT knowledge and were reluctant to undertake longer-term planning. They also found managerial attitudes to be a significant barrier to adopting IT in business. General management planning was poor and only 18 per cent of the professional service firms surveyed produced documented business plans. Thirty-seven per cent reported undertaking no planning whatsoever, preferring instead to run their business on a day-by-day basis. Another aspect found to be important to business success is the location from which it operates. This is especially pertinent to micro businesses, many of which, operate from home (C. Mason, 2010), and therefore because of its relevance to business success, home-based businesses is discussed in more detail in the next section.

Home-based businesses

Definitions of home-based businesses are consistent around the world and the primary criteria relate to where activities of the business are located, and whether they operate at or from the owner's home. When most of the business activities are done in the owner-manager's home they are described as 'at home' home-based businesses. When the home is used mainly for the administration of the business, and most of the activities are conducted away from the home, it is described as a 'from home' home-based business. In Australia, one-third of home-based business owners work at home and two-thirds work from home (Australian Bureau of Statistics, 2004; Breen, 2010).

Home-based businesses are a significant and growing group in the small business sector in the economies of many countries including New Zealand, Canada, UK, USA and Australia (D. Clark & Douglas, 2010; C. Mason, 2010; Redmond & Walker, 2010). The Australian Bureau of Statistics (2002) study on small businesses

found that home-based businesses made up the biggest and fastest growing business sector in Australia between 1999 and 2001 and that continues to be the case. They were also the fastest growing group going from 58% of all small businesses in 1997 to 68% in 2004 (Australian Bureau of Statistics, 2005). Other studies report that in home-based businesses a higher proportion of owners were women, had degrees or post secondary education, were usually between the ages of 30-50 years, worked part time, had no formal management training, and self funded their business from personal resources. About 70% had no staff and their use of technology was much lower than in larger businesses. The business owner is self-employed and they use their home for some of the core business activities to generate income (Australian Bureau of Statistics, 2002; Breen, 2010; R. Carter, Auken, & Harms, 1992; Jay & Shaper, 2003). Studies on women in home based businesses found 75% were 'at home' businesses and the remaining 25% were 'from home' businesses (Breen, 2010; D. Clark & Douglas, 2010).

Home-based businesses are a convenient way of operating a business for a number of reasons. A main reason is it is a low risk strategy and avoids the overheads associated with rent or leasing premises (Breen, 2010; Redmond & Walker, 2010). Home would appear to be an ideal location to try out an idea or 'test the water' without significant financial costs. The extant literature notes that operating a home-based business is often a lifestyle choice that offers flexibility in the way the business operates. For example, an owner can choose full or part time work and which time periods to work, in particular if they are attempting to balance family responsibilities and other quality of life issues (Breen, 2010; C. Mason, 2010; Still & Walker, 2006). Other motivations for starting a home-based business include seeing it as providing a positive environment, meaningful work, being their own boss, and being able to achieve financial security (Hughes, 2003; Kirkwood, 2009). Whereas the last two reasons are common motivations for most new owner-managers, the added comfort of operating from home does allow significant flexibility, especially for women with children responsibilities.

Several studies identified the factors that help home-based businesses to grow and found these included using professional business advice, preparing a business plan, having superior marketing skills, belonging to formal networks such as a business related association, and prior industry knowledge and experience (Breen, 2010; Jay & Shaper, 2003; Redmond & Walker, 2010). Jay and Shaper (2003) found the most commonly used resources were accountants, bank managers, their colleagues in the same industry, friends and family.

However, the aspects of becoming a home-based business owner are not always positive and giving up salaried paid employment to start a home-based business can have some drawbacks. It can result in isolation due to the loss of the social support that colleagues and a workplace can provide. Regular workplaces provide opportunities for updating skills, and the security of a regular salary. Self-employment in a home-based business can result in social isolation, lower income, stress and a lack of physical boundaries between work and home and family (C. Mason, 2010). Pyke and Sengenberger (1992, p. 11) report that an aspect of the small-size dilemma is "the biggest problem facing small business is not being small, it's being lonely".

The context in which owner-managers conduct their businesses highlights some differences about their expectations for business growth and development. For example, some core business activities are at home, and enable a balance between the demands of paid employment, family responsibilities, and other quality of life issues (Breen, 2010; D. Clark & Douglas, 2010). A key area of small business research is identifying the types of people who are most likely to start a small business, based on their demographic and psychographic characteristics. Discussed in the next section are the effects of these individual characteristics on small business ownership.

Demographics and psychographics of the owner-manager

Research into what makes some small businesses more successful than others have explored demographic variables, such as educational level, previous small business ownership of parents, age and gender. Studies have identified a positive association between higher education and the likelihood of business success (Cook & Belliveau, 2004; Sarri & Trihopoulou, 2005). There is also evidence that having parents in business is more likely to have a positive outcome on new business formation and success (Franco & Haase, 2010; Unger, Rauch, Frese, & Rosenbusch, 2011). Jay and Shaper (2003) and Blackburn, Hart and Wainwright (2013) report on the age demographic of nascent small business owner-manager, which they say is usually in the range between 30 and 50 years at start-up. Those in the older ranges are often employees who have lost their job in larger organisations that have downsized, and they have found self-employment a viable option (Cook & Belliveau, 2004; Lyness & Thompson, 2000). Whereas these demographic factors mentioned above have some bearing on the start-up rationale, and the growth aspirations for the business, research indicates that gender is a significant predictor of financial performance (S. Bird & Sapp, 2004; Budig, 2006b; Drew & Humbert, 2011; Fleck, Hegarty, & Neergaard, 2011; Merrett & Gruidl, 2000).

Gender

Women as owners of their own small businesses has been a focus of research for the past three decades and several comprehensive reviews have been written, for example in Australia by Roffey et al. (1996), in the UK by Carter & Shaw (2006) and in Canada by Orser and Dyke (2009). What appears to be the case is that the male-female differential on basic measurements of new business start-ups has remained unchanged over time. Comparisons indicate that women are less likely than men to start a new business (Arenius & Kovalainen, 2006; Sandberg, 2003). Other studies investigating the success rates of businesses based on financial indices and the gender of the small business owner-managers have mixed findings (Ahl, 2006; Breen, 2010; Budig, 2006a; McGregor & Tweed, 2001).

Early research identified the gender of the owner-manager as a differentiating

variable with women-owned small businesses typically “under-performing” compared to male-owned businesses (Aldrich, Reese, & Dubini, 1989; R. Carter et al., 1992; Catley & Hamilton, 1998). Other research has found that given the same starting resources, women achieve similar business outcomes as men (Johnsen & McMahon, 2005; J. Watson, 2003). Johnsen and McMahon used data from 2,000 SMEs collected between 1995 and 1998 from Australia’s Business Longitudinal Survey (Australian Bureau of Statistics, 2000) to ascertain if gender of the owner-managers influenced financial performance and business growth. Their findings provide substantial empirical evidence that there were no statistically significant differences in financial performance and business growth, once appropriate demographic and other controlling influences were accounted for. However, the original Australian Business Longitudinal Survey excluded any business that had fewer than 10 employees in its sample, so these results may not hold true for micro businesses, which is the size of most women-owned businesses.

Arenius and Kovalainen (2006) report that many highly educated women leave the corporate sector because they find working life there full of frustrations, which can increase their interest in self-employment. There is evidence that women who work in organisations experience less progression in careers (Lyness & Thompson, 2000) and bear greater family responsibilities and work-family conflict than men. Davidson and Cooper (1992, p. 38) state ‘while men and women managers often share common stressors, females in managerial positions are often faced with additional pressures, both from work and from the home/social environment, not experienced by male managers.’

Some more recent studies have focused on women who set up a businesses based at home to enable them to both work and care for young children (Connelly, 2001; Grady & McCarthy, 2008; Thompson, Jones-Evans, & Kwong, 2009; Wellington, 2006). These women are motivated by wanting to continue to work in some capacity and also to fit with the traditional mother role of being at home full

time with their children (Johnston & Swanston, 2006; Medved & Kirby, 2005). 'Mumpreneur' is a term that describes women who overcome the conflict in the dual roles of being a working mother and having primary responsibility for family and home by starting a business that has some connection to an aspect of motherhood and babies, such as, the small scale manufacturing of niche baby clothes. Ekinsmyth (2011, p. 525) defines mumpreneur as

…a business owner who has configured a business around the time-space routines of motherhood, where 'motherhood' is understood to be a predominant carer role in social reproduction…and blurs the boundary between the roles of 'mother' and 'businesswomen'.

She adds that the word mumpreneurs does not include all business owners who are mothers, nor does it limit the location of the business to being home-based. Rather, it is a means to manage work-life balance, by having some paid occupation that combines bringing up young children and producing an income for the household.

However, Shelton (2006) found that home-based self-employment dalways offer the work-life balance hoped for, and instead can be stressful for a number of reasons, such as costly childcare, caring for children in a work environment can be unsafe, or appear unprofessional. Other studies show that home-based businesses for women have other unintended consequences, for example, limitations where they can trade, and lower earnings and longer working hours than when in paid employment (Duberley & Carrigan, 2012; Hillbrecht, Shaw, Johnson, & Andrey, 2008). Overall, the literature indicates that self-employment for women, rather than offering flexibility to manage their multiple roles, often results in stress, work-family conflict and poor health (Drew & Humbert, 2011; Shelton, 2006).

Other research challenges the female under-performance hypothesis and suggests that a more complex dynamic is at play (Ahl, 2006; Ballout, 2008; Budig,

2006b; J. Watson, 2003). For example, studies demonstrate that women owner-managers view business performance and growth differently to their male counterparts (Barbato et al., 2009; B. Bird & Brush, 2002; Cantzler & Leijon, 2007; Ettl & Welter, 2010). According to Walker, Lewis and Redmond (2012, p. 114) some researchers, (for example, (Ahl, 2006; K. Lewis, 2008; Shaw, Marlow, Lam, & Carter, 2009) consider that some women conscientiously "chose to operate their businesses differently and not conform to the assumption that profit and growth are the sole rationale for being in business". It appears that often women chose to be less growth orientated, not because of their lack of professional capability, rather because of the necessity to balance work and family (Drew & Humbert, 2011; Ho, Lewis, Harris, & Morrison, 2010; Walker, Wang, & Redmond, 2008). In the case of occupational therapists, continuing a professional career as a small business may well be an acceptable compromise option for some women.

Psychographics

Given the economic contributions of small business, much attention is directed to understanding the reasons individuals give for starting businesses. This is of practical interest inasmuch as it informs governments' policies that support businesses, especially in the start-up and development stages. Ascertaining the reasons why individuals engage in business start-up is likely to provide insights into differences in persistence, the kinds of activities taken and success or failure at starting an enterprise (Carrier & Raymond, 2004; Schjoedt & Shaver, 2007). The psychological factors relating to small business ownership are an important facet in the overall makeup of the small business owner-manager. They have been studied extensively and there is a consensus that to succeed in a business venture the small business owner-manager needs a level of motivation (Barbato et al., 2009; Carsrud & Brannback, 2011; Sarri & Trihopoulou, 2005; Schjoedt & Shaver, 2007), to possess self-confidence (Baum & Locke, 2004; Cools & Van den Broeck, 2008a; Koellinger et al., 2007; Korunka et al., 2003), and be prepared to take an element of risk (Gilmore, Carson, & O'Donnell, 2004; Keh, Foo, & Lim, 2002).

Small business start-up motivation contends that individuals are either pushed or pulled toward starting a small business, and that personal satisfaction is a strong motivating factor (Barbato et al., 2009; Carsrud & Brannback, 2011; Culkin & Smith, 2000; Hughes, 2003; K. Lewis, 2008; Sarri & Trihopoulou, 2005; Schjoedt & Shaver, 2007). The theories most commonly applied in research on entrepreneurship are McClelland's (1961) theory of the need to achieve and posits that individuals with a strong need to achieve often find their way to entrepreneurship and business success. The other is Rotter's (1966) locus of control theory, which suggests that an individual's locus of control is either internal or external.

The pull/push model is also a common way of explaining different motives behind starting a business. Pull or internal factors are those over which the small business manager has control. It is associated with an individual having a strong positive internal desire to start a business, wanting to take control, to be autonomous and to be one's own boss, a need for personal development, wanting a challenge, to use expertise and knowledge, and wanting a flexible lifestyle. Financial factors tend not to be the dominant reasons for starting a business but do include the need to achieve financial security and to make at least as much money as they did in their previous employment (Orhan & Scott, 2001; Sarri & Trihopoulou, 2005; Walker & Brown, 2004).

On the other hand 'push' motivation is associated with external negative reasons whereby personal factors outside the control of the individual 'push' individuals into small business. These include a sense of frustration and little control in their current work place, perceived lack of opportunity for advancement, escaping supervision and avoiding low-paid occupations. External financial reasons that 'push' individuals into small business are loss of employment, or the threat of

tenuous or insecure employment, or the need to accommodate work and home roles simultaneously (Brooksbank, 2006; Fielden et al., 2003; Sarri & Trihopoulou, 2005). Until recently occupational therapy was a reasonably secure profession, because the labour market was artificially controlled by the number of available university places, it is unlikely occupational therapists are pushed into starting their own businesses for reasons other than work life balance.

However, the situation is rarely a clear-cut selection of pull-push factors and they often combine (Hughes, 2003). The prevalent trend in European countries is towards pull factors (Orhan & Scott, 2001; Sarri & Trihopoulou, 2005) and there is general agreement that individuals pulled into establishing their own enterprise have more profitable businesses compared to those that are pushed into small business ownership (Storey, 2003). Studies show that women seem to be mainly motivated to become small business owners from pull factors that refer to economic reasons, self-fulfilment, need for a challenge, flexibility and creativity and the need to balance work and family (Fielden et al., 2003; Humbert & Drew, 2010; McGregor, 2004; Sarri & Trihopoulou, 2005; Still & Walker, 2006; Walker & Brown, 2004).

Personality traits associated with a high need for achievement, internal locus of control, and risk-taking are often associated with successful small business owner-managers (Barbato et al., 2009; Baum & Locke, 2004; Cook & Belliveau, 2004; Gilmore et al., 2004; Sarri & Trihopoulou, 2005). However, there is no consistency on these variables across studies and consequently it is difficult to define what the psychological characteristics of a successful small business owner-manager are (Barbato et al., 2009; Cools & Van den Broeck, 2008a).

A criticism of the trait approach is that it views human potential as static and incapable of development, which limits an individual's capacity to change (Barbato

et al., 2009; Cools & Van den Broeck, 2008b; Frankish et al., 2008). Overall, research indicates that personality traits are generally not reliable predictors of future behaviour and that certain traits do not guarantee success (Cook & Belliveau, 2004; Davidsson & Honig, 2003). While external factors might motivate and influence an owner-manager's behaviour, they do not explain why some individuals are able to exploit opportunities, while others are not (Babalola, 2010; Bridge, O'Neill, & Cromie, 1998). The ambiguity resulting from these various external and internal factors led Barbato et al. (2009) to suggest that research using a behavioural approach, and linking behaviour to business performance is more productive than the trait approach. Studies that focus on the ability of an owner-manager to respond to external environmental challenges find that this is determined by their managerial abilities and their attitude to risk (Cressy, 2006; Gilmore et al., 2004; Keh et al., 2002). One of the ways that owner-managers can develop their business skills is to network.

Networks

Many factors influence the success or failure of a small business. To start a small business a person needs information, resources, technology, markets, skills and capital. Small business owner-managers often seek assistance in obtaining these resources by accessing contacts that reside in the external task environment (Davidsson & Honig, 2003; Hitt et al., 2001; J. Watson, 2007). The strength of these contacts is a person's social capital, which is a form of non-economic knowledge, although it can affect the economic behaviour of individuals (Baron & Markman, 2003). Cope, Jack and Rose (2007) describe social capital as the building and maintaining of networks and the norms of behaviour that underpin them. Individuals who have connections with others with similar values are likely to achieve more than those who act alone (Bratkovic, Antoncic, & Ruzzier, 2009; N. Carter, Brush, Greene, Gatewood, & Hart, 2003).

There is a positive relationship between business success and social networks

(Baron & Markman, 2003; Davidsson & Honig, 2003), with networks being useful for small business because they give access to resources that might otherwise be unknown to the owner-manager (N. Carter et al., 2003; Granovetter, 1973, 1983; Miller, Besser, & Riibe, 2007). Therefore, the skill in using social capital is important for the performance of small businesses (Aldrich & Martinez, 2001; J. Watson, 2007; S. Watson et al., 2004).

Two types of networks are described in the literature, the first are personal networks based on contacts that surrounds a particular individual, that is, strong ties, and the second are extended networks that are based on collectives, or weak ties (Aldrich & Martinez, 2001; Bratkovic et al., 2009; Granovetter, 1973, 1983). These weak ties can lead to the development of internal capabilities and enhanced business performance (Baum & Locke, 2004; Bratkovic et al., 2009) if used correctly. Owner-managers tend to create networks that are consistent with their concept of their business. In the early stages of establishing a business, they tend to place more importance on their personal strong ties (Jack, 2005; Larsson, Hedelin, & Garling, 2003; Stuart & Sorenson, 2003). As the business matures, these strong ties give way to a wider network that provides different types of strategic resources that become more important to the owner-manager (Battisti, Netzer, & Moeller, 2009; Bruderl & Preisendorfer, 1998; Casson & Della Giusta, 2007). In micro businesses, this latter stage development might never occur and the interpersonal networks of entrepreneurs may never progress beyond their close personal ties.

Studies have found that micro businesses often rely heavily on the advice of friends and family in order to maintain confidentiality as well as personal control. However, in the longer term this can prevent the formation of new ideas that might be more beneficial for business development (Barbieri, 2003; Ettl & Welter, 2010; Hermel & Khayat, 2011; Kelliher & Reinl, 2009). Watson (2007) found a significance relationship between formal networks and business survival, and to a lesser extent growth. Accessing advice from external accountants was the only network source

positively associated with business survival and growth. Networks also provide a cost effective way to develop social capital and to obtain information, and they are an important strategic tool for small businesses to develop and grow (Jack, 2005; Martinez & Aldrich, 2011; Maurer & Ebers, 2006; J. Watson, 2007).

A number of studies have found a positive association between networking and business performance. For example, where successful businesses used professional advice or relied more on accountants' information and advice (Duchesneau & Gartner, 1990); where the financial performance of small pharmacy businesses used external management advisory services (Kent, 1994); and where women owner-managers who used professional advisors gained better access to equity funding (N. Carter et al., 2003). Research by Larsson, Hedelin and Garling (2003) on the influence of expert advice for rural-based businesses in Sweden indicates that a lack of network contacts with weak ties is an obstacle to the expansion of small businesses.

The gender literature indicates that women increase their access to expert advice when they move beyond social networks with strong ties (family and friends) to networks with weak ties such as business networks. In these networks expert advice can be a substitute for direct experience and as a means of acquiring tacit knowledge shared by other business owners in the network (Aldrich et al., 1989; N. Carter et al., 2003; Catley & Hamilton, 1998). Other research suggests gender differences may exist in the use of networks by business owners (Shaw et al., 2009). On this point the research findings on gender differences are inconclusive (Aldrich & Martinez, 2001; S. Carter, 2000). However, overall research findings indicate that social networks have the potential to facilitate resource mobilisation and development, and give small businesses access to new markets. They can lower the risk of business failure and increase chances of success.

If the benefits of networking seem to be so positive, why do some owner-

managers decide against joining a network? The following reasons why owner-managers do not belong to a network were identified. They lack knowledge on the benefits of networks; perceive no relevant network exists; they have a lack of resources, such as revenue or time, to invest in network membership; they believe that costs and risks outweigh the benefits; and there is the tendency to prefer to 'go it alone' (Miller & Besser, 2005). One of the most common reasons for starting a business is to be one's own boss, so asking for help may appear to be counter intuitive to those business owners. Networking appears to be an obvious informal route to increasing business knowledge, and yet it is rejected by many small business owners. This raises the question about how nascent owner-managers learn and acquire the skills and competencies to start a new business. The following section discusses management and professional development of owner-managers.

Management development and learning

There is an overall acceptance that small businesses are not scaled-down versions of large businesses, and much of the small business literature on management development and learning focuses on the characteristics of the owner-manager. Devins, et al. (2005) take the idea of business size and the commensurate management needs a step further. They found that management characteristics in micro and small businesses differ from the more formal management structures and processes found in medium-sized businesses. These characteristics in small and micro businesses included being managed by a single person or by two people working in partnership; the owner managers being involved with the day-to-day running of the business; having a significant financial stake in the business; and employees having little scope to progress into managerial positions within the business. Consequently, small and micro businesses generally do not have a management structure that requires a formal management development policy or program similar to those in larger small and medium- sized businesses (O'Dwyer & Ryan, 2000b). Studies on micro and small businesses highlight that small business owner-managers generally focus on managing their technical (professional) expertise, rather than on developing their business-

management expertise (Cashin, 2006; Jundt & Blackwell, 2007; Knight & Gurd, 2007; Pilling & Slattery, 2004).

Classical management theories, such as Taylorism, or bureaucracy emphasise management effectiveness and improved organisational performance through processes designed to make workers work harder (Lussier, 2008). Management development is a strategy organisations use to achieve organisational outcomes, and processes are implemented for managers to learn and improve their abilities to plan, organise, lead and coordinate resources. A review on management development found that there are many definitions for, and approaches involved in management development (Cullen & Turnbull, 2005). However, the majority of definitions have the following commonalities. Management development emphasises management effectiveness and improved corporate performance, and is a deliberate and planned activity directed by strategic direction, and driven by the organisation rather than individual needs (Laitinen, 2002). Lastly, managers are viewed as an organisational resource (Higgins & Aspinall, 2011). The definitions also imply that management development is something done to managers in order that they '…might be improved, changed, or developed, rather than appreciating them as individuals with the power to generate meaning' (Cullen & Turnbull, 2005, p. 337). Overall, the literature on management development relates more to the development needs of large businesses than to those of small businesses (C. Gray, 2004). This is because in large businesses there are more disparate resources to be managed and controlled, and therefore to achieve the organisational goals there is a need to maximise all outputs from all inputs. Whereas in a small business the only resource may be the owner-manager and thus the owner-manager is the business and decides what the organisational goals of the business are, and what management development is needed to achieve those goals.

Perren and Burgoyne (2002) conducted content analysis of the management development literature to identify the key performance areas highlighted in

management development programs. They identified the following eight meta-groups of abilities targeted in management development programs - think strategically, manage and lead people, lead direction and culture, manage self, manage relationships, manage information, manage resources, and manage activities and quality. These categories further reduced into three groups of thinking abilities, people abilities and task abilities. Rae and Carswell (2000) suggest that small business owner-managers would benefit from programs that had a greater emphasis on personal development.

Cullen and Turnbull (2005) noted that more recently there has been a change of focus from management development to management learning. A major distinction between research on management development and management learning is that the former research tends to focus on methods and their impacts on organisational contexts, and the latter research focuses on the processes of learning that occur within an organisation. These management learning associated processes occur outside formal learning events and programs, and within the everyday contexts in which individuals work (Billett, 2002). Another difference is that management development studies use a range of quantitative measures, and much of the research on management learning has used qualitative approaches to study the natural processes of learning. Cullen and Turnbull (2005) propose that in anthropological terms management development and management learning are similar to *emic* and *etic* perspectives of culture. Management development tends to emphasise programs and activities that are external to the context (of the organisation) in which they are to instigate a change, that is, the *etic* approach. The *emic* approach in management learning focuses on the learning processes within an organisation. This *emic* approach to management learning leads other researchers to argue that social learning theory is relevant to management learning because it emphasises learning processes rather than the more formal educational processes used for management development (Billett, 2002; Eraut, 2004; Kelliher & Henderson, 2006). This would also be the case for small business owner managers as they are more intimately associated with the business and would therefore have

closer knowledge of what they needed to know and learn.

Models of management learning in small business

Most research on management development has focused on big business or bigger small businesses, and there is a consensus that traditional management development methods are inappropriate for the smaller and micro businesses. More recently, studies have suggested that owner-managers of these businesses are more likely to develop their management capabilities in the context of their respective workplaces. Even so there are few management learning models that specifically focus on small and micro businesses. The three models described below have different approaches on how the management capabilities of owner-managers in micro and small businesses might be developed.

Triadic model of entrepreneurial learning

Rae's (2004) model of entrepreneurial learning was derived from a qualitative study and has three major themes, being identify formation through personal and social emergence, opportunity recognition that arises from contextual learning, and sense-making that occurs through negotiation with others (see Figure 2).

The theme of personal and social emergence explains how people develop an entrepreneurial identity by re-negotiating their personal and social identities into how they prefer to be recognised by others. Their emergence as business owners is influenced by early life and family experiences, education and career formation, and social relationships, and can result in tensions between their current and future identity. Contextual learning occurs where owner-managers recognise opportunities by comparing their experiences through participation in cultural, industry and other networks. The third theme, negotiated enterprise involves learning through interactive processes and exchange with others in networks of external relationships, changing roles over time, and negotiated work structures

and practices with for example, customers, investors, employees or partners.

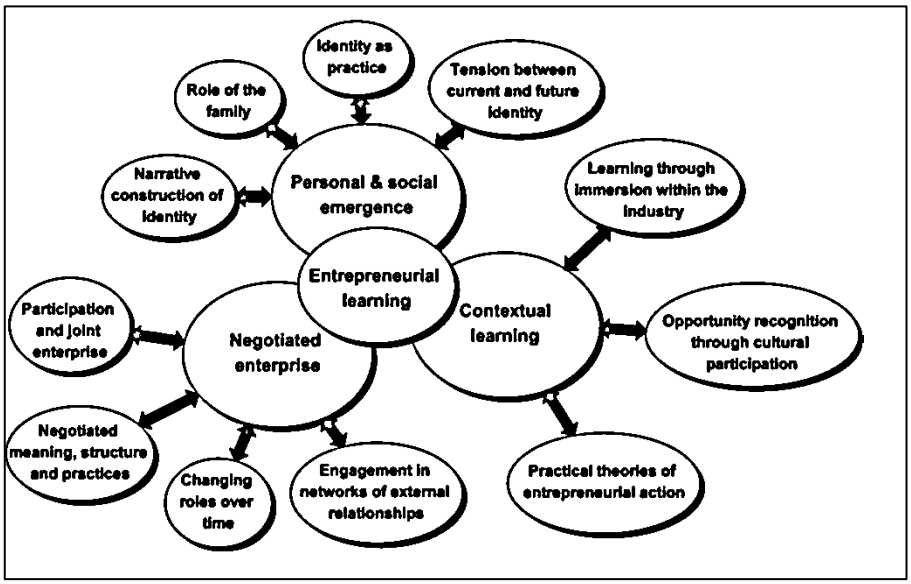


Figure 2. Rae's (2004) Triadic Model of Entrepreneurial Learning (p. 495)

Rae (2004) used the triadic model of entrepreneurial learning with mid-career entrepreneurs (in the age range 35 – 54 years) who were enrolled part-time in an optional postgraduate module on entrepreneurial management. The aim was twofold, firstly to evaluate the learners' learning experiences and to enable them to reflect on their development, and secondly for the educator to improve the teaching and learning experience. Results suggest that the model provided a useful approach for the learners in 'reframing, transferring, applying and extending existing skills beyond habitual boundaries' (p. 572), where habitual boundaries related to past careers and ways of working. This aspect also drew attention to the tensions that can arise between current and future identities, and 'unlearning' previous perceptions of self and social identity that is required. An issue to be considered with this model is that the sample, upon which it is based, may be unrepresentative of many owner-managers. This is because by being enrolled in a formal higher education course might indicate a higher level of interest and receptiveness to learning than others.

Model of learning through engagement and support

Ehrich and Billett (2004) developed a model of learning based on semi-structured interviews with small business owners about how they learnt and implemented a new business process, the Goods and Services Tax (GST). They identified two major factors that affected the participants' learning. The first factor was engagement in and with the task, "the just getting in and doing it ", and the second was the local levels of support that were used, such as tax consultants (p. 505). The interaction of these two factors gave rise to four possible types of learners (see Table 1).

Table 1. Ehrich and Billett's Model of Learning through Engagement and Support

		ENGAGEMENT	
		HIGH	**LOW**
SUPPORT	**HIGH**	Engaged + demanding learners	Delegators
	LOW	Independent learners	At risk learners

The combination of high engagement and support reflects the owner-managers who were highly engaged in learning and were proactive in finding opportunities to learn from as many sources as possible. The high engagement and low support owner-managers were actively engaged in their hands-on learning, but were selective in using supports. Owner-managers with a combination of low engagement and high support delegated responsibility for implementing the new processes (for GST) to others, such as family or book-keepers. The owner-managers most at risk were those where learning is limited and may be the result of low interest, limited confidence, limited skills, or limited resources, such as unable to pay for supports or advice. Ehrich and Billett (2004) concluded that the main issues to arise from this study was the centrality of the workplace for owner-managers to engage in learning a new practice, and the role of localised support to augment learning. Furthermore, that these processes outside of formal courses are more likely to assist owner-managers to learn the skills and knowledge they need to develop their business capabilities. However, Ehrich and Billett point out that a

possible weakness with this learning model is that owner-managers knew they had to comply with the GST, and therefore had no choice but to learn about it. In other words they might have been more diligent learning about the GST than for other non-compulsory business or management skills.

Conceptual model of learning in micro businesses

Devins et al. (2005) conceptual model of learning was based on the literature due to the paucity of research on learning in micro businesses, where the learning is largely grounded in the owner-manager who is responsible for most, if not all the business-related activities. The model has three main sources of information and supports the owner-manager uses over time. These are informal networks and trusted others such as family, secondly, professional advisors, such as accountants, and thirdly training providers (see Figure 3 for the relationship between the three sources of information and support). Group A are the 'immediate others', the family and employees who work alongside the owner-managers and who provide on-the-job support. Group B are outside the business but are 'close others' who do not work in the business but have an interest in the workings of the business. They might be family, friends, valued customers or suppliers and can act as a sounding board, or help out in difficult times. The micro business interacts with others, such as bankers, accountants and lawyers, and they understand the business and provide advice. These are in Group C and referred to as the network agents. Group D is referred to as the non-network agents and are external to the micro business and are formal training providers. The model proposes that learning in micro businesses generally happens informally and incidentally, and with some occasional formal training.

This model describes how the owner-managers start by limiting learning within the spheres of the immediate and close others, and then moves to include network agents, such as accountants or lawyers. Rarely a micro business might seek assistance from non-network agents, who provide training, often through

government funded assistance programs. The model permeates the boundaries of the micro business with the non-network agents training the network agents who can then act as a conduit in influencing the micro managers' learning. However, the model is conceptual, it is based on the literature and Devins et al. have not put it to the test. Devine (2012) conducted a qualitative study with a heterogeneous sample of micro business owners to test the use of information sources reflected in this model. Results indicate variations occurred in how micro managers used the three identified sources of information, with some rarely if ever using the non-network agents. Overall, Devine's study found support for those aspects of the model and suggested that further testing with homogeneous participants would be useful.

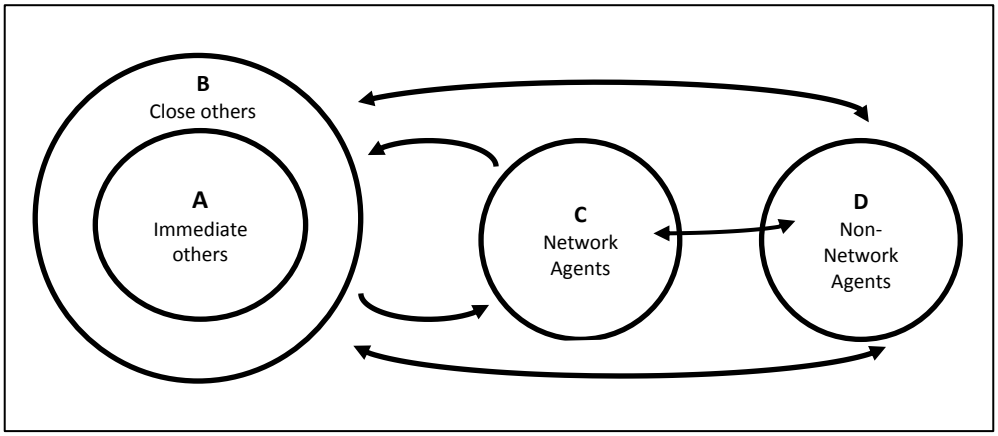


Figure 3. Devins et al.'s Conceptual Model of Management Learning in Micro Businesses

The three learning models have a common aim, which is to improve the management capabilities of micro and small business managers. However, the intent of the Model of Management Learning (Devins et al., 2005) and Learning through Engagement and Support (Ehlich & Billett, 2004) is to enhance teaching/learning strategies or interventions that trainers and consultants use to achieve better learning outcomes for the owner-managers. Only the Triadic Model of Entrepreneurial Learning (Rae, 2004) identifies personal characteristics of the owner-managers that affect learning new skills. Participants in Rae's (2004) study were mid-career postgraduate students, and this suggests they might be more highly motivated to learn than the average small business owner. The study by

Ehrich and Billet (2005) included participants from a range of micro and small businesses and focussed on their propensity to engage in learning and to use local resources and supports. However, because of the compliance issues associated with the GST this might have produced a stronger interest than would occur when learning other management capabilities. A main focus of Devins et al.'s (2005) conceptual model is about finding a way for non-network agents (trainers) to permeate the micro businesses' boundaries. A major limitation with the three models is that each has been empirically tested once only in a small qualitative study. Each model assists our understanding about a range of learning processes, but the emphasis is largely on access to and use of training resources, rather than on the learning process itself. The next section considers the social nature of learning and the different types of learning that individuals' might experience.

Social learning theory

Social learning theory (Bandura, 1986) states that people learn within a social context, and this is facilitated through concepts such as modelling and observational learning. Theories on social situated learning theory, theory of self-efficacy and cognitive learning theory are derivatives of social learning theory, and all have in common this element of learning though observation and modelled behaviour. A more detailed description for each of these approaches follows.

Social situated learning theory is a general theory of knowledge and skill acquisition (Lave & Wenger, 1991) which posits that learning is a function of activity, context, and culture, and explains how individuals assimilate into communities of practice that are relevant to their social setting. This approach suggests that the cognition of learners involves problem solving, sense making, understanding, transfer of learning, and creativity, in terms of the properties of the environments in which they are situated. That is, it is impossible to separate learning from the context in which learning occurs and individuals come to learn or 'know' something through their actions and engagement in a community of

practice.

Bandura's (1982) theory on self-efficacy also has its roots based in social learning theory and describes the importance of motivation for the adoption of modelled behaviour, and for gaining internal rewards, such as pride, satisfaction, and a sense of accomplishment. Individuals with a strong sense of self-efficacy see problems as things to master, have a strong interest in the activities that they undertake, and recover quickly from setbacks. This emphasis on internal thoughts and cognitions helps connect social learning theories to cognitive learning theories.

Cognitive learning theories study how information in the environment is transformed into knowledge stored in the mind, and this can be articulable or tacit (Polanyi, 1967). Articulable knowledge can be codified, written and transferred, whereas tacit knowledge is not articulable and is difficult to transfer. Tacit knowledge is learnt through observation and reflection in the workplace. For example, formal management education is articulable, and therefore measureable and is utilised in management development programs, whereas tacit knowledge has its basis in informal learning in the workplace (Cavusgil, Calantone, & Zhao, 2003; Lam, 2000).

An understanding of both articulable and tacit knowledge is important when considering that many government supports that aim to increase the management competencies of small business owner-managers are formal training programs. Because of the nature of any funded program, there needs to be demonstrable outcomes, to provide evidence of value for tax dollars spent, and thus the requirement of the training to have a strong element of articulable knowledge. This is a significant issue when it comes to small business training because many studies have evidence that small business owner-managers are the least likely people to participate in these articulable knowledge programs (Matlay, 2000; Walker,

Redmond, Webster, & Le Clus, 2007; Walker, Webster, & Brown, 2005; Webster, Walker, & Barrett, 2005).

There are various reasons why owner-managers do not participate in formal training. They include a lack of money and time (Darch & Lucas, 2002); a lack of understanding about the value of learning new management skills and uncertainty about the unknown (H. Barry & B. Milner, 2003; Massey, Tweed, & Lewis, 2003; Walker, Bode, Webster, & Burn, 2003); failure to plan and inability to anticipate future skill needs (Greenbank, 2000a, 2000b; Storey, 2003; Storey & Westhead, 1994); a belief that training is not a priority for their business (Matlay, 2000; Vinten, 2000), or that the training offered is not specific enough or relevant to their businesses. These barriers, both real and perceived present challenges for trainers and owner-managers alike. For the trainers the format of training must be acceptable to small business to maximise the likelihood of them attending. For the small business owner managers training has to have sufficient relevance so that the benefit is obvious and suits their learning style.

As previously stated the owner-managers of small businesses have a pivotal role in all the operations of their businesses, and therefore a starting point for increasing their managerial competencies requires an understanding on how they best learn. Morrison and Bergin-Seers (2002, p. 390) state that "…learning is the human process by which skills, knowledge, habits and attitudes are acquired and altered in such a way that behaviour is modified". Extant literature indicates that small business owner-managers tend not to use structured learning. Instead learning is part of an integrated process in which human, social and economic factors are all important (Rae & Carswell, 2000). At an individual level, sense-making is derived from factors such as human capital, experience and professional background, and at another level learning is affected by needing to respond to external environmental factors such as economics and social supports (Ettl & Welter, 2010). Social learning theory is applicable here as owner-managers learn

informally from peers, customers and suppliers (Billett, 2002) by problem-solving, copying, taking opportunities and making mistakes (Beaver, 2002; Dalley & Hamilton, 2000), critical incidents (Flanagan, 1954; Pederno, 1999) and through networks where they are socialised and exposed to the knowledge and expertise of others (Miller, Besser, & Malshe, 2007; Morrison & Bergin-Seers, 2002).

These findings suggest that social learning and cognitive theories contribute to an understanding about how owner-managers learn from their day-to-day workplace experiences, and can develop their business knowledge and skills (Billett, 2002). The dilemma is that while owner-managers can develop their management competencies in the informal settings of their workplace and social networks, the evidence is their businesses frequently do fail, and therefore their detachment from external supports provided by various agencies and private providers remains a matter of concern. This leads to the next issue to be examined, which is to establish what management competencies owner-managers need to enhance their chances of business survival and success.

Managerial competencies and small business success

High level business and management competencies among small business owner-managers contributes to the profitability and growth of their businesses, and also has wider economic implications (Ahmad, Ramayah, Wilson, & Kummerow, 2010; Barbero et al., 2011; R. Boyatzis, 2007; O'Gorman et al., 2005). This is especially relevant with the dynamic changes that result from globalisation and changing technologies and that require many small business owner-managers to re-organise their traditional business practices to remain competitive. In addition to external factors that require a response from small businesses, there is evidence that whilst small business owners might have baseline competencies at start-up, these need further development for their businesses to succeed and grow (Andersson & Floren, 2008; Barbero et al., 2011; Greenbank, 2000a; Hashim, 2008; Kock & Ellstrom, 2011; Nesbit, 2007; Poikela, 2004). All these factors can challenge

the capabilities of owner-managers, and in order to stay competitive they need regularly to renew their skills and knowledge to keep up with current practices.

Overall, the literature on management competencies indicates that knowledge of an industry does not necessarily translate into owner-managers having the managerial competencies required to operate a small business. The core competencies of the business become synonymous with the competencies of the owner-manager, who is more likely to have good technical and operational skills but few if any formally acquired managerial skills (Stockdale et al., 2004). Generally small business owner-managers perceive themselves to be managerially competent, and do not regard skill development as critical for the operation of their business (Walker & Webster, 2006), or recognise a need for management up-skilling (J. Perry, 2001; Richbell et al., 2006; Storey, 2003; Walker et al., 2005; Webster et al., 2005).

The positive association between the managerial competencies of the owner-manager, and the ability of the business to compete effectively in the marketplace and create economic value, has been an argument for the need to provide appropriate management development programs to the small business sector (Barbero et al., 2011; Kelliher & Reinl, 2009; Mitchelmore & Rowley, 2010; Pansiri & Temtime, 2008; Walker & Webster, 2006). These managerial competencies are deeply rooted in the owner-manager's background (traits, personality, attitudes, social role and self-image), and can be acquired at work, or through training and education (skills, knowledge and experience) (Markman, Balkin, & Baron, 2002; Nesbit, 2007; Pilling & Slattery, 2004; Poikela, 2004; Rausch et al., 2001; Ruth, 2006).

Two internal factors need to be taken into consideration here, the first is the willingness of the owner-manager to engage in on-going continuous learning or whether they require 'as and when' training or' just in time' training. The second is the owner-manager's goals and aspirations in relation to the longevity and/or

growth of the small business. If the owner-manager has no long term plans to expand their business, then the amount and complexity of their management development needs will be significantly different to owner-managers who have long term growth plans for their business.

The literature indicates that the most common concepts used in management development are competency and competence (Ahmad et al., 2010; Rhee, 2008; Viitala, 2005), and furthermore some of these competencies are learnable and can be developed through formal training (McGregor & Tweed, 2001; Mitchelmore & Rowley, 2010). The literature reflects substantial agreement that the competencies required to run a small business are qualitatively and quantitatively different from those needed in larger organisations, partly because the owner-manager is in the most critical position in the running of the business. The conclusion drawn from the literature is that competencies are important for growth and success of a business and can have significant consequences for practices. The discussion now turns to an examination on the concepts of competence, theoretical frameworks and measurement methodologies.

The concept of competence

A major issue in the study of competence are the many definitions that exist. In addition the terms 'skills', 'expertise', 'competency', and 'acumen' are used interchangeably (Mitchelmore & Rowley, 2010; Ruth, 2006). The term 'competence' is used extensively in management development and started with the work of Boyatzis (1982). The underlying concept has been to develop a common language to describe the knowledge, skills and personal qualities associated with effective management. However, there are different approaches about what the concept means and the terms 'competence' and 'competency' are defined from several different perspectives and have a number of meanings (R. Boyatzis, 2007; Kelliher & Reinl, 2009; O'Regan & Ghobadian, 2004; Rausch et al., 2001; Ruth, 2006).

In the USA the term 'competency' is used to distinguish superior from average performance, and are the essential personal traits, skills and motives of an individual that leads to superior performance in a job (Mitchelmore & Rowley, 2008). Using this understanding of competency, Boyatzsis (1982) developed a model of managerial competency that has three levels; motives and traits; social role and self-concept, and role transitions. In the UK 'competence' is a description of something a person working in a given occupational area should be able to do, or demonstrate. This approach has led to the development of standards for occupational performance by various professions and vocational groups, for example, in management, accounting, occupational therapy and pharmacy (Cheng, Dainty, & Moore, 2003; Occupational Therapy Australia, 2010; Ottewill et al., 2000). In occupational therapy there are a total of 27 competency standards that must be met to achieve accreditation status. These span seven broad areas of performance, including professional attitudes and behaviour, information gathering and collaborative goal setting, interventions and service implementation, service evaluation, professional communication, professional education and development, and professional practice responsibilities.

The two terms, competence and competency are linked but distinct; competence is the evaluation of performance in a specific domain of activity, and competency is a class of things used to characterise individuals and their behaviours.

Frameworks of entrepreneurial competencies

Whereas all of the literature to date has referred to small business owner managers rather than entrepreneurs, (which is a term used extensively in North American literature, less so in the European literature, and seldom in Australasian literature), it is used here because it best illustrates the notion of desire for growth

and expansion in the small business context. The previous section on managerial competencies discussed aspects about their role in business success, and difficulties with definitions. This section provides an overview of the literature on entrepreneurial competency frameworks, and develops lists of key entrepreneurial competencies.

There are a number of management competency frameworks. Most adopt variations on dividing management competencies into two broad themes of functional and organisational competencies. Smith and Morse (2005) categorise competencies into these two broad themes, functional competencies, for example, finance and marketing, and organisational competencies for organising, motivating, personal skills and leadership. Mann et al. (2002) also used the functional-organisational competency framework and identified ten areas of entrepreneurial competencies that had a direct or indirect impact on small business performance. These are opportunity, relationship, analytical, innovative, operational, human, strategic, commitment, learning and personal strength. Orser and Riding (2003) used the functional approach and developed 25 competency scales that fitted into nine functional areas. Reuber and Fischer (1994) identified 16 skill areas including general management, strategic planning and marketing. Baum (2004) developed a list of nine entrepreneurial competencies and his study showed that self-efficacy, technical skill, personal marketing, an innovation focus, and a passion for work had the strongest relationship with business growth.

The study by Hayton and Kelley (2006) report a different approach using a three-part competencies framework based on a social constructionist approach and grounded in the interactions between individual differences, situationally defined behaviour, and socially designed criteria for performance. Most recently, Mitchelmore and Rowley (2010) conducted an extensive review of the literature on entrepreneurial competencies. They synthesised the findings and developed a competencies framework with four categories, being business and management

competencies, human relations competencies, conceptual competencies, and relationship competencies.

The studies above have applied different theoretical frameworks but what they have in common is an attempt to identify lists of key management competencies. What emerges from these studies is there is no common list of key competencies that small business owner-managers must have to be successful.

Measuring entrepreneurial competencies

Measuring the competencies of owner-managers is a vexed issue because competencies vary in different contexts, can change over time, and are not directly observable (Smith & Morse, 2005). As a result, a number of approaches to measure competencies are based on various assumptions underpinning the frameworks described previously. A common approach has been to review the competency literature and identify key knowledge or abilities thought to reflect managerial competencies. Researchers then asked respondents to self-assess their own level of competence, or level of agreement with a competence-related statement (Hudson, Smart, & Bourne, 2001; Markman et al., 2002; Mitchelmore & Rowley, 2010; Nesbit, 2007; Pansiri & Temtime, 2008). This approach identified the competencies that appeared to most affect performance in small businesses and highlighted areas for future training needs.

Other studies took a process perspective and used expert information processing theory as a framework to investigate the relationship between entrepreneurial cognitions and decisions, and their outcomes. Respondents used a nominal scale to agree or disagree with a list of statements (Mitchell et al., 2002; Shepherd, 1999). In yet another approach, several researchers used the resource-based view theory as their framework and adopted a performance-based perspective to measure competencies. They identified key competency tasks, and respondents completed a self-reporting questionnaire on their self-assessment of

their skill levels for each competency (Lerner & Almor, 2002; Reuber & Fischer, 1994). These results suggest that business performance is correlated with aspects of the owner-manager's skills.

These quantitative approaches for measuring competencies had respondents use some variation on a self-assessment of their skill levels, and it could be argued that this is a major weakness. However, several studies have demonstrated a strong relationship between perceived and actual competencies (Gist, 1987), and Chandler and Jansen (1992) used a subjective self-reporting scale and found it had discriminant, convergent and external validity, and that the self-reported competencies of respondents correlated with business performance. Finally, Hindle and Yencken (2004) note a lack of qualitative studies in management competencies research. They suggest that qualitative methods such as in-depth interviews and case studies might provide insight into competencies from a process perspective that are not apparent in traditional quantitative methods.

Managerial competences and small business performance

High level business competencies among small business owner-managers contributes to the profitability and growth of their businesses, and therefore has wider economic implications (Ahmad et al., 2010; Barbero et al., 2011; R. Boyatzis, 2007; O'Gorman et al., 2005). Thus, a driver in competency research is how to enhance the development of managerial competencies. There is a consensus that some competencies are learnable (McGregor & Tweed, 2001), and that whilst small business owners might have baseline competencies at start-up, these need further development for their businesses to succeed and grow (Greenbank, 2000a; Hashim, 2008; Kock & Ellstrom, 2011; Nesbit, 2007; Poikela, 2004). These managerial competencies are deeply rooted in the owner-manager's background (traits, personality, attitudes, social role and self-image), and can be acquired at work, or through training and education (skills, knowledge and experience) (Markman et al., 2002; Nesbit, 2007; Pilling & Slattery, 2004; Poikela, 2004; Rausch et al., 2001; Ruth, 2006). However, generally small business owner-managers perceive themselves to

be managerially competent, and do not regard skill development as critical for the operation of their business (Walker & Webster, 2006), or recognise a need for management up-skilling (J. Perry, 2001; Richbell et al., 2006; Storey, 2003; Walker et al., 2005; Webster et al., 2005). Overall, the literature on management competencies indicates that knowledge of an industry does not necessarily translate into owner-managers having the managerial competencies required to operate a small business. The core competencies of the business become synonymous with the competencies of the owner-manager, who is more likely to have good technical and operational skills but few if any formally acquired managerial skills (Stockdale et al., 2004). Curricula in occupational therapy education focus on the development of clinical competencies and the values of the profession itself, and they enter small business with few, if any management skills. The extent to which there might be a cross-over from one discipline to another is discussed in the next section.

Professional socialisation in the health professions

The earlier coverage of the literature on the personal characteristics of the owner-manager identified that level of education is a positive factor in improving the probability of success in a small business. The literature on professional health education addresses the requirement for students to develop competences in the specialised knowledge and skills of their chosen profession. However, students are required to learn more than the expert knowledge and skills associated with their discipline (Clouder, 2003; Grodzki, 2009; Sparkes, 2002; Swick, 2000).The extant literature, whilst scarce, indicates that students experience a terrain of 'learning to be' a health professional, and through an on-going process of professional socialisation. They acquire the values and attitudes, as well as the interests, skills, knowledge, and self-reflective skills about their profession – they acquire a professional identity. Typically this socialisation into the mores of the profession is learned in the experience of practice where students observe and learn from role models (Bandura, 1986; Hafferty & Franks, 1994; Wagner, Hendrich, Moseley, & Hudson, 2007; Wenger, 1998).

Hafferty and Franks (1994) write about the hidden curriculum in medical education and state that little attention to professional character formation in medical education is given. Other studies on role modelling in medical education conclude that professionalism emphasises the importance of physicians developing reflective skills and professional character through professional socialisation processes (Kenny, Mann, & MacLoed, 2003; Swick, 2000). Clouder (2003) describes three levels of socialisation, namely primary, secondary and tertiary. All individuals experience the processes of primary socialisation, which is associated with childhood, and secondary socialisation, which is about integration into wider society. Tertiary socialisation is similar to primary and secondary socialisation inasmuch as it involves the relationship between the individual and the power of social control in society. However, it is a distinctly different process involving the socialisation into an occupation. Much of the research on professional socialisation uses terms such as internalisation and indoctrination, and as a deterministic process of moulding passive recipients (Clouder, 2003; Sparkes, 2002; Swick, 2000). This is discussed in studies on medical education and nursing (du Toit, 1995; Reedy & Learmonth, 2000; Wagner et al., 2007)

du Toit (1995) was interested in the extent to which nursing education influenced the development of a professional identity in nursing students. She developed a questionnaire to measure the extent of professional socialisation of nursing students at two Australian universities. Data was collected from first, second and third year students to test if the level of professionalisation changed over the time of study. The results showed that the extent of professional socialisation started to develop early in the course and increased to be very high in third year students. Professional socialisation had a significant effect on the students' value systems and from the findings of the study a description of an 'ideal type' of nurse was created. The ideal nurses has a strong service orientation where the needs of the client are given priority over nurses' personal needs, they are

caring, willing to work with others, have a strong commitment to their profession, identify with the nursing culture, and are proud to be educated as nurses.

In another study Reedy and Learmonth (2000) examined the nature of competence-based approaches to management training of nurse managers with a specific interest in exploring the transition required from a 'clinical' identity to a managerial one. They found that the nurse managers acknowledged the usefulness of 'management' concepts but resisted adopting the ideology of management. Furthermore, the management training did not cause the strength of the nurse managers' clinical identity to wane. Reedy and Learmonth concluded that further studies might reveal the extent of the multiple and conflicting subjectivities experienced by nurse managers, and the tension they experienced between their professional identities as both a nurse and a manager.

Wagner et al. (2007) conducted eight focus groups with medical students, medical registrars, academic faculty and patients to discover participants' beliefs, perceptions and expectations of medical professionals. Analysis of the data identified primary themes of knowledge/technical skills, patient relationship and trust, and character virtues such as compassion and honesty. Secondary themes included medicine as a unique profession and the higher standards to which doctors are held; personal congruence – the internal values of a doctor should match their external behaviour and actions; and that professionalism included fair treatment of medical colleagues. Overall, they also noted that there was a developmental shift in the attitudes and values of the medical students as they progressed through their studies.

A different approach was adopted by Clouder (2003) who used social constructionism to study occupational therapy students enrolled in a UK university on their experiences and insights of becoming a professional. Twelve occupational therapy students participated in a 3-year longitudinal study that spanned their

entire undergraduate program. The focus was to capture a flavour of the experiences and perceptions of the students as they progressed through their studies. Each student was interviewed at approximately 10-week intervals over the 3 years. Clouder found that students gradually internalised the values and beliefs of the members of the profession and therefore became subject to social control at a largely unconscious level. Students did retain some element of individual agency but found that it was easier to 'play the game' and conform to the profession's expectations rather than deviate too far from the social order. Students who had other work experiences prior to starting their occupational therapy studies did demonstrate greater individual agency than their less-experienced peers, and were able to negotiate working conditions, learning experiences and increased levels of autonomy.

Research on professional socialisation in the health professions is sparse. However, the studies described above indicate similarities in the socialisation process across the health disciplines, and their understanding of professional education to incorporate a process of moral socialisation, of taking the values, attitudes and character, and identity of the chosen profession as one's own (Clouder, 2003; du Toit, 1995; Reedy & Learmonth, 2000; Wagner et al., 2007). Typically, the socialisation into the mores of the profession occurs through the experience of practice where students' learning is influenced by informal processes such as clinical practicum, peer interactions and role models (Hafferty & Franks, 1994).

The process of professional socialisation can be explained using social learning theory. As mentioned previously social learning theory (Bandura, 1986) postulates that learning is social in nature, and occurs in an environment of constant reciprocal interaction among individuals, their behaviour, and the environment. Observation is one powerful way in which values, attitudes and patterns of behaviour are learned. Individuals watch the actions of others and the consequences of those actions, and

it is through this process that they learn behaviours and ways of being that look successful to them, and to incorporate behaviours and standards that will enable them to achieve valued goals (Bandura, 1986; Clouder, 2003; Kenny et al., 2003). Wenger (1998) also states that it is this experience of learning in the context of practice where students learn from participating in and gradually becoming absorbed into communities of practice.

In summary, professional education is not only about the acquisition of expert knowledge and skills, it is also about the acquisition of a new identity in life – an identity as a professional, with all the rights and responsibilities that entails (Wagner et al., 2007). This review of the literature about professional socialisation into a health profession suggests these professionals have an established identity with the values and attitudes that might be at odds with the ideology and goals of management and small business being perhaps more financially rather than ethically based. The extant literature on professional service firms offers support for this view, with a number of studies indicating that these businesses have poor management skills, and high failure rates, which may indicate that they put their 'profession' first and their business second (Cashin, 2006; Knight & Gurd, 2007; Ottewill et al., 2000; Proudlock et al., 1999; Wong & Braithwaite, 2001) .

Overall, the extant literature on the relationship between competencies and business performance demonstrates that owners and managers of small and large businesses respectively will have differences in what they regard as important managerial competencies. In the small business sector there will be differences based on contextual factors such as the size of the business, the maturity of the business, the business sector, and the pattern of ownership and control. There will also be a greater emphasis on person-oriented competencies in sub-sectors of small professional service firms. However, in all cases there is evidence that competencies need to develop beyond those required for start-up if a small business is to survive and for growth to occur (Baron & Markman, 2003; Kock & Ellstrom, 2011; Man et

al., 2002; O'Gorman et al., 2005; O'Regan & Ghobadian, 2004).

All these issues are pertinent to occupational therapists who are relatively newcomers to the small business world. An understanding of the factors involved in how they make the transition from clinical (professional) employee to successful business owner is critical. It is critical for the individuals themselves once they decide to start their own business. It is also critical in contributing to the success or otherwise of governments' economic policies for small business and health reforms.

It is evident in the research literature, that business performance is influenced by many variables, including the individual characteristics and behaviours of the small business owner-manager, the size of the business and sector type, and environmental influences (Haswell & Holmes, 1989; Reijonen & Komppula, 2007). However, it is also clear that the owner-manager is the most important asset in a business, and therefore, the successful performance of a small business depends largely on the owner-manager's management skills and capabilities.

This literature review identified factors that contribute to the success of occupational therapists as small business owners. The next section describes the research issue in detail, and provides a conceptual framework that guided the conduct of the study.

The research issue

Management development and improved business performance in small businesses is motivated by the knowledge that many fail. Emerging from this concern is a need to understand what factors influence management development and the resultant outcomes for business performance. The management of a business operation incorporates many diverse and complex dimensions (Hawawini

et al., 2003; Lumpkin & Dess, 1996) and relies heavily on measurement and monitoring activities (Garengo et al., 2005). The link between these dimensions and the impact they have on business performance has been widely studied in large business (Foley & Samson, 2003; Lam, 2000) but there has been little study of this area in professional service firms (Anderson-Gough et al., 2006; Freeman & Sandwell, 2008; Marlow & Carter, 2004). Therefore, the main question, which this research will attempt to answer, is:

What factors contribute to the success of occupational therapists as small business owners providing professional services?

Related questions

1. Why do occupational therapists become small business owner-managers? (motivation)
2. What management competencies do occupational therapists need to be successful small business owner-managers? (management competencies)
3. How do successful occupational therapist owner-managers develop their management competencies? (management learning)
4. Do they perceive they are successful in managing their small business? (self-reflection and self-assessment)

These questions centre on an understanding about the development of management competencies necessary for owner-managers to operate their small professional services business successfully. It has practical applications in identifying differences in the management needs of small businesses and large firms, and implications for the management training needs of small business owners that provide professional services in the health sector.

Conceptual framework of factors influencing business success

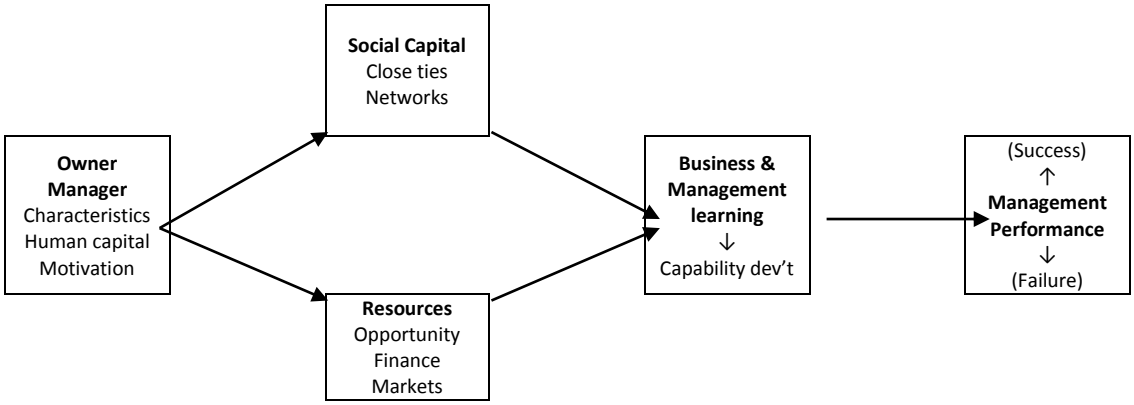


Figure 4. Conceptual framework of factors influencing business success

Due to the limited research on factors affecting the development of management capabilities for success in small professional businesses, the conceptual framework (see Figure 4) draws on the management learning and development literature in the small business sector. The framework guided the exploratory study on the factors that contribute to the success of occupational therapists as small business owners providing professional clinical services.

The framework has a sequence of phases representing a continuum from when the owner-manager (an occupational therapist) starts her small business, then utilises a combination of resources to a greater or lesser degree, which combine to support the development of her business capabilities, and finally culminates in her level of management competency as a small business owner-manager.

The importance of the characteristics and motivations that owner-managers bring to the business setting has been well documented in the literature (Barbato et

al., 2009; Hughes, 2003; Sarri & Trihopoulou, 2005), as too is the central role they have in managing most aspects of the business (Altinay, 2011; Rauch & Rijsdijk, 2011; Unger et al., 2011). The harnessing of resources through building social capital is critical to business success (Casson & Della Giusta, 2007; J. Cope et al., 2007; De Carolis & Saparito, 2006). Initially, these relationships and interactions will be limited to close ties, such as family and friends who provide support but are not involved in the day-to-day operations of the business (Devins et al., 2005; Jack, 2005; Molina-Morales & Martinez-Fernandez, 2010). Once established the development of business and management acumen depends on the interactions of the owner-manager with business networks where they have opportunities to observe and learn from other business operators (Foss, 2010; Freeman & Sandwell, 2008; Higgins & Aspinall, 2011; Peltier & Naidu, 2012). Networks and networking are a major learning opportunity for owner-managers, and are an important element for successful small business development. Another important set of factors influencing business success are other resources, such as markets, finance and emerging opportunities (Finch, Wagner, & Hynes, 2012; Kelliher & Reinl, 2009; Runyan et al., 2007; Shum & Lin, 2010). The availability and interaction of these three components, being the owner-manager's human capital and motivation, social capital and external resources represent the core elements that are the source for most of the owner-manager's learning about management and business.

The literature indicates that much of the learning in small businesses is informal or incidental, rather than formal or structured learning (Cavusgil et al., 2003; L. Cope, 2003; Eraut, 2004; Reinl, 2009). Therefore, this conceptual framework takes a social rather than economic view of learning management capabilities in small business.

CHAPTER 3. RESEARCH DESIGN AND METHODS

Not everything that counts can be counted.
Not everything that can be counted, counts (Albert Einstein)

This study set out to investigate why occupational therapists who are an under-researched group in the professional health services sector, became business owners and how they developed the necessary managerial capabilities to be successful. The overall purpose of this chapter is to explain why the interpretivist paradigm is the foundation that guides an inductive qualitative approach, and why the choice of an exploratory case study was used in the study.

This chapter starts with the rationale for the study, and then the description of the research approach and methodology used to investigate these questions. The structure and processes of exploratory case study research are presented, and include the criteria used in selecting the participants. The procedure for collecting data by using semi-structured interviews with occupational therapists is explained. Techniques used to analyse data and draw conclusions are specified. The chapter concludes with a discussion on the limitations of the research methodology as applied to this study.

Research purpose

This exploratory study is in response to issues about how occupational therapists become successful owner-managers of small professional service firms. Recurring issues relate to the high failure rate of small businesses, and the low uptake of management training by small business owner-managers. The heterogeneity across and within business sectors suggests that it is not clear what

constitutes useful and relevant management competencies that are applicable for all small businesses, and in what contexts.

The purpose of this study was to establish some insights and understandings about these points as they relate to occupational therapists in small professional service businesses, and contribute to some perspectives on their management development for successful business outcomes. Small businesses are heterogeneous and there is considerable variation in the ways in which they operate and the management functions they fulfil (Devins et al., 2005). It is possible that models of management competencies will vary from one sector to another. Therefore, the focus of this study on owner-manager occupational therapists in professional service businesses will contribute to a theoretical perspective that may explain some of these sector-related differences in context.

This research will contribute to the gap within the existing literature and empirical evidence pertaining to management competencies needed in micro and small business. An understanding of the factors that influence the development of management competencies in the context of micro and small businesses is vital to the success of professionals making the transition from employee to being the owner-manager of their own business. The approach proposed in this study provides a basis for identifying the factors that facilitate the development of the management competencies for occupational therapists to become successful small business owners.

The importance of this research was justified on practical and theoretical grounds. The practical grounds relate to the dominance of small business in the Australian society and economy, and the specific importance of professional service firms (private practice) to the health services sector. Justification of the research on theoretical grounds addresses the previous neglect of the specific research

problem.

Structure of the research design

The hierarchical research structure and process model proposed by Saunders, Lewis & Thornhill (2009) guided the decision-making processes (see Figure 5) for planning and implementing this study.

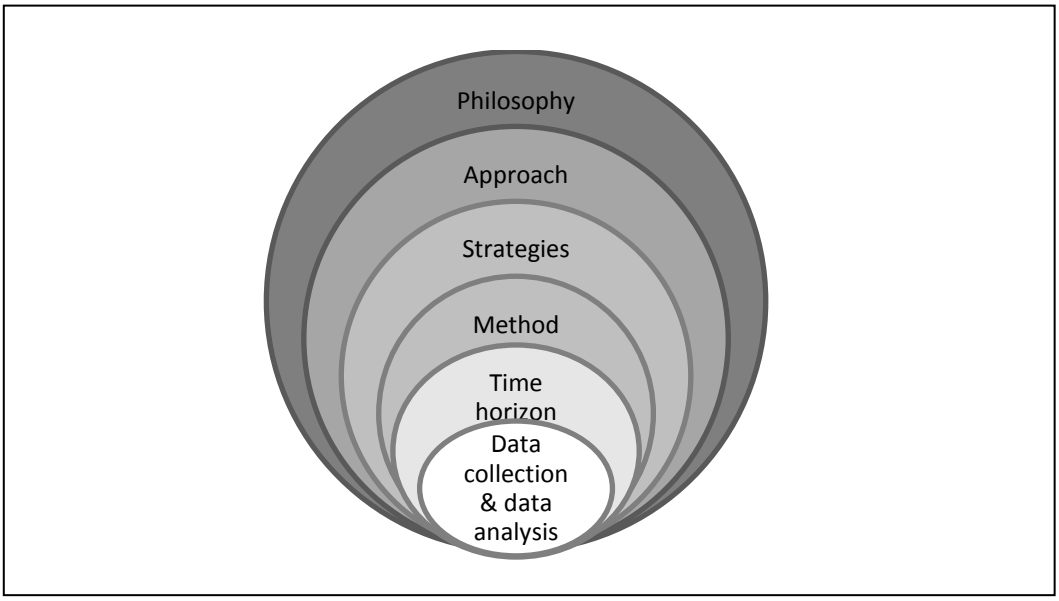


Figure 5. Research Structure and Process Model (Saunders, Lewis & Thornhill, 2009)

Research philosophy

Research philosophy focuses on our basic belief system or world view about how knowledge is developed and the nature of that knowledge (Collis & Hussey, 2009; Guba & Lincoln, 1994; Saunders et al., 2009). These assumptions about knowledge and the way the world is viewed underpin the research strategy and the methods used to investigate an issue (Johnson & Clark, 2006). Ontology and epistemology are the two major ways of thinking about research philosophy and they influence the way one thinks about the research process. Ontology, the study on the nature of reality, is reflected in assumptions about whether reality is objective and independent of our perception of it, or whether it is constructed by those who experience it (Collis & Hussey, 2009; N. Lee & Lings, 2008). Epistemology

is concerned with what we accept as valid knowledge, and is dependent on what beliefs are held about reality (Collis & Hussey, 2009; N. Lee & Lings, 2008). For example, if we believe reality is influenced by the contextual fields in which it occurs then knowledge is best gained by studying the context in which those things occur. This then determines what research methods to use to collect the type of data that enables an analysis and interpretation of those contextual fields. In contrast to this, if we believe reality is a concrete and stable structure then knowledge is best discovered through the use of experimental and other scientific methods where variables can be controlled and measured (Collis & Hussey, 2009; Johnson & Clark, 2006).

The adoption of a philosophical framework is critical in guiding how empirical research is conducted, and is based on people's assumptions about the world and the nature of knowledge (Collis & Hussey, 2009; Guba & Lincoln, 1994; Saunders et al., 2009). The philosophical considerations about knowledge and reality give rise to the major research paradigms of positivism and interpretivism. Positivism has its origins in the natural sciences and assumes that reality is objective. The interpretivist paradigm assumes it is impossible to separate people from the social contexts in which they live, and is grounded in assumptions that reality is highly subjective and shaped by people's perceptions of their activities and motivations (Collis & Hussey, 2009; Guba & Lincoln, 1994; N. Lee & Lings, 2008; Saunders et al., 2009). This paradigm emphasises inductive, qualitative research methods, which are flexible, context sensitive and largely concerned with understanding complex issues (Carcary, 2009a).

Investigating how occupational therapists, who are small business owner-managers, develop their managerial skills for successful business outcomes can best be found in context-specific settings, based on an interpretivist paradigm. This requires the researcher to enter the social world of the occupational therapists and understand the world from their point of view (Johnson & Clark, 2006). This

approach is useful where business situations can be complex and unique to the circumstances, as is the case with occupational therapists who are owner-managers of small professional service businesses.

Research approach

The research approach flows from the research philosophy and is inductive or deductive. Inductive research involves the collection of data and then developing a theory from that data. This enables the theory to be used to provide explanations for events, or to predict probable future action by a subject (Carroll & Swatman, 2000). Inductive research recognises that individuals have thoughts, emotions and feelings, and aims to understand why and how people behave in society (Collis & Hussey, 2009). Inductive approaches have been used extensively in management research to develop theoretical propositions for the purpose of improving management practices (Dooley, 2002; Edmondson & McManus, 2007). There are considerable variations in business, and the application of inductive research to capture these complexities raises questions about the generalisability of research findings. However, the interpretivist approach argues that generalisability is not of crucial importance, but instead it responds to the ever-changing business world (Saunders et al., 2009).

Deductive research aligns more closely with the positivist philosophy and it focuses on testing existing theory. This involves the collecting of data and measurement of variables according to hypotheses being tested, and the acceptance, rejection or modification of a theory (Saunders et al., 2009). This approach enables the replication of a study, but others argue that it may only confirm what is already known, or add little to existing knowledge (Easterby-Smith & Araujo, 1999). On consideration of all these aspects related to philosophy and research approaches, this study adopted an inductive interpretivist approach.

Research strategy

Research strategies such as survey, experiment, grounded theory, action research and case study, flow from the research approach (Saunders et al., 2009). Case study is considered most appropriate for this study because of the limited time frame for data gathering, and the type of information being sought about how occupational therapists developed their management capabilities (R. Blackburn & Kovalainen, 2009; Halinen & Tornroos, 2005). The next part of this chapter provides a description on case study as a research strategy and its application in small business management.

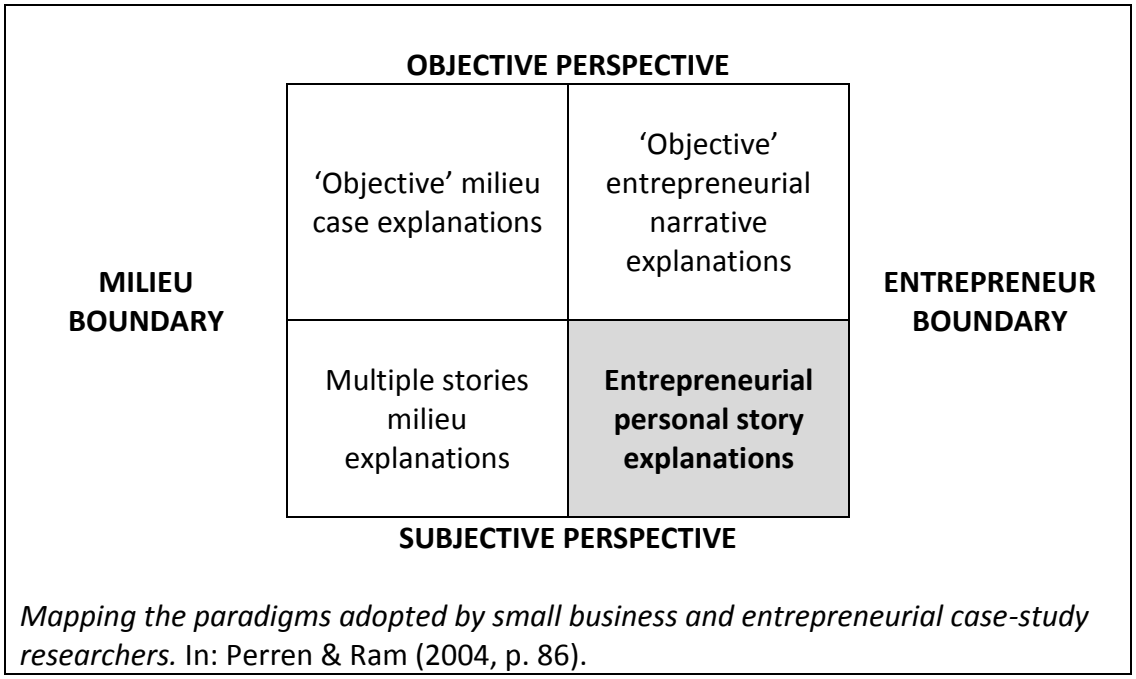
Research method

Case studies have a long history in management research and are a strategy for advancing knowledge and theory about management practices, as well as contributing to improving business practice (Cooper & Morgan, 2008; Fish, 1998; Golby, 1993; Salminen, Harra, & Lautomo, 2006). Case studies can focus on individuals, organisations, events or phenomena, and the activities and experiences of those involved in the contexts being investigated (Perren & Ram, 2004; Stake, 2000). It is a useful method when investigating complex and dynamic phenomena where many of the variables are not quantifiable or are difficult to define (J. Cope & Watts, 2000; Eisenhardt & Graeber, 2007; Salminen et al., 2006). It is also suited to answering 'how' and 'why' questions (Davidsson & Honig, 2003; Golby, 1993; Yin, 1994). Finding the answers to 'how' questions are valuable in describing and identifying details and this helps to bring otherwise private knowledge into publically available knowledge. Studying the 'why' questions illustrate why something was done or why something works (Fish, 1998; Lukka & Kasanen, 1995; Merriam, 1998). Case study research is also useful in drawing attention to the theory-practice nexus by studying everyday activities and problems of practical significance, which can assist practitioners to re-conceptualise a practical problem and therefore understand it more fully (Coleman, 2002; Fish, 1998; Golby, 1993).

While generalised, replicable and empirically based knowledge may be

achievable in the natural sciences, it is not always easy to generalise to other fields or areas. For example, theoretical concepts that may hold true for large organisations do not necessarily generalise to micro or small businesses, or from one industry sector to another in large or small organisations (Devins et al., 2005; O'Dwyer & Ryan, 2000b). Small businesses are heterogeneous and variations in management practices exist. Of particular interest to this study was the growth of small businesses in the occupational therapy sub-sector of the health services industry, and the management capabilities the owner-managers need to develop to run successful businesses.

Even though extensive use is made of case studies in management research, there is little discussion on the consequences of applying different philosophical standpoints when using case studies in small businesses (Chetty, 1996; Eisenhardt & Graeber, 2007; Hsieh, 2000; Perren & Ram, 2004). Perren and Ram (2004) examined a range of papers on case study research and identified two key dimensions underlying case study research in small business. The first dimension is the boundary of a study, and denotes the social actors in the study, such as an organisation or the individual entrepreneur/owner-manager. In management studies, the organisational boundary is prevalent. The second dimension is the nature of the social world. This has the dichotomy of objective and subjective perspectives, where the objective perspective views the world as external and objective, and the subjective perspective is interested in understanding how individuals create, modify and interpret the world. Perren and Ram used these two dimensions of boundary and nature of the social world, to develop a map with four paradigmatic positions for using case study in small business research (Refer to Figure 6).



Mapping the paradigms adopted by small business and entrepreneurial case-study researchers. In: Perren & Ram (2004, p. 86).

Figure 6. Paradigmatic map of case study research in small business

Following from the earlier discussion on research philosophy, approach and strategy the quadrant in Perrin and Ram's (2004) paradigmatic map most suited to this study is the 'Entrepreneurial personal story explanation' where the case studies focus on the entrepreneur/owner-manager's interpretation of events and aim to understand their individual understandings of their world. For example, Cope and Watts (2000) had a set of six case studies comprising six entrepreneurs who were interviewed with the primary aim of understanding their backgrounds, the evolution of their businesses, and ways in which they developed through learning. It involved an exploration of how the individuals perceived their role in the business, how they felt they had changed as individuals, and the effect of learning on their vision for the future.

In this study the units of analysis were twenty-six occupational therapist owner-managers who were asked to describe their 'insider accounts' on how they developed their management capabilities for business success, and thereby

provided information not available from an outsider's perspective (Eisenhardt & Graeber, 2007). The aim of this exploratory study, drawing on an entrepreneurial personal story explanations approach (Perren & Ram, 2004) was deemed appropriate to develop an understanding about transforming processes in context and to provide some theoretical propositions that might be tested later (Collis & Hussey, 2009; N. Lee & Lings, 2008; Myers, 2009; Saunders et al., 2009; Yin, 1994).

Instead of a statistical representativeness, qualitative studies, based on individual cases offer depth and comprehensiveness for understanding specific phenomenon, and are particularly useful where current theories seem inadequate (Eisenhardt & Graeber, 2007; Myers, 2009; Yin, 1994). It is also a proven method in the study of change processes as it allows the study of contextual factors and process elements in the same real-life situation (Halinen & Tornroos, 2005). Individual case studies were used in this study to describe the process of management development and learning in the context of the small businesses operated by occupational therapists, and to contribute to management development theory in small business research.

In summary, exploratory studies adopt an interpretivist approach that is flexible, context specific and concerned with understanding complex issues that address 'how' and 'why' questions. It provided a good fit for this research, which was about a group of health professionals in their own small businesses, where the focus of interest was to gain an understanding from an *individual perspective* rather than an *organisational perspective*, how they learn about business management in the wider context of business and personal growth.

Criticisms of case study research

A major criticism of case study research relates to making generalisations based on a single case. Myers (2009) argues that generalisations can be made from

the replication that occurs in exploratory case studies and that these then become propositions, or analytical generalisations, that can be tested in other cases. Another feature of exploratory research is that findings can be generalised to other similar cases, and are not intended to generalise to every situation in the population (Halinen & Tornroos, 2005). An example of this is the study by Haugh and McKee (2004) on organisational culture and shared values in four small firms. They identified five values of survival, independence, control, pragmatism, and financial prudence, and concluded that these values define the cultural paradigm of the smaller firm. Berg (2004) also argues that exploratory case studies enable understanding of comparable individuals and groups. Examples such as these, on the generalisation of findings in case studies, are different from the statistical generalisations made in quantitative research.

While exploratory case studies may have some limitations, overall it presented as an effective strategy to investigate how occupational therapists developed their managerial capabilities for successful business outcomes. Specific strategies used to strengthen the methodological quality of the study are described in the next section.

A framework for methodological quality

The evaluation of the worth and merit of this study will be based on the rigor applied to all aspects of its conceptualisation, design, implementation and synthesis of the results. Krefting (1991) states that models used to evaluate quantitative research are seldom relevant to qualitative research, and as the nature and purpose of quantitative and qualitative research traditions are different, it is erroneous to apply the same criteria. There is an acceptance that terms of 'reliability' and 'validity' are associated with quantitative research and do not apply in the same way to qualitative research. Agar (1986) suggests that terms like 'credibility' and 'accuracy of representation' replace 'reliability' and 'validity' in qualitative research. Guba's (1981) model for assessing the trustworthiness of qualitative data identifies

four aspects that are relevant to both quantitative and qualitative studies. These are truth-value, applicability, consistency and neutrality. The model defines different strategies in assessing these criteria in quantitative and qualitative research and offers researchers ways to increase the rigor of their qualitative studies (see Table 2). The application of Guba's trustworthiness model strengthens rigor throughout all processes in this study.

Table 2. Guba's comparison of criteria by research approach

Criterion	Qualitative Approach	Quantitative Approach
Truth value	Credibility	Internal validity
Applicability	Transferability	External validity
Consistency	Dependability	Reliability
Neutrality	Confirmability	Objectivity

Credibility (Truth-value)

Truth-value is about the level of confidence in the research findings, based on the research design, participants and context. Truth in quantitative studies examines threats to internal validity, and the validity of instruments used to measure the variables and controls, such as randomisation. In qualitative studies, truth-value is usually about the experiences of the research participants. Guba and Lincoln (1994) call this 'credibility' and argue that there are multiple realities in qualitative research, and it is the researcher's responsibility to represent these as closely as possible.

Credibility is concerned with the truth-value of the data, and if it is genuine and can be trusted. It requires the collection of adequate data to enable recurrent patterns to be identified and verified. Use of prolonged engagement can assist in detecting responses where participants consistently agree or disagree with the questions. On this point, interviewing of participants in this study continued until their responses reached saturation point (Eisenhardt & Graeber, 2007; Guba & Lincoln, 1994; Strauss & Corbin, 2008). Another major threat to the truth-value of a

qualitative study is an over-involvement of the researcher, and the possibility of losing the ability to interpret the findings. To help ensure this over-involvement did not occur, a reflective journal that recorded the schedules and logistics of the study, insights and ideas generated by participants, and personal reflections regarding emerging themes in the data, was used (Erlandson, Harris, Skipper, & Allen, 1993). These records also provide an audit trail for the overall research process (Guba & Lincoln, 1994) and were maintained as records in the computer program NVivo 10 (QSR International, 2012).

From an interpretivist perspective, validity refers to how well the research method investigates what it intends to (Denzin & Lincoln, 1998; J. Lewis & Ritchie, 2003; J. Mason, 2002), and the extent to which the researcher gained full access to the participants' knowledge and meaning (Remenyi, Williams, Money, & Swartz, 1998). Lewis and Ritchie (2003) suggest it is useful to consider the internal and external validity of the study. Internal validity in this context refers to the regularity and consistency of patterns arising within an interview, and a series of interviews with a group (Guba & Lincoln, 1994; Huberman & Miles, 2002). Internal validation in the study was enhanced by adopting a constant comparison method when analysing the data and recognising the importance of outlier-type cases in gaining a greater understanding for theory development (Eisenhardt & Graeber, 2007; Huberman & Miles, 2002; Yin, 1994).

External validation was improved through triangulation, which refers to the correlation of perspectives that can be achieved concerning a range of objects or attributes (Bryman & Bell, 2007; Carcary, 2009b; Carpenter & Suto, 2008; Jonsen & Jehn, 2009). In this study triangulation was used by selecting participants from different clinical specialisations and geographic locations, and by comparing data from the twenty-six semi-structured interviews (Guba & Lincoln, 1994; Jonsen & Jehn, 2009). Another source of information used to triangulate the perspectives involved comparing and contrasting the data with a broad range of literature to

support or challenge the emerging conceptual propositions (Bryman & Bell, 2007; Carcary, 2009b). These comparative activities were not necessarily looking for consistency, and acknowledged the heterogeneity of small business owners, and the problems that might exist by grouping them together on the basis of a shared profession and all being women. Collectively, the strategies used in gathering data, and interpreting the multiple realities of the participants, added rigor to the credibility (truth-value) of the research.

Transferability (Applicability)

Applicability refers to the extent that findings can apply to other contexts or groups, and findings can be generalised to larger populations (Krefting, 1991). In quantitative research, applicability refers to sampling techniques and external validity. Guba (1981) equates the criterion of 'transferability' to applicability when discussing qualitative studies, and suggests it occurs when the research findings fit into similar contexts outside the study situation. The application of transferability is more the responsibility of the person wanting to use the findings in another situation, and this is dependent on sufficient data details being available to allow a comparison to be made.

In qualitative research the selection of participants is purposeful and is an important aspect of building theory (Halinen & Tornroos, 2005; Yin, 1994). Therefore the concept of population is crucial because the population defines the set of entities from which the research sample is to be drawn and controls for extraneous variation, and helps to define the limits for generalising the findings (Cousin, 2005; Stake, 2000). Multiple participants allow cross-case analysis for theory building and in these situations individuals are chosen for theoretical, not statistical reasons (Eisenhardt & Graeber, 2007; Halinen & Tornroos, 2005). There is no precise guide to the number of participants to be included in qualitative research but there is general agreement that participants should be added until "theoretical saturation" or redundancy is reached (Cousin, 2005; Denzin & Lincoln, 1998;

Eisenhardt & Graeber, 2007; Guba & Lincoln, 1994; Strauss & Corbin, 2008).

To strengthened the transferability criterion purposive sampling was used to select occupational therapists who were small business owner-managers, who self-identified by advertising, and who agreed to be participants. They were geographically dispersed and differed in their areas of clinical specialisations, and size of their small businesses. In addition, detailed background information about the participants and the research context is provided, to allow others to assess how transferable the findings are (Carpenter & Suto, 2008).

Dependability (Consistency)

The third criterion of trustworthiness in this study considers the likelihood of the findings being consistent if replicated in another study. In quantitative research, the criterion applied here is reliability, which is concerned with consistency and equivalence (J. Mason, 2002; Saunders et al., 2009; Yin, 1994). However, in qualitative research, the assumption of a single reality does not apply, and the concept of reliability is not relevant. Instead, variation in experiences rather than repetition means reframing consistency in 'dependability' terms (Bassey, 1999; Field & Morse, 1985; Guba, 1981). Guba's concept of dependability relates to named sources and is trackable. Lewis and Ritchie (2003) suggest that reliability can be enhanced by outlining procedures that led to the research findings, by checking interpretations, by carrying out fieldwork consistently, by systematically analysing the evidence and by supporting interpretation with evidence and offering a balanced perspective. Sources of variation might include the increasing insight of the researcher, changes in the participants' situations, or a range of experiences in participants rather than the average experience.

Several strategies to enhance dependability of the findings in this study were used. First, attention was given to describing the design decisions in detail so

external researchers understand the processes used and can replicate the study (Carpenter & Suto, 2008). The second strategy involved keeping an audit trail that includes data obtained from the interviews, data analysis notes, personal reflections, and the reflective journal. This was additional material for analysis as well as enhancing the transparency about the processes used. Another strategy used was a code-recode procedure on the data during the analysis phase. This involved coding segments of data, waiting several weeks and re-coding the same data, and comparing results. The last strategy used for strengthening dependability in the study was the use of peer examination (colleagues and methodological experts) to check the research plan and implementation processes (Guba, 1981). These collective strategies provide guidelines on structure and process for future studies that might want to replicate the study (Bryman & Bell, 2007; Carcary, 2009b; J. Lewis & Ritchie, 2003).

Confirmability (Neutrality)

Confirmability is Guba's (1981) fourth criterion of trustworthiness and refers to the extent findings are a function of participants and conditions of the research, and not other biases, motivations and perspectives. In quantitative research, the criterion of neutrality equates to objectivity, through reliability and validity issues. Bias is minimised through randomisation and instrumentation, and the researcher does not influence the study. Lincoln and Guba (1994) shift the emphasis of neutrality from the researcher to the data in qualitative studies. They suggest that an alternate criterion to neutrality is 'confirmability', and is evident when the credibility and transferability criteria are applied in the study.

Strategies for establishing research confirmability needs to be built into the research process and include the development of a research audit trail that documents the course of development of the completed analysis, and provides an account of the research decisions and activities throughout the study (Carcary, 2009b; Carroll & Swatman, 2000; Jonsen & Jehn, 2009; Koch, 2006). An audit trail

was maintained and included decisions about theoretical, methodological and analytic choices taken and documented all data collection and analysis procedures in the study (Creswell & Miller, 2000). All these records were maintained in the computer program NVivo 10 (QSR International, 2012). Records maintained in the audit include raw data, such as field notes and digital recordings of interviews; data reduction and analysis records, including quantitative summaries, condensed notes, data reduction and synthesis of thematic categories; and process notes involving design and implementation processes (Carpenter & Suto, 2008). Triangulation of research findings, research literature and theoretical perspectives also strengthen the confirmability of the study.

In summary, Guba's (1981) model of trustworthiness was used in this study to maximise rigor in the research process and trustworthiness in the findings. Strategies used for each of the criteria of credibility, transferability, dependability and confirmability have been described for others to review the quality and value of this work.

The time dimension

The unit of analysis, occupational therapists who are owner-managers of a small business, are in a dynamic environment that is susceptible to change. This concept of change is an issue when exploring the development of management competencies by occupational therapists and has challenging implications for methodology. The focus of the study on change processes required a consideration of the whole range of longitudinal methods and tools of process research (Halinen & Tornroos, 2005). Time constraints for the study prevented the application of longitudinal research methods, and therefore the study leans predominantly on a historical reconstruction of past events and activities through interviews with the participants.

The study objective was to find out what processes and events played an

important role in how management competencies developed. In the data-gathering phase important events should be uncovered that occurred in the past and in the specific context of the study. Questions relating to the development of present managerial competencies were the basis for denoting change processes. Attention to the three modes of time, past and future related to the present moment, was included in the interviews with participants. The assumption was that an owner-manager is unlikely to invest in development activities, which do not aim at future value creation (Halinen & Tornroos, 2005). Interview questions included ones that related to future gains and value creating possibilities and problems, and included asking participants to evaluate their present and former experiences related to their development as business managers.

To sum up, the problem of the time dimension was managed through the accounts of main events as a way of providing narratives for analysing the research questions. The past and future aspects of management development were included in the interview framework. The study is cross-sectional with a one-off data collection point with each participant.

Methods for data collection

Recruitment of participants

Participants were twenty-six occupational therapists who were selected using purposive sampling to meet the conditions in a four criteria framework.

1. They were registered occupational therapists with the Occupational Therapy Board of Australia (Occupational Therapy Board of Australia, 2012). This has responsibility for standards of practice, and it is a regulatory requirement for occupational therapists who work in Australia to be registered with the Board.
2. They self-identify as providers of occupational therapy services by advertising in telephone directories and on the “Find an Occupational Therapist” section of the Occupational Therapy Australia website (Occupational Therapy Australia,

2010).

3. They are female. In Australia, women make up the majority of registered occupational therapists. The Occupational Therapy Board of Australia's (2012) registration data reports that 92 percent of registered occupational therapists are women. A small number of these women (estimated 5%) have their own small business. Small business research indicates that gender differences exist in the way owner-managers run their respective businesses (Ettl & Welter, 2010; Fleck et al., 2011). Women are more likely to work part-time, to be home-based, and have different aspirations for growth than men (Budig, 2006b; Thompson et al., 2009). In addition women often have different motivations for starting their business that relate to lack of career opportunities in big organisations (Patterson & Mavin, 2009; Weiler & Bernasek, 2001), and to better balance their family responsibilities (Sarri & Trihopoulou, 2005). Researchers recommend women-only studies will provide more clarity about the effects of gender on small business (Ahl, 2006; Foss, 2010). These were the principal reasons why this study focused on women only. An additional practical reason relates to the difficulty of finding enough male occupational therapists who were owner-managers of their own small professional business, within the time constraints of this study. They are small in number and are widely dispersed across Australia.
4. They agreed to participate in the study.

They met the criteria described above, and the quality and credibility of the data collected through interviews was further strengthened by the selection of these participants from eight different clinical specialisations and six different geographic locations.

Given the size of the sample, the intent was not to provide a generalisable account of the factors that contribute to the development of management capabilities in occupational therapists, but to deepen an understanding of these

factors and the contexts where learning occurred.

Data collection instrument

Interviews are one of the most frequently used techniques for collecting data in qualitative research (Rubin & Rubin, 2005). Interviews enable the collection of rich data from individuals in various situations and roles, by adopting their language rather than imposing that of the researchers'. The interviewer's role is to listen, prompt and encourage, and to create a situation where the interviewees are comfortable and more likely to open up and talk (Myers, 2009). Myers states that business-related case studies always use interviews. There are three basic types of interviews – structured, unstructured and semi-structured. Structured interviews use pre-formulated questions that are asked in the same order, and usually regulated to an allocated time. An advantage of this type of interview is the consistency across interviews, whilst a disadvantage is that important insights about the interviewee might be missed.

Unstructured interviews have few if any pre-formulated questions and there is no attempt to provide consistency across interviews. This approach is useful for narrative interviews where the interviewee is encouraged to narrate freely and say what they want. The role of the interviewer is to provide prompts that encourage the interviewee to continue with their narrative. An advantage of this approach is that interviewees can talk about everything they consider important. However, this is also a disadvantage if the interviewee says little, or too much. Semi-structured interviews sit between structured and unstructured interviews. They have some pre-formulated questions, but there is no strict adherence to the sequence in which they are asked, and it is permissible for new questions to emerge during the interview. This approach minimises the risks associated with the structured and unstructured interviews by providing some structure and allowing for some improvisation. The questions provide focus and there is scope for the interviewee to add important insights as they arise during the course of the interview (Bryman & Bell, 2007). The use of semi-structured interviews is extensive in small business

research, for example, Kirkwood (2009) interviewed entrepreneurs in New Zealand about their perspectives on aspirations to achieve business growth, and Hughes (2003) used interviews to explore the reasons for women's growing self-employment in Canada. Ettl and Welter (2010) also used interviews to explore how women entrepreneurs in Germany acquire the business competencies to start and grow a small business.

The purpose of in-depth semi-structured interviews in case studies is to find out what happened, why and what it means more broadly. It enables depth and complexity in data to be captured and is generative in that new knowledge may be uncovered (J. Mason, 2002; Meyer, 2000; Rubin & Rubin, 2005). Through gathering the stories of the participants, it was possible to develop a greater understanding of the issues about management development in a broader context. Four main domains shape the management capabilities of the owner-managers in small business, and provide an overall framework for guiding decisions about questions to include in the interview schedule (see Figure 7).

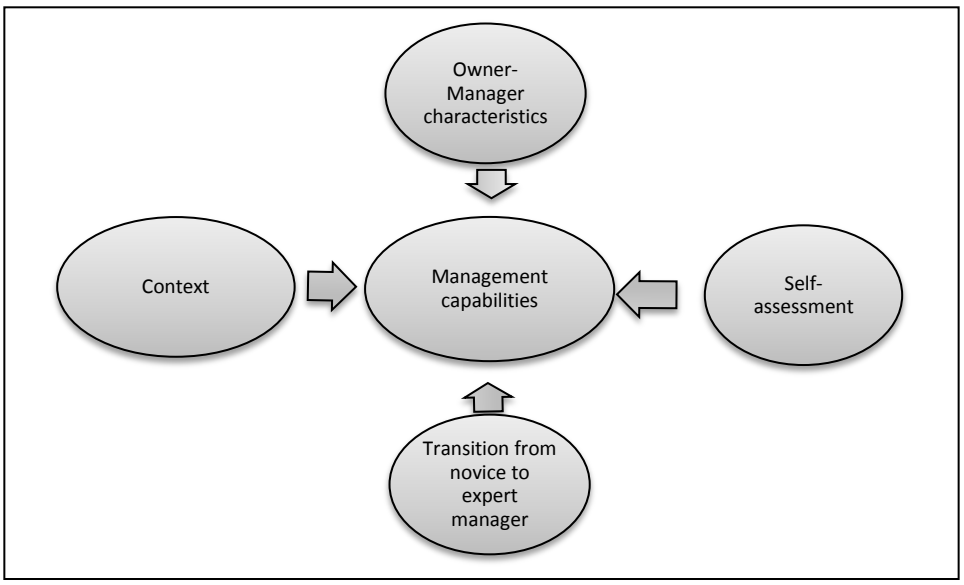


Figure 7. Structure for collection of data

The interview questions

The interview questions were derived from research evidence related to each of the four domains (owner-manager characteristics, context, business skill transitions, success measures) associated with starting a business and the subsequent development of management capabilities for successful outcomes. The focus throughout was on eliciting information about how these four domains might influence the development in the managerial capabilities of the participants. The four domains provided a framework for asking all participants the same questions. Various other questions arose during the interviews in response to the participants' answers. The specific interview questions relate to the various theoretical perspectives on management development and learning in the literature (see Table 3). The interview schedule is in Appendix

Table 3. Components, structure and theoretical basis of interview framework

QUESTIONS FOR EXPLORING EACH ELEMENT	BASIS FOR ELEMENT (LITERATURE BASE)
The owner-manager's characteristics	
• Professional qualifications, qualifications or training in management • Previous management experience	• Education, prior work experience and parents in small business increase the probability of success at start-up (Cook & Belliveau, 2004; Unger et al., 2011).
• Motivation for starting a small professional service business • What personal characteristics or skills assisted you to start your private practice? (e.g., motivation, prior experience, planning, resources, skill development).	• Personality traits associated with high need for achievement, internal locus of control, and risk-taking are associated with successful small business managers (Barbato et al., 2009; Sarri & Trihopoulou, 2005).
Context-related issues about the small business	
• Full time, part time, location • Employees, customers	• Location of business and employees are often associated with expectations for growth, and balancing other demands, e.g., family, lifestyle (D. Clark & Douglas, 2010; C. Mason, 2010)
• Networks	• Business success is enhanced by strengthened associations with external networks (Bratkovic et al., 2009; Davidsson & Honig, 2003).
Start-up of a small business	
• In general, what helped or hindered you when starting your business?	• Poor planning skills often result in business failure (Cressy, 2006; J. Perry, 2001).
• Are there things you know about running a business now that you wished you knew when you started? (What was the most difficult thing about starting your private practice?)	• Socialisation into the mores of a profession develops attitudes that are at odds with the goals of management (Knight & Gurd, 2007; Wong & Braithwaite, 2001).

Transition from novice to experienced small business owner	
• How have your management skills developed since you started your private practice?	• Small business owners are least likely to participate in external management training (H. Barry & B. Milner, 2003; Walker et al., 2005). •
• What things influence your business outcomes most?	• Tacit learning occurs in the work place, and through critical incidents (Billett, 2002; van Geldern, van der Sluis, & Jansen, 2005).
• Outside of your work place, do you do anything regularly that helps you learn more about how to run your business?	• Informal learning occurs in extended networks, outside the strong ties often associated with families and close friends (Anderson & Boocock, 2002; Jack, 2005).
• Have you any plans to grow your private practice? How? Or, Why not? Exit strategies?	• Development of management competencies needs to continue after start-up for business growth to occur (O'Gorman et al., 2005; Smith & Morse, 2005).
Based on your experience	
• What is the most important thing you have learnt about running a successful small business? • What advice would you give an OT who was considering starting a private practice? • What do you think might cause OTs to fail in private practice?	• Business managers learn from experiences, observations and reflections (L. Cope, 2003; Eraut, 2004; O'Gorman et al., 2005). • Managers learn from critical incidents (Flanagan, 1954).
• On a scale 1 – 10 how successful do you rate yourself as a business manager? • How do you define 'success'?	• There is a strong relationship between perceived and actual management competencies (Chandler & Jansen, 1992; L. Cope, 2003; Eraut, 2004; Gist, 1987; O'Gorman et al., 2005)

Field procedures

Semi-structured interviews were conducted at locations suggested by participants. Most of these were at the business premises of the participants, and this had the advantage of being able to see where they worked and to glean

additional impressions about how the businesses operated. Interviews with three participants in regional locations were conducted via telephone. Each interview lasted one hour and began with the pre-determined schedule of questions. A digital recording was made of each interview, and transcribed verbatim for analysis purposes. Following each interview, the researcher recorded thoughts and observations in a field log.

Ethical considerations

There was negligible risk associated with this study. The benefits of the study relate to the practical contribution it will make to small business in Australia and the flow on effects in the community and to the economy. Participants were informed on the purpose of the study, that the estimated time for the interview would be one hour, they had the right to refuse to participate, or to refuse to answer questions, and could withdraw at any stage. There were no direct tangible benefits to participants by their involvement in the study, other than to raise their awareness by reflecting on their business capabilities and practices. However, there was an incidental benefit in knowing they contributed to knowledge on the management needs of professionals in small businesses. This may assist them, other health professionals who choose to start a private practice, and policy makers.

The University approved the ethics application (Approval No. 2893, 5 August 2008) and each prospective participant was provided with details related to issues of anonymity, confidentiality and right to non-participation or withdrawal from the project (see Appendix 2).

Data analysis

One problem with qualitative research is demonstrating the linkage between the data collected and the conclusions drawn (Carroll & Swatman, 2000; Guba & Lincoln, 1994; Jonsen & Jehn, 2009). Thematic analysis is a common approach used for qualitative data analysis. However, unlike strategies such as grounded theory, critical analysis, and narrative analysis, thematic analysis does not have an identifiable cluster of techniques (Bryman & Bell, 2007).

Some researchers regard a theme as more or less the same as a code and others see it as something that builds up out of a group of codes (Krippendorff, 2004; Rabiee, 2004). As a result, some common criticisms of the coding approach to qualitative data include the possibility of losing important aspects of the context of a study, or the fragmentation of data that fractures the narrative flow of what people might have said (Braun & Clarke, 2006; Ritchie, Spencer, & O'Connor, 2003; J. Thomas & Harden, 2008). The Framework Approach to analysis was developed by the National Centre for Social Research in the UK (Ritchie et al., 2003) and has been used in a wide range of settings in health (Gerrish, Chau, Sobowale, & Birks, 2004), information systems (Balley et al., 2004), and education (Archer, Maylor, Osgood, & Read, 2005). Srivastava and Thompson (2009, p. 73) report that the framework method is useful when the research study "has specific questions, a limited time frame, a pre-designed sample (for example, professional participants) and *a priori* issues". Researchers find the framework model useful for the following reasons. It is based on the participants' accounts, it is dynamic, comprehensive and allows changes and additions to be made throughout the process, it uses a systematic and methodical way to handle the data, and access to original text data demonstrates its transparency for others to formulate judgements (Srivastava & Thomson, 2009). The framework model, described in the next section, was used for the analysis of data in this study.

Framework model for data analysis

Using the framework model for data analysis involves a sequential series of five steps, which are familiarisation, identifying a thematic framework, indexing, charting, and lastly mapping and interpretation (Ritchie et al., 2003). The first step is where the researcher becomes familiarised with the transcripts from the semi-structured interviews and field notes to gain an overview of all the data collected. This involves the researcher becoming immersed in the data and becoming aware of key ideas and recurrent themes.

The second step, identifying a thematic framework, occurs after the researcher recognises emerging themes or issues in the data. Some of these themes or issues may have been determined *a priori*, however the researcher must allow the data to dictate the themes and issues. To achieve this, notes taken in the familiarisation stage are used, and the key issues, concepts and themes expressed by participants form the thematic framework. This framework provides a starting point to filter and classify the data. Refining the framework requires logical and intuitive thinking and making judgments about meaning, the relevance and importance of issues, and about implicit connections and ideas. Attention is given to making sure the original research questions are fully addressed (Ritchie et al., 2003).

Indexing is the third step in framework analysis and this involves identifying sections of the data that correspond to a particular theme. This process is applied to all the data in the interview transcripts, and care taken to apply indexing references and annotations beside the text. The computer-assisted qualitative data tool, NVivo 10 (Beekhuyzen, Nielsen, & von Hellens, 2010; QSR International, 2012) was used to manage the data through this process. It helps to classify and organise the information from the interviews, and to synthesise the data into themes. The indexed pieces of data are then re-arranged into a chart of the themes. This is the fourth step in the framework model for data analysis. The data is taken from its

original textual context, and placed in charts that consist of the headings and subheadings that were devised in the earlier stage when the thematic framework was developed. Although the pieces of data have been lifted away from its context, it is still identified with the case from which it was taken. The final step, mapping and interpretation, involves an analysis of the key characteristics of the data depicted in the charts. At this point, a schematic diagram of the events or phenomenon might be possible, and guide the interpretation of the data set.

To summarise, the key features of the framework model for data analysis include: the participants' accounts drive the process; it is dynamic and open to change as the analysis proceeds; it systematically deals with similar units of analysis and allows for a quick retrieval of the original textual material; and it allows for a comprehensive review of all the material collected. The overall process and the interpretations derived from it are accessible to others. An important feature of this approach is that it allows for with-in and between-case analysis, which enables comparisons between, and associations within, individual cases to be made (Bryman, 2012; Srivastava & Thomson, 2009).

The framework method was used in this study to link the data collection and data analysis together (Johnson & Clark, 2006; N. Lee & Lings, 2008). Themes and recurring patterns of interest in the data were identified, and from this, a schematic representation of how the issues raised by the participants are inter-related was developed. Some theoretical propositions, based on the interpretation of the overall analysis emerged. This distillation of the knowledge acquired through data analysis provided new insights into management development by the participants.

Once the data was thematically analysed and synthesised a literature-based scrutiny of the propositions that emerged was undertaken. The literature-based scrutiny compared and contrasted the outcomes of the research process with a

broad range of literature to support or challenge the theoretical propositions, and was one element used in triangulating the data.

Computer aided analysis (NVivo 10)

Data analysis was supported by the computer aided qualitative analysis software program NVivo 10 (Bryman, 2012; Kikooma, 2010; QSR International, 2012). This program facilitated efficient data indexing and management through relationship and model exploration. The key concepts and categories were synthesised into a detailed within- and cross-case matrices of the factors influencing management development in occupational therapists. Establishing relationships between the findings and the extent to which they influenced each other was the basis for developing the theoretical propositions arising from the study. NVivo 10 was used as the repository for an audit trail and recording memos and a research journal, as well as date stamping all the documents and entries created and edited in NVivo 10.

Boundaries of the study

The delimitations of the study relate to the explicit boundaries and scope of the research, for defining the participants and to its context (C. Perry, 1998). Occupational therapists who are small business owner-managers are the unit of focus in the study. For logistical reasons the sample of participants was limited to occupational therapists in Perth, Adelaide and Melbourne, and three regional communities in Western Australia. Management performance is at the heart of this study and an assessment of this was limited to the owner-manager's perceptions on their level of expertise in their managerial competencies. The study was grounded in an inductive interpretivist framework and uses a qualitative exploratory research design applied to micro businesses. Therefore, the findings are presented as implications rather than generalisations.

Limitations of the study

The total number of occupational therapists who are owner-managers of a small private practice in Australia is small. The majority of these businesses employ less than five persons and are therefore micro businesses. This may affect the range of managerial competencies required by the owner-managers compared to managing larger small businesses.

The necessity to conduct a cross-sectional rather than longitudinal study means the time dimension of the study is another limitation. This concept of change or transformation of roles from professional health clinician to professional manager denotes change over time, and has implications for how changes can be researched (Halinen & Tornroos, 2005). The study attempted to uncover important events that have occurred in the past and implications for the future by asking questions relating to the development of present managerial competencies as a basis for denoting change processes. The study leans predominantly on a historical reconstruction of past events and activities through key informant interviews.

Summary

To summarise, data were collected through semi-structured interviews, and thematic analysis of data was systematically applied using the framework approach to build an interpretivist understanding about how and why occupational therapists develop their management capabilities in small business. A thematic approach was used as a suitable strategy for reporting the qualitative evidence because it is appropriate for the interpretivist position and it enabled the various issues reported in the data to be better understood. It also enabled the development of a coherent model of business learning by exploring the key relationships between issues. Through this process the empirical evidence evolved from a set of interview transcripts, to a set of concepts, to higher order themes and finally to some new theoretical propositions about management development in a subset of small business owners.

CHAPTER 4. RESULTS

This chapter presents the information derived from the interviews with participants. It starts by describing some of the participants' demographic and psychographic characteristics, and their management experiences prior to start-up of their own businesses. An account is given about the planning they did and resources they had at start-up and if these developed over time, and the identification of factors that hindered or helped in establishing their small businesses. Their experiences of becoming small business owners and how they perceive their level of success in this role is explored. The chapter concludes with a theoretical proposition on how occupational therapists can make the transition along a continuum, to become successful small business owners.

Each interview took approximately one hour, and all the participants were very forthcoming about their experiences – good and bad. Data for analysis included interviews with each of the participants, and the researcher's memos on observations made at the interviews and reflections throughout the research process. A combination of descriptive and narrative analyses methods were used. The participants' identities were assigned with a pseudonym in alphabetical order to protect their identities.

Data analysis

The first step in the analysis of data was the development of a framework to enable comparisons across the twenty-six participants. The interview schedule was the basis for developing a framework which enabled comparisons and any similarities or differences in the participants' experiences of becoming small business owners (Eisenhardt & Graeber, 2007; Huberman & Miles, 2002; Myers, 2009). The summaries of four participants, randomly chosen, are below, and the full set of summaries are in Appendix 3.

Participant summary: Helen

The owner-manager	
Graduated as OT	1980
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Pull. *It was the (public) system, and working for the system. I wanted more control over what I did and how I did it. I thought if I stayed in the system, I would get burnt out.* Also for flexibility – work-life balance, family.
Start date, location, business status	2000. Commercial premises. Part time
The business now	
Location of private practice	Commercial premises
Full- or Part time	Part time (60%)
Number of employees	Nil
Strong or weak ties - networks	Minimal.
Transition from novice to expert small business owner-manager	
Start-up	Planning – minimal
Now	Minimal processes in place
Future growth	No aspirations for growth
Strategies to develop management skills	Just in time responses. Consulting others. Observation of other practices. Piecing bits and pieces together over the years.
Worst business-related experience	Under charging. Poor understanding of financial aspects. *...doing this accounting type stuff is quite a stretch for me. I don't have a clear idea what I am making, what it is costing me, all that sort of stuff.*
Most difficult management task	Establishing a referral base. *The first 2 or 3 years were really hard.*
Things that help	Talking to others
Things that hinder development of management skills	Lack of interest in management generally. *Clinical work is my great love.*
Management training	Small Business Corporation, workshops, MYOB
Worst aspect about being an O-M	Financial aspects
Thoughts on possible causes of failure in business	Lack of referral base.
Self assessment of management capabilities	6/10. *I am easily side-tracked into the other aspects in my life and responsibilities.*

Participant summary: Joy

The owner-manager	
Graduated as OT	1987
Management qualifications or training	Master of Management
Prior management experience	Nil
Motivation for starting a business	Pull. Thought she would do as well on her own as working for a private company. Later on accommodates family roles.
Start date, location, business status	1989. Commercial premises. Part time – started Saturday mornings only and built up to 3 days/wk plus 2 days employed by a bank.
The business now	
Location of private practice	HBB.
Full- or Part time	Full time
Number of employees	Nil now – used to employ OTs on casual basis. *It's a big thing to employ OTs. I prefer not to do it. It's much easier being on my own.*
Strong or weak ties - business networks	*I used to but I don't now because of the costs and time.*
Transition from novice to expert small business owner-manager	
Start-up	Didn't plan to start a business – did minimal planning to start.
Now	Doesn't do any formal planning. Has a constant source of referrals and work.
Future growth	No plans.
Strategies to develop management skills	Focus on service to referral services, do courses in accounting
Worst business-related experience	*The only downside is experience is not rewarded (as a sub contractor) in the fees agencies pay.*
Most difficult management task	Employing OTs. Managing technology.
Things that help	In a HBB – have a separate office. Doing a business course.
Things that hinder development of management skills	Too much focus on clinical work, and not enough time given to running a business.
Management training	MYOB. Master of Management.
Worst aspect about being an O-M	Loneliness*. Working alone can be fairly isolating, and can be a down side.*
Thoughts on possible causes of failure in business	Lack of business skills. Not charging sustainable fees. Poor time management, failure to set priorities.
Self assessment of management capabilities	8/10. Satisfied with what she does but knows she could be more efficient and grow if she wanted to. *I really love what I do, and the flexibility to swap my time around to suit what I want to do.*

Participant summary: Katrina

The owner-manager	
Graduated as OT	1978
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	To avoid bureaucracy and management role in the public sector
Start date, location, business status	1986. Commercial premises. Full time.
The business now	
Location of private practice	Commercial premises.
Full- or Part time	Full time
Number of employees	1 admin
Strong or weak ties - business networks	Minimal. Accountant. Family.
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning.
Now	Has processes in place, but really no long term planning.
Future growth	Has potential to grow but doesn't want to employ staff.
Strategies to develop management skills	*When I started I had no business skills at all. I learnt the hard way – through experience.*
Worst business-related experience	*When I think back, the way I operated my private practice was appalling. I didn't bill patients, and didn't follow up on bad debts. My list was so full I didn't leave time to do my bookwork.*
Most difficult management task	Time and effort spent on establishing and maintaining relationships with referral sources.
Things that help	Learning from experience. Admin support to deal with cash flow related activities.
Things that hinder development of management skills	Lack of commitment to business aspects over clinical aspects of the business.
Management training	Minimal – uses family ties for advice. Trial and error.
Worst aspect about being an O-M	Financial aspects and establishing an appropriate fees schedule. Taking holidays and needing to arrange for locum cover. *Private practice can be very lonely when you are on your own.*
Thoughts on possible causes of failure in business	Inability to deliver quality service will result in lack of on-going referrals. Too much emphasis on making money and not enough on service and expertise.
Self assessment of management capabilities	8/10. *Quite successful but I could do better. I know I could definitely improve my business. I know I could earn a lot more money with the same number of patients. But ignorance is bliss.*

Participant summary: Margot

The owner-manager	
Graduated as OT	1985
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Long term goal but brought forward when there were no public sector jobs. *I have high standards and don't like compromise that comes in all organisations – they all have limited budgets.*
Start date, location, business status	1990. Full time. Commercial premises. 1 admin. No therapists.
The business now	
Location of private practice	Commercial offices in 3 locations
Full- or Part time	Full time
Number of employees	6 therapists. 3 admin
Strong or weak ties - business networks	Extensive – especially for marketing
Transition from novice to expert small business owner-manager	
Start-up	Minimal. I knew nothing about business. Nothing. I floundered a bit in first year or two. I knew I would be ok in the end because my parents were always in small business.
Now	Well established business plan with vision statement. *I'm much more advanced in my marketing and business approach.*
Future growth	Has begun to think about an exit plan for 10 yrs time. Doesn't want to grow larger than the 3 locations now.
Strategies to develop management skills	Talking with others and then working out what works for her.
Worst business-related experience	*It's risk taking and the long hours of work. Others who have partners don't seem to have the same pressures I do. There seems to be more of a role delineation. I think this is where I have struggled – because I have done it on my own.*
Most difficult management task	Maintaining enough work for her staff. *I feel the pressure to maintain the workload for my staff.*
Things that help	Having multiple marketing strategies. Learning from parents who are in small business.
Things that hinder development of management skills	Attitude about being a business person.
Management training	Seeking advice from business related sources – accountants, lawyers for HR contracts.
Worst aspect about being an O-M	High work hours.
Thoughts on possible causes of failure in business	Quality of service provided is not high enough. Not planning or finding out about business.
Self assessment of management capabilities	In a business sense, I would say 7/10 because overheads for the practice should run at 50%, and mine run at 70%.

Demographics of the small business owners

The interview summaries provide a combination of objective and subjective data and were principally used to highlight the similarities and differences across the twenty-six participants. However, to develop a deeper understanding about these similarities and differences, an in-depth narrative analysis of the full interviews and the researcher's memos was done. The details that follow use a combination of descriptive and narrative analyses to explain the various factors that are presented.

The sample was twenty-six female occupational therapists who established their respective small businesses. They reside across three Australian states, Victoria (10), South Australia (7) and Western Australia (9). Most participants were married or in a de facto relationship and are not the primary income earner for their households. The marital status of most of the participants remained unchanged from the time they started their business to time of interview. It was the same for their income earning status, inasmuch as those who were not the primary income earner at start-up continued not to be later on.

Their businesses cover a wide range of clinical specialisations in occupational therapy – physical rehabilitation, paediatrics, hand and upper limb rehabilitation, counselling, mental health, and disability. All of them have an entry level qualification in occupational therapy, and twelve have additional postgraduate qualifications in a clinical specialisation.

The length of time since the participants graduated ranged from two to 41 years (median = 26 years). Their work experience prior to start-up of their businesses ranged from one to 30 years (median = 10 years). Apart from short

periods on maternity leave none of the participants had been out of the workforce for an extended period.

Seven participants had some managerial experience in their clinical employment positions prior to starting their own businesses, and the remaining nineteen had no prior management experience. Six participants had previously obtained formal management related qualifications, of these, four had a MBA, and two had completed business courses at TAFE, with the remaining twenty participants having no formal management qualifications. Only four of the participants had parents who have, or were in a small business, which places the majority without secondary experience of close family or friends who were small business operators. However, several had partners/husbands who were accountants in the private business sector, thus giving them some vicarious exposure to business operations.

The participants have operated their small businesses between one to 25 years (median = 11.5 years, mean = 13 years, mode = 11 years. See Figure 8).

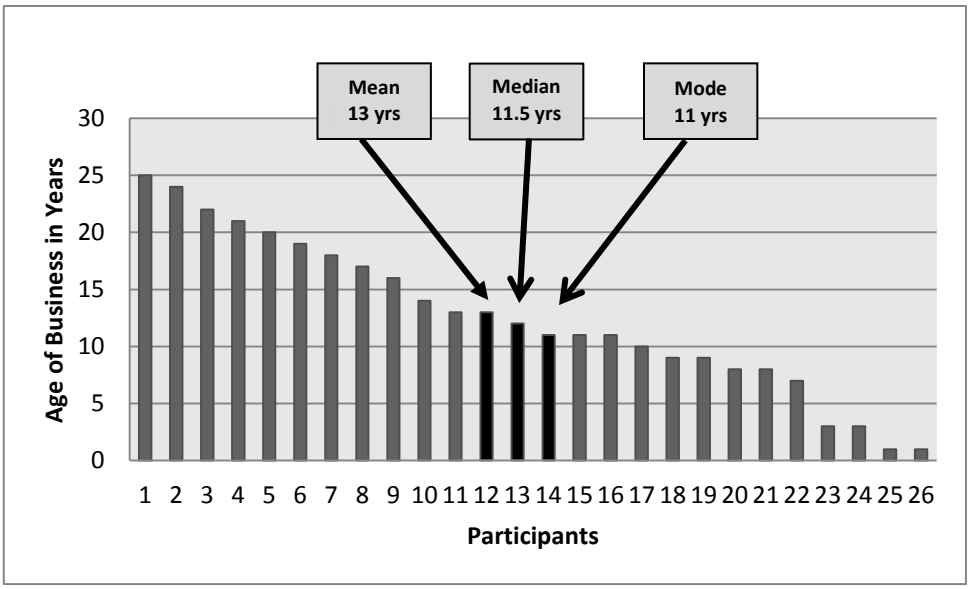


Figure 8. Age of small businesses (in years)

These demographics details indicate that the majority of participants are experienced clinical practitioners, but had little or no former management experience, or parents who were business people. The longevity of the businesses may be related to both the ability of the therapists themselves but also the actual sector. Private occupational therapy practices are a small niche market, with little competition, unlike other service industries that are dominated by small businesses.

Regarding the time spent in their business, the participants in the part-time businesses reported working from a few days to 4 days a week. Several of these participants didn't count the time they spent in the evening doing bookkeeping as "real work" and didn't include these hours when discussing if they worked part-time or full-time. The full-time participants reported working very long hours (60+ hours/week) on a regular basis. This indicates that this sample is atypical when compared to the general female population in small business, which is predominantly part-time, and is discussed in more detail in the next chapter.

Over the duration of the life of the businesses there was significant movement from working part-time to full-time. At start-up two-thirds (17) of the participants worked part-time and at the time of interview only half of these were still working part-time, as they had increased from part-time to full-time in response to customer needs. In a departure from those who increased their hours of work, only one participant who started her business on a full-time basis changed to part-time work. Refer to Figure 9.

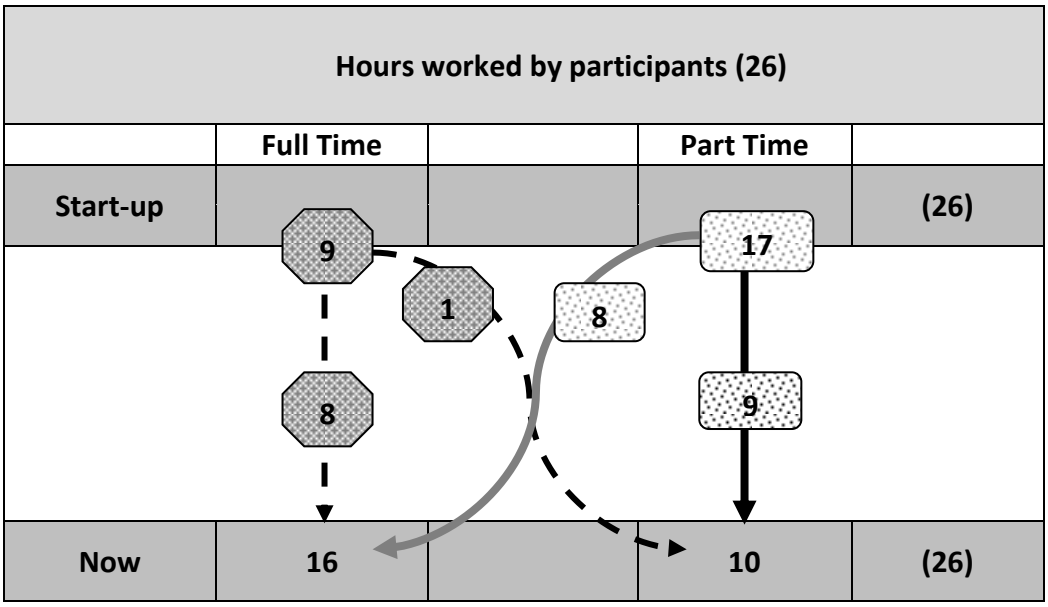


Figure 9. Changes in hours worked from start-up to now

With respect to location at time of interviews, all the full-time and two part-time participants located their businesses in commercial premises. Two participants operated 'at home-based businesses' and had dedicated clinical facilities for their clients. The remaining six home-based participants travelled to see clients in their own homes or workplaces, and they used their home based office for the associated administrative and business activities, that is, they had 'from home-based businesses' Refer to Table 4.

Table 4. Employment x location of businesses

	Commercial premises	'At HBB'	'From HBB'	
Full time	16	0	0	16
Part time	2	2	6	10
	18	2	6	26

Between start-up and the time of interview, nine participants changed locations between commercial and home-based premises. Some moved from home-based locations for security reasons and others needed larger premises. Three participants

moved from commercial locations to home-based offices because they downsized their business or for financial reasons. These changes in locations over time are shown in Figure 10.

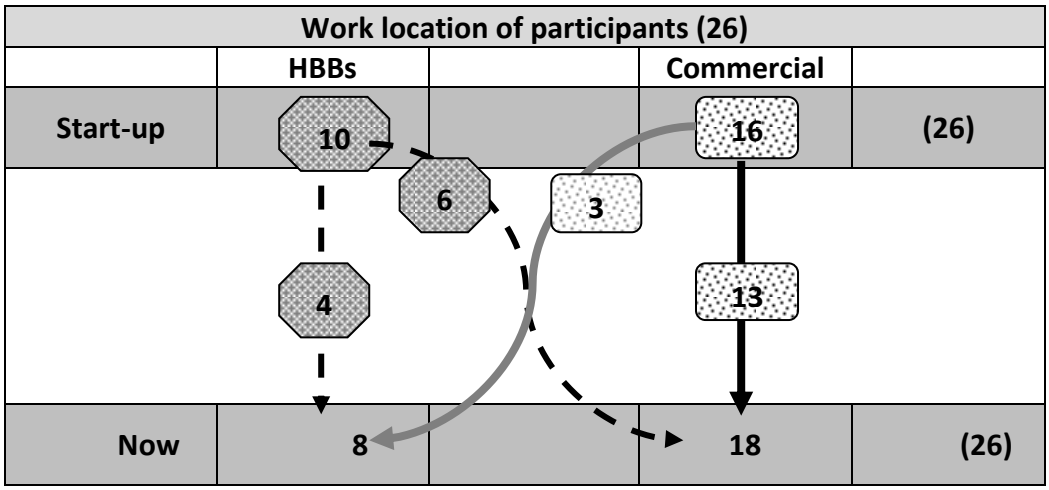


Figure 10. Location of businesses at start-up and now

Business location

The choice of location is more important for some businesses than others, and especially for those who work closely with, and rely on a specific medical specialist for their referrals. At start-up participants also considered the following factors when determining location of their business: client accessibility, resources availability, their personal preferences, security and safety. The cost for commercial facilities was also a serious consideration for some of the participants. For example, participants who work closely with one or two medical specialists needed to be located nearby, and easily accessible and convenient for clients who were referred. Betsy receives all her referrals from one main source, a surgeon, and this makes the location of her business extremely important.

…so for my case I have actually rented rooms in the same building as my referral base and it has cost a lot and surgeons earn a lot of money, but if I am not there I don't get them. So even like last Friday, I went to work knowing I was fully booked, I had two cancellations but I got three extras. So you know I would never have got those extras had I not been on site. I pay rent by the week even though I am only there for three days. So unless you are guaranteed that your surgeon is

going to provide enough work you really need to think about it because your overheads can be huge.

In contrast, the location of a business for those who sub-contract to government agencies is less important, since participants did not need to provide clients with clinical facilities, as they conduct their consultations in the clients' workplace or home. Rather than lease or buy a commercial site, these participants elected to operate home-based businesses. They were attracted to this option due to financial and family lifestyle considerations, and it was a second, part-time source of income to the household.

Elaine's main reason for starting her practice was to have flexibility to meet family needs, and to keep costs as low as possible.

I work from home because I don't want to be committed to paying rent. So if I don't want to see a client then I can say I don't want to see that client. For example, my son is having his wisdom teeth out so I will be up in Queensland with him for four or five day, so I don't want to have a bill for rent on that, and also it suits me to work from home. It costs me nothing. I have got the room here so for me that's about the only area where I really minimize my costs is by being at home.

To summarise, most of the participants gained a reasonable amount of clinical experience before going solo (median 10 years). Some of the participants 'tested' the water in terms of the length of time they devoted to their businesses, initially by starting out in a part-time capacity and working from a home base. On the other hand, nine partipants went straight into working full-time out of commercial premises. What is interesting about the number of participants that went straight into full time self-employment in commercial premises is that the majority of them had no previous business experience or any formal business training. The next section reviews the reason why they become small business owners and addresses

the first research question.

Research question 1. Why occupational therapists become small business owners.

The participants described various reasons for starting their businesses, and four general themes or categories were identified, namely mastery of practice, lifestyle choices, opportunistic, and entrepreneurial. Eighteen of the participants clearly fall into one of these categories, while eight participants fall into equally into two of the categories (see Figure 11).

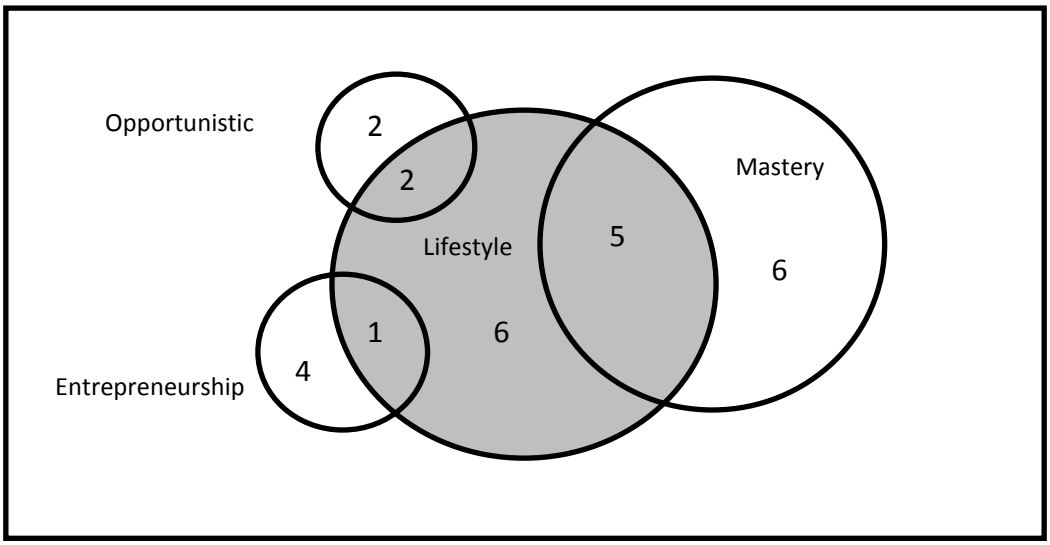


Figure 11. Reasons for starting a business

Mastery of practice refers to a desire for autonomy and independent control to use their expert clinical skills without the administrative restrictions experienced when employed in large organisations. There was less emphasis on the prospects for earning a bigger income than they would in the public sector, or for growing the business.

Eleven participants were in this category and they variously discussed how

their ability to control what they did enabled them to work within their personal and professional frames of reference, and to provide a quality service that meshed with their own values. Margot's words convey this strong sense of value about how she wanted to provide her services.

I decided to hit private practice – "I can do it". I always wanted to do this, it was always a goal. And the reason for this is that I have really high clinical standards and I don't like compromise. Compromise comes at a cost and even in specialist hospital departments they have limited budgets and restrictions. I wanted to know if I needed a certain piece of equipment, or the best equipment, that I could get it. I wanted the best technology (for clinical applications) possible.

Six participants were identified as giving mastery and control as their primary reason for starting their business and had left positions in bureaucracies because they found them professionally unrewarding. These participants were very definite about their reasons for leaving previous employment, as well as why they chose to start as independent practitioners. Below are quotes from three participants that emphasise their respective philosophical stance, and the clarity with which they opted for self-employment.

Dora worked in a large multi-disciplinary health team and became quite dis-enchanted with the multitude of processes that had to be adhered to.

"I got to the point where I couldn't stand it anymore, and said to people I would take a few referrals while I'm looking for a job. I had been looking for jobs prior to leaving. I left without a job. I started to get a few referrals and then the few referrals turned into more referrals. I will never work in a public hospital again. It's probably about different philosophical approaches. Where I worked before, it was very democratic and then I moved into this organisation where things weren't democratic at all, and I just don't fit into places like that.

Fay also worked in the public health system and found it increasingly difficult

to work in ways that conflicted with her values.

I certainly never saw myself as having my own business or people paying for therapy. I wasn't very comfortable with all of that but on the other hand, clinically I did see it as an opportunity to execute my work much more in alignment with my own sort of professional values, and that was very appealing.

Katrina's quote highlights her preference to provide clinical services to clients rather than undertake managerial responsibilities in a large hospital department.

I was up for a promotion but my understanding of promotion meant I would have to do management and less therapy. I was not one bit interested in doing that. I realised I had come to a crossroad and decided that rather than go for a promotion I might as well go into private practice because I really enjoy working with clients and providing therapy to them.

The other five participants who valued autonomy and control in their professional practice also gave lifestyle as an equally important reason to start their businesses. They had family responsibilities to fulfil but they also wanted to maintain their clinical practice and have the autonomy to practice as they wanted to. The following three quotes convey these dual needs of five participants. Chris explained her needs for flexibility and autonomy.

It was about flexibility of when I worked to fit around the children and school holidays. But look it was also an interest in having choice to say this is the type of case load I want to work with. Most places you work you get told your case load, you get told how many people you have to see.

Polly also had very young children and discussed how she felt a pull to get back to her clinical work but…

I need flexibility to care for my children. But I also wanted to get back to doing what I was doing before I had children. I have worked with some exceptional people. I wanted to re-kindle that sort of positivity and I think I have a lot to offer. It was more about me – "I can do that". The challenge to care for my children and work as I wanted to work was all about me. I want to prove to myself that I could do both.

For Helen the administrative requirements in the public sector restricted the way she practised, and this combined with her parenting needs for flexibility, were the dual reasons for starting her part-time business. In her words:

The work was becoming more and more kind of case management, and there was a lot of, excuse the French, what I would call arse covering. Like you just had to document what you were doing every minute of the day and you had to write endless plans to the extent that I wasn't really enjoying my work so much anymore. It wasn't the clients, it was the system and working the system, so I wanted to have more control over what I did and how I did it. I just thought if I stayed in the system I would get burnt out. I also need to the balance my work with the rest of the things in my life. I have three children, so I am partly about being around for my kids and things that I am interested in.

The lifestyle choices category is characterised by the participants' needs for flexibility in their work routines to meet family responsibilities and roles, or to engage in other occupational or recreational pursuits. Fourteen of the participants identified lifestyle issues as a significant reason for starting their businesses. All fourteen participants generally wanted to work part time, and with flexibility to take time away from work to meet family needs, something that wasn't so easy to do in the public sector. They also wanted to maintain their professional identity and apply their clinical expertise to the highest standard. They enjoyed their professional work and their ongoing involvement with their professional community. The following two quotes encapsulate the importance of family first

and followed by wanting to engage in their professional practice. Wendy expressed this very succinctly in this quote:

My work has revolved around my children and family. My business has really fitted in well with family needs, which has been great.

Joy also expressed her appreciation at being able to balance her family and professional needs.

I really love what I do which is probably why I'm still doing it. I love being able to walk my daughter to and from school, and the flexibility to swap my time around to suit what I need to do. I can do some travelling with my husband – I take my phone and laptop – so it's all flexible and I do love my work.

The opportunistic category describes the situation where occupational therapists in employment were offered an unexpected opportunity to start their own business. These offers sometimes came with a ready source of referrals, reception services and premises for low or no rent. The four participants in this category were in employment when they received an offer or invitation to start their business. Tessa was a full time employee when an opportunity came up with an invitation to work as a self-employed therapist for a small community organisation that provided facilities, as well as being a referral source for clients. She hadn't planned to become self-employed and said

'I don't think I would have left where I was working if this opportunity hadn't been presented to me'.

Olivia was also employed full-time when an unexpected opportunity arose and a specialist offered her the use of his consulting rooms on Saturday mornings free of charge, if she would see some of his patients. She started her business on a part-time basis while retaining some paid employment.

'*It built up and I reduced time in my hospital job. It got bigger and bigger and I had a*

long waiting list. Eventually I went full time'.

Two of the opportunistic participants wanted part-time work and enough flexibility to accommodate work-life demands with their families. Nina and Yvonne worked in public sector hospitals and each had a different type of opportunity that enabled them to start their part-time businesses and achieve the life-work balance they needed.

Nina worked in a large busy hospital where flexibility in working hours was seriously limited. When her husband's job changed, the lack of flexibility at work became too much and she considered her options.

My husband works away from home quite a lot, and I wanted flexibility with work so I could spend time with him when he was home. For me starting my part-time business gives me work-life balance – I was lucky, I had the opportunity to convert a space at home to use as a therapy room to help keeps my costs down.

Yvonne worked as a part-time therapist in a public hospital and wanted a few more hours. The hospital offered her these but Yvonne was constrained in accepting these by the lack of flexibility this would impose on meeting her children's needs, especially around schooling.

Another OT who has a private practice found she had too many referrals and she couldn't manage. She asked if I would like to use her facilities on the two days she worked in a hospital. This works well for me because it gives me flexibility to work around the children's needs. So this is how I started my private practice (Yvonne).

The final group, the entrepreneurial category defined the five participants

who deliberately chose to be business owners and undertook more systematic planning for start-up and later on for growth.

Ingrid's reason for starting her business arose because she saw the need for a service that would enable more children to receive the clinical interventions they needed.

I worked in a private practice for 18 months and then set up my own business. I'm very passionate about OT but my driver is not to be the best practitioner, but to be able to employ staff and multiply the treatment sessions, and make this available to more and more kids. My interest has always been on the business, and not necessarily doing the hands-on clinical work. I work in a clinical manager and business development role and do all the behind the scenes stuff.

Rhonda also saw a gap in existing services and decided starting her business would meet a market need and she would also receive the rewards for her effort. In addition she anticipated that later on it would give her some flexibility when she had work-life issues to deal with.

I was working in a public hospital and would occasionally get a referral from a private hospital for patients who were not given rehabilitation equipment. There was a gap in services available to some people. I saw a gap and saw this as a potential business opportunity - to work on filling that gap. I felt if I put in the hard yards I would want some reward for it and some flexibility for when I have children.

The results so far have described the participants' main reasons for starting their business. Four categories were identified, namely mastery, lifestyle, opportunistic and entrepreneurial. On closer examination the four categories can be collapsed into two groups. Participants in group 1 give one definitive reason for starting their business, whereas the group 2 participants give two overlapping

reasons (Table 5).

Table 5. Revealing the lifestyle factor

Group 1: Definitive/conclusive	
Mastery	6
Opportunistic	2
Entrepreneurial	4
Lifestyle	**6**
Total	18

Group 2: Overlappers	
Mastery & Lifestyle	5
Opportunistic & Lifestyle	2
Entrepreneurial & Lifestyle	1
Total	**8**

These two groupings indicate that 14 of the 26 participants place significant weight on achieving work-life balance in fulfilling their professional and family roles. This finding suggests the professional skills of the occupational therapists equip them to maintain a professional career and balance their family responsibilities. This is a departure from other findings in the small business literature, and in particular for women and will be discussed more fully in the next chapter.

To summarise, the participants' responses gave rise to four main categories for starting their businesses, and these were further collapsed into two major categories that highlight the significance of achieving work-life balance. While each of the four categories has distinctive features, there are several consistent or common threads that link them. All the participants enjoy their work and making a difference to their clients' lives. They value having autonomy to choose how they practice, and remaining part of their professional community of practice. As mentioned previously, with few exceptions most of the participants had little or no prior experience of business or management. Their decisions to become business owners related to providing quality services and filling gaps in service.

They were motivated, believed in their technical clinical knowledge and skills, and were generally confident, given that they didn't give much consideration to how they would deal with their lack of business know-how. They appeared to be

focused on the 'in the business' aspects of starting a business, that is, they focused on the technical aspects related to providing a clinical service. Most of the participants have operated their businesses for many years and would be considered 'successful', if longevity was an indicator. They are now more aware of what they need to do to 'work on the business', which is focusing on the aspects related to managing the business itself. The participants' experiences of what business skills they needed to develop to be able to work 'on the business' is discussed in the next section, which addresses the second research question about the management competences occupational therapists need to be successful small business owners.

Research question 2. Management competencies occupational therapists need to be successful small business owners.

The previous sections described the reasons why the participants started their businesses, and identified that most of them had little or no business knowledge or skills prior to start-up. This section explored the participants' understanding on the management, marketing and business knowledge and skills they needed to operate their businesses.

Prior to start-up the formal management qualifications and management experiences of the participants ranged from almost nothing to a few of them having extensive experience and/or formal qualifications. Several participants worked in other private clinics prior to starting their own, and through this experience gained some 'insider' knowledge about some of the processes they needed to use in their own business. Many admitted to knowing nothing or little about business practices. Participant Margot's comment '*I knew nothing about business, nothing'* typified a sentiment echoed by the other participants.

Since start-up some of the businesses have grown, and some maintained a

constant and manageable pace. The skills required to manage these different business structures range from simple to more complex. However, even the smallest businesses require the owner to be a competent manager. This section provides the analysis of the strategies the participants used to develop their management competencies from start-up through to becoming a successful business.

Prior to start-up all the participants focused on finding out what they needed to do to comply with the regulatory requirements for small business, such as registering a business, applying for a Medicare provider number and taxation requirements. All sought business information or attended seminars through government agencies such as small business development centres, the Australian Taxation Office, or other sources such as the internet or the Australian Institute of Management. To this extent they did some general planning, but most did not start out with a formal written plan. Rhonda was one of the few who did.

I rang Medicare for a provider number, and HBF and every health insurance company. I rang a small business centre – didn't even know if I was setting up as a company or sole operator. I read some of the women's success stories and so I had a vision and mission and plan. I bumbled along for about six months doing research, planning and getting organised with report formats. I wanted to start knowing what we were doing. I had a proposed start date and got the first referrals just before then. I didn't publicise anything until I was ready to start.

A few participants did some environmental scans, but there was little evidence that the participants considered the external environment on aspects such as the state of the health industry, competitive environments, or gaps in services before start-up or subsequently. Instead, they tended to focus on the internal business environment and made decisions based on their professional clinical skills and capabilities, and their personal reasons for starting their own practice, be it for

mastery of practice, flexibility or lifestyle.

However, most of the participants did recognise they lacked knowledge on all the regulatory requirements to start a business, and were uncertain how to deal with finance-related matters, such as preparation of accounts or how to determine a fee schedule for services.

Most defined the customer profile they wished to work with, given the many areas of clinical practice that exist across their profession. However, many started with a customer profile that was too broad and over time this was narrowed down more and more, that is, they became increasingly specialised, and used this to differentiate themselves from others in the market. This eventually helped the participants to clearly define their market segment and to reduce the types of referrals they no longer wanted to work with. This segmentation also helped them to manage their workloads as most of them received more referrals than they could manage, especially if they did not want to employ staff. It also highlighted the participants' attitude to growing their businesses, which was, most didn't want to grow their businesses. This correlates strongly with the importance the majority of the participants had as the reason for starting their business, to achieve work life balance.

As they became more experienced many of the participants discussed that they had learnt the benefits of planning and being more aware of marketing related aspects such as naming the business, and where best to locate it. These and other competencies are discussed further on.

Attitude to risk

One thing that typified many of the participants related to operating a viable

business was their attitude to risk. For the purpose of this study small business risk is regarded '… as the risk that a new venture will fail' (Gilmore, Carson & O'Donnell, 2004. p. 349). Collectively the participants regarded themselves as low risk people who do as much as they can with as little financial resources as possible. The home-based participants tended to use their own financial resources, and involvement with bank loans was limited to just two of the businesses at start-up. This recognition of risk is echoed in Olivia's words.

Going into private practice is a personal risk and you have to be prepared to put yourself out on the line. It's also a financial risk and you need to have a bit of money behind you or someone to support you through.

And Gertie described her approach to minimising financial costs this way.

My style is to spend the minimum in terms of cost in time and dollars earned to get the job done. I don't need fancy stuff.

Evidence of a lack of risk management processes is seen in a number of critical incidents the participants reported, and which resulted in significant financial losses. These incidents are described in more detail in the next section. There is a regulatory requirement for all occupational therapists to have professional indemnity insurance, which is protection for any harm done to clients. However, beyond compliance with this requirement, some of the participants didn't consider other potential financial risks they might experience, such as accidents while doing work-related travel, loss of income, or if they have a holiday. The sole operators identified risks affecting them and Katrina highlighted some of these.

A downfall of being in business by myself, is taking holidays. I have learnt over the years to take holidays in 2-week blocks. I close the practice or have another OT who will cover for me – it's not quite as good because she only sees the urgent cases. A number of my colleagues are single people trying to pay off a mortgage and if their surgeon goes on holidays for three weeks that means no income for three

weeks.

Margot employs staff and she suggested that there are differences in the pressures and risks experienced by the small and larger businesses.

You don't go into business being an occupational therapist if you want to make big bucks, but you can make a decent living. It's risk taking and long hours generally. A lot of OTs in small businesses have partners (husbands) and they don't seem to have the same pressures I do. I think that is where I have struggled because I have done it on my own.

One way that some risk can be averted is by having ongoing and continuous business and in this case, ongoing and new clients. The next subsection discusses how the participants conducted the marketing of their businesses. Marketing being a critical part of any business and can be a learnt skill.

Marketing the business, referrals, promotions

The survival and success of these service-focused businesses depends on having a regular supply of clients, which means for this particular industry, having reliable referrals sources. Many of the participants rely on referrals from schools, medical practitioners, other professionals, and organisations in the health and disability sectors, and individuals. Most of the participants were largely unconcerned and unaware of the need to consider a marketing strategy or to develop a marketing plan, and at start-up most of their marketing plans were minimal and strategies were few. They concentrated on finding sources of referrals, and by far the most common strategies used were registering their names on 'Find an OT' on the professional association's web site, and by word of mouth, which is what Chris did.

When I started my business I didn't have to do much in terms of advertising. I

put my name down on the "Find an OT" list and that's it. Apart from that, all my referrals have come from three referral sources (3 named colleagues), so I haven't actually had to do anything, and I feel I am in a very fortunate position in that way. If I felt my current level of referrals wasn't really keeping up enough, that's when I might start thinking 'well gee I need to advertise'. I have put together a form about myself and I might have to start sending that out, but at this stage I'm ok.

Annette also found work came to her fairly easily and didn't have to bother about marketing her business.

I went about establishing my practice just by word of mouth - I had a pretty high profile in the department and with key people in the department where I had worked. When they heard I had left they asked me "do you do this and do you do that", so I started doing some home assessments and it has just sort of gone on and on and on.

The participants' early marketing activities did include describing their target group of clients and taking steps to locate referrals sources. However, they fell short on developing a marketing plan to include a description of their service, the pricing and ongoing promotion of their service, or considered how the naming on their business might affect their eventual exit strategies. Most of the participants didn't consider the importance of describing and naming their business. The majority used their own name because it was cheap and traded on their reputations as experts in a particular area of clinical practice. Moreover, this simple strategy resulted in them receiving enough referrals to keep them busy.

Some of the participants acknowledged they would not have much to sell when the time came to exit their small business. There were a few exceptions who opted to trade with a name that would have greater corporate appeal when they wanted to exit their business. Lois provided the clearest example of this.

We have deliberately branded our business with a corporate name and not by my name. My long term plans is to sell to a large corporate because I'm convinced that just as small GP practices are being taken over by large ones, I see allied health as the next wave of that, and I want to get in there now.

As the businesses developed all the participants had enough referrals, some too many. The sole operators received as many referrals as they could handle, and they rarely considered, or felt pressure to adopt any additional promotional activities for their business. They did have some ideas if the flow of referrals dropped, for example Joy, a part-time home-based operator makes direct contact with agencies that provide most of her referrals.

If things are a bit quiet I make some phone calls and that seems to generate referrals. I'm doing that at the moment.

Polly had considered some marketing actions to take and developed a pamphlet in case referrals dropped.

If I didn't get enough referrals I would need to send out the pamphlet I have put together. I feel very fortunate that I haven't had to go out promoting myself.

The participants of the bigger full-time businesses did use more marketing and promotional strategies to increase their business activity. They used a variety of means to achieve this including developing web sites, the Yellow Pages directory, regular newsletters to potential referral sources, letters to referrers, gifts or cards at Christmas, lectures and presentations about their work to groups such as general practitioners, other professions, schools or Rotary. Betsy has a regular routine of delivering presentations about her work to general practitioners.

The other thing I do is once or twice a year I am part of a seminar for about 150 GPs. I talk to them about the management of upper limb trauma, and what I do,

and what conditions can be treated non-surgically. So then, they direct referrals to me.

Several participants do cold calling to increase business activity and Zelda's words encapsulate the difficulties many of the participants have with promoting their business.

It's hard in private practice. You have some occupational therapists that can look after themselves, and there are others who can't do the marketing aspects. They don't have the personality, or drive, or confidence to go out and promote the business and the profession.

Overall, promoting their businesses beyond getting enough referrals was minimal. So even though all the participants were happy with the flow of referrals and work coming to them, many were complacent, understood they should do something, but there was no pressure to do so. Those who tried new strategies such as using Yellow Pages or developing a website didn't evaluate if it had been successful, as demonstrated in Elaine's words.

The Association has its private practice register and that's all the marketing I have done. All my work has come out of the private practice register. Although this year I have actually put an ad in the Yellow Pages but I don't know if anything has come out of it yet. I have got a web page but I don't know if anyone ever looks at it. I should spend some more time on it I think.

Pricing their services

The financial management aspect was a clear difficulty for all the participants, who found pricing to be a major problem and floundered in the early stages of development. They didn't know what to include in their pricing to cover all overheads, plus their service. Often they looked to colleagues or accountants for advice on what to charge. Some used a strategy of finding the fee schedule of their competitors and undercutting them. Over time, most of the participants realised their mistakes in low pricing and adjusted their fee schedules to more realistic levels. Queenie's experience on pricing her services was typical for most of the participants.

I pitched myself too low. I didn't know how to calculate a sensible fee. I started looking amongst other professions to see what worked. I figured it out as I went along. Now I know, but then I didn't know how you figured out how much to charge. I certainly under sold myself and then it took me quite a number of years to catch up because you can only put up your fees a certain amount per year, so that was one quite big challenge.

Olivia raised several other aspects of costs that needed to be considered when establishing a fee schedule.

The issue of non-billable hours needs to be considered – there are a whole lot of other things to be done. Writing a report for a GP can be time consuming. They are hard work until you get established and practiced at it. These are the business skills one needs. Keeping up with technology is an issue.

Operational management issues

Continuing on from the issue of setting fees, the area most of the participants struggled with was managing their business accounts, at least initially. Many started by doing the accounts themselves, often manually and later moving onto learning how to use a financial accounting package, such as MYOB. There are several

common responses amongst the participants to managing their business accounts and other operational processes. Firstly, most of the participants didn't know how to do these tasks, and secondly even if they did, they disliked doing them.

Elaine frames her business as those activities that involve direct client interaction. She regards the non-clinical business related activities as a bother and an intrusion into her 'free time'.

I'm terrible, I hate the accounts, I hate it but then I tell myself it's just finding the time, and again it's that thing of allocating time to actually do the bills, whereas I consider working on the practice is the client stuff, and so I really begrudge my free time to do all the other stuff.

Chris provides another example of a participant who is disinterested in business processes and showed no interest in learning any because her husband deals with the financial processes.

I have no idea about GST and my husband is the business manager. He does the invoices and they are much more sophisticated than I think I need. I am just not interested in these processes.

Gertie also provided evidence of a lack of skills and application in managing her accounts processes.

So to start with, I just billed in Word or Excel or something, and then I got MYOB and I just use that for invoicing. One of my goals this year is to learn how to do more with it. With my expenses, I just shove them in a file and tally them up, and give them to the accountant. It's been really small until now, but now I do need to start getting systems and figure out how to do it.

The sole operators experienced the greatest difficulties with the business operations, and often did most of these functions themselves. Some of the participants used bookkeepers when they realised it was more cost effective to do this, and used their time to provide the technical clinical services, and Betsy provides an example of this.

I have the financial brain of a pea and rely heavily on the bookkeeper. I have a fantastic bookkeeper and accountant.

Violet, another home-based participant struggles with outstanding accounts and a lack of processes in place to deal with them.

Just now I have one outstanding invoice and I am not good at following these up. My problem is when someone doesn't pay, getting around to sending a follow-up. I think I had one before where I had to follow up a couple of times, and probably still needs a bit more follow-up, but I just never get to it but everyone pays, seems to pay eventually.

In the early stages of developing their businesses most of the participants found it difficult to talk about fees and money with clients. As time passes, at variable lengths across the participants, they became more familiar with running their businesses and eventually implemented processes to deal with all aspects of providing their services.

Una used to feel uncomfortable talking with clients about her fees and to get around this she sent accounts to her clients after provision of a service, and found many didn't pay. She used to spend a lot of time sending reminders and in the end decided she had to change her practices.

I'm over it now so I charge what I think I can charge. I tell people the fee when

they ring and to pay on the day. It's an awkward situation sometimes. I don't have a receptionist to do this. If you are a sole practitioner you have to be turning over a lot of clients to be able to afford a receptionist.

Rhonda also found it personally difficult to chase debts and took action to implement processes to deal with these matters.

We used to have bad debts in the past, but now we don't. I signed up with a debt collector and put policies in place. We have a strict policy of 21 days for payment, I used to send reminders out but I don't do it anymore, the account is referred to the debt collector. It's made it a lot easier. It was difficult for the admin staff and me when we were chasing the money.

A number of the participants learnt from other practitioners that providing information to clients upfront avoided accumulating bad debts. However, whilst they might have processes in place to deal with cancellations and bad debts, there is evidence where the 'therapist' role sometimes over-rides their business policy. Yvonne provided an example of this.

I have a strategy to follow up on bad debts but I haven't had to use it. Most clients pay after their weekly sessions. I didn't want to ask people for money, but now I am upfront - I send out emails with a fees schedule, and details on my privacy and cancellation policies. We provide information upfront and can go back to that if we need to. But I would never invoke this policy if a child was ill.

By contrast, the participants who employed staff did have formalised processes for most business activities. Ingrid had thought about a need for processes to be in place before start-up.

We have very heavily invested in systems and procedures, and technology has been the biggest key in that. I have a website and have my fees on it.

And Annette described some of her operational processes: *We have monthly staff meetings where we go through and look at everything. We have a full client and medico-legal update on reports. We had a database specially written for us, which is fantastic and we now use that database as a means of doing cross-checking and doing the quality control.*

Rhonda has also established processes that enable her to monitor business performance on a regular basis.

I provide intensive orientation training for new staff when they start. I meet with each occupational therapist monthly, and we use a format that looks at their reports and if they followed processes. I get feedback from clients each month. Every 3 months all the staff meet and we review our work, and each person sets their objectives for the next 3 months. I manage the clinical side. The practice managers do the day to day running.

Overall the participants' skills in business operations ranged from very basic to advanced, and from inefficient to efficient and effective. Only one participant displayed any real interest in establishing these operations, although those who employed staff did recognise the necessity for establishing policies and monitoring the implementation of them. After start-up a few of the sole practitioners continued to do all the business processes themselves, but most of the participants did recognise the efficiencies that accrued if they had bookkeepers, or partners (husbands) who do these tasks, and freed their time up to provide clinical services.

Networking and social capital

When the participants started their businesses, they relied heavily on the support and advice of their family, close friends and professional colleagues, especially those who had established their own businesses. Consistent with the literature the participants also sought information from external sources such as

small business development centres, internet sources and accountants.

Some found networking with other occupational therapists in business a useful way to learn about business, especially when setting their fee schedules. Most of the sole operators did not extend their networks beyond these contacts, as they were confident in their own abilities to solve any business dilemmas that might arise.

Polly said,

Networking with a couple of practitioners in private practice helped with setting fees. I'm not afraid to ask for help. I picked their brains, and got myself sorted out.

And Joy gave a similar account on who provided her with advice and support to establish her business.

It would have been a different story if my physiotherapy friend, brother-in-law and husband hadn't been around. I probably wouldn't have set up my own business without my husband's support and the physio offer – it just happened. It wasn't planned. I used to do some networking but now I don't. It costs money and time. Anything I do is mainly for my professional development. If I get referrals in new areas of work I have to go and do some homework, I use the internet and rehabilitation equipment suppliers.

Annette has one of the larger and more established businesses.

OT is a small world basically, and there is a lot of word of mouth. I am happy to share anything with anybody. There are a lot of private practitioners like that across the field, and you sort of develop your own networks.

As the businesses matured a few of the participants extended their external

networks to gain information about business strategies and practices that would enhance business performance. Margot has been in business for twenty years and in that time has developed and maintains an extensive business network.

I'm much more advanced in my marketing and business approach than when I first started, which I have really developed by talking with many colleagues over the years. Last night I was at a meeting and talked to a woman with a marketing degree and I really gave her a hammering. We have just had a conference and I presented a paper. I think it is about being out there, exposing yourself. I use a lot of strategies but mainly it is through talking with colleagues around the world and observing, and then working out what works for me.

Fay has also had her business for many years and recognised the importance of continually seeking business ideas through networking.

I am a member of a number of women's business networks and I find those very helpful for information. They have talks by various experts, it could be legal areas, it could be employing staff areas, it could be tax, it could be marketing. I have put into these, they have asked me to come and do some resilience and self-care for business owners, and they are pretty high powered people but they're there so that's another forum and often those people are able to give you a fair amount of information.

Several participants had mentors or coaches to help them with business decision-making. This use of business coaches and mentors is distinctly different to having coaches and mentors for "professional supervision", which focuses on the development of their professional clinical skills. Elaine had a coach who helped her develop a business profile that would attract the types of clients most suited to her professional skill set.

The coach would say I am getting really nice referrals now 'because you have got rid of the dud ones, and now you've left space for the good ones'.

Many of the participants narrowed their area of specialisation, initially as a way of managing their workloads. However, they found it had unexpected benefits for themselves, because they became known for their specific expertise, and secondly for their clients, who also gained the benefits of being seen by an expert.

Tessa was a reasonably inexperienced clinician when she started her business and she had the dual needs of learning business skills and to continue with developing her professional skills.

There were no guidelines around starting a private practice that I could find. I contacted the professional association and the registration board and they couldn't give me any information about what I needed to do. I decided I needed some professional (clinical) supervision. I did it, and I've had supervision ever since.

Polly lived in a small rural community. She was an experienced clinician but new to business and didn't have direct access to business resources. She found another way to access relevant business information.

I rang a good friend to see if she knew anyone who had established a private practice in a rural area. I hit the jackpot – she sent me a step-by-step guide on what to do. It was very informative. She told me the problems she faced, and gave me so much information. She always helped when I hit a hitch. Another OT helped me with some of the paperwork aspects.

The sole operators, especially those in home-based businesses raised some negative aspects about their limited networks. They talked about the absence of social support that colleagues and a workplace can provide, opportunities for updating professional knowledge and skills, and the security of a regular salary and other entitlements. Many of them discussed the loneliness of working alone, and the strategies they have used to deal with it.

Gertie has a part-time home-based business and periodically takes a locum (employed on a short-term contract) as a way to have some interaction with professional colleagues, and to break the monotony of working alone.

I am doing a locum one day a week at the hospital and it is useful because I am enjoying working in a team. I miss that, so it is quite nice to have a day where people know who you are, and are friendly to you as peers, as opposed to just seeing clients individually. I get a chance to bounce ideas with others. It can be lonely on your own, so this one day a week suits me, and it's good for me.

Yvonne also has a part-time business and is employed in a public hospital for two days a week, which she finds beneficial.

I have always felt a bit too isolated in a private practice. In this situation where I can come in here (private practice) and see people for the day, but I then have another work place (hospital) where I am guaranteed of social contact as well as the clinical extension just strikes me as personally the best sort of balance. This sort of balance, where I get to do the work I love in a lovely environment, and balance that with the hospital. It just seems to me the best of both worlds.

The participants engaged in networking for two main reasons. The bigger and more established businesses engaged with business networks to extend their business skills and as a strategy to promote their businesses. These participants also maintain close contacts with their professional networks. The sole operators tend to limit their business networks to their family, friends, bookkeeper and accountant. Some have part-time employment in traditional clinical settings as a strategy to maintain currency in their clinical knowledge and skills, and to reduce the sense of isolation that occurs when they work alone. The business skills of the sole operators remained at a fairly basic level.

Does success require businesses to grow?

The question of whether to grow or not to grow their business, relates to the reasons the participants started their businesses in the first place. Just as there were diverse reasons for establishing their business, so they also had a range of views about growing their businesses. At start-up most of the participants were sole operators, and only two employed administrative/receptionist staff. At time of interview this profile had changed significantly, and thirteen participants employed clinicians and fourteen employed administrative staff (see Table 6).

Table 6. Number of businesses employing staff (excludes the owner)

	Employs Clinicians	Employs Administrative Staff
At start-up	0 of 26	2 of 26
At interview	13 of 26	14 of 26

At start-up two of the participants had aspirations to grow and employ staff, and they succeeded in doing so. The remaining participants didn't plan to grow, but many did in response to the number of referrals they received and not being able to manage on their own. This was Betsy's experience.

Yea, I get a huge amount of referrals that I don't want, and more, and more, and more. They are appropriate referrals, and yea they are great, but I don't have the capacity to take on all this work. I've just had to put on this extra clinician.

Sharon found herself in a similar situation and received more work than she could cope with.

I always thought I would work on my own, I never thought I would employ someone. Once you look at employing people you start looking around and asking for advice. I think so much is out of your hands. You know you can lose a surgeon overnight, and they leave you and you have employed OTs to do that work. These

are some of the pitfalls. You want to keep things ticking over. I know there is a business model that says status quo is not great and you want to keep expanding. But I think there is a point where I think status quo would be really nice – if we could stop for just a minute – but I haven't been able to do that.

Sharon's reference to the reliance on sources for referrals was also discussed by other participants who employed clinicians. They commented on the stress the volume of work flow caused them, that is, they worried about getting a regular flow of referrals to cover the salaries and associated costs for staff.

This is an ongoing pressure for Rhonda.

About twice a year I think about throwing it in. It is a lot of work and pressure, just with all the overheads and knowing you are supporting a lot of other people's income. Actually it's about cash flow – if cash flow is fine, I'm fine and don't get stressed. When cash flow is an issue, which can be quite regular, then it is a bit painful.

Margot made similar comments '*I feel the pressure to maintain the workload for my staff. I will always have plenty of work for myself*'.

The participants who were home-based did not employ staff. None of these participants were the sole or main income earner for their respective households. Participants were not asked to provide details on their annual income, however many volunteered information that indicates they have very low earnings.

Gertie described her situation this way.

So I just work as a sole trader, I figure keep it simple. My income for years has been a few thousand dollars so employing any assistance (bookkeeping) would eat

up whatever I earned. I am under that BAS thing. I am tiny and basically I got myself an ABN and figured that I really didn't need to do too much else.

Polly gave another perspective on being a home-based sole operator.

I don't really think of myself as a business owner. I might if I went to my office and opened up every day. It's early days for me yet and when I start to advertise then I might feel a bit different. My gut instincts are that I need to advertise to get started. I see myself as having two or three children on my books at any one time - that is equivalent to one day a week – that is about all I can handle and balance with my other responsibilities.

The sole operators had different expectations for business growth than the participants who employed staff. Most of the sole operators had home-based businesses because they perceived it was low risk, low cost, and provided the flexibility they needed to fulfil family responsibilities, but also all of them had a passion for what they did clinically. As reported in the literature these participants might be regarded as either 'survivors' or 'subsidisers' rather than serious business owners (Redmond & Walker, 2010). However, these participants provided another reason why their small business is important to them. They wanted to continue in their professional careers when their children were older, and needed to maintain their professional competencies to meet the requirements of the Occupational Therapy Board of Australia (OTBA,2012).

Gertie has young children and her business is very small, but it is important for her future plans.

I am really glad at the point I am now, where the children are all at school, to have these skills because I see other mothers who haven't worked since they had children and they can't contemplate going back to any job, least of all OT, whereas I

have managed to keep some amount of skill and I have developed skills. For years it was a maintenance thing that I was keeping the OT skills, and now it is back to going upwards, and I do have something to go forwards with, now the kids are at school. Last year was a year of rediscovering me and discovering that there is life outside children and settling into a pattern of a lot more work. I'm now beginning to develop more on the business side of things and take on more work.

Polly had a similar story to tell.

I am working very part-time while my children are growing up. Once my kids are older I will work full-time. I know there will be plenty of work in in the future but I need to keep my OT knowledge and skills up to date. Working in my own business gives me flexibility for family things, and I can also meet the regulatory requirements for OTs to maintain currency of practice.

Operating a very small part time business from home enabled these participants to maintain their professional clinical skills during the period of caring for their school aged children. These participants are not the primary income earner in the household, and financial security resulting from their business was not a significant factor. What was important to them was maintaining their clinical skills so that they had the option to either go back into mainstream employment or continue being self-employed. All of the participants felt an incredibly strong bond with their chosen profession and saw themselves as being occupational therapists for their whole career, therefore they were prepared to adapt their working practices to best suit their personal situation, which was normally around raising children. Because of this rationale these participants had little or no interest in the growth of their business beyond what they could handle themselves. Nor did they consider a need for having an exit plan. A possible reason for this lack of future planning was because they knew that they would be able to go back into the public sector if they so chose, because they were keeping up their clinical skills.

Similar differences amongst the participants were evident when they discussed their plans to exit from their businesses. The home-based businesses didn't have exit plans and didn't think it necessary to have them. Participants who worked in commercial premises gave various responses about exit plans. Overall, with one exception, they didn't believe they would have much to sell.

Sharon has an established business with clinics in several locations and employs staff in each of them.

I have no plan for exiting but I think you do need to plan for an exit. I firmly believe that a good proportion of this practice is based on goodwill. While I could sell it, it wouldn't be worth very much. I think the best strategy would be to hand it over in terms of proportioning it out to different people and letting them have a percentage, and being left with one small practice to sell.

Margot also has an established business in several locations with staff.

I've been working on an exit strategy for the last few years because I would like to retire in the next few years. My strategy is to get someone to buy in – but if this doesn't work then there is nothing to sell because it's your name, the practice isn't worth anything. I am hopeful that some of my employees will buy in over the next few years - like partners in law firms.

Betsy has been working alone for about twenty years as a sole operator, and rents rooms next to her referral source. Her main expenses have been rent and the purchase of specialised equipment over the years. Like Sharon and Margot, Betsy doubts there is much to sell when she exits.

As a sole operator, I have no plan for future growth or exit. I have nothing to sell because there is no client list, as I don't have clients who make return appointments over a long period of time. Whatever I pour in I will never get back

out, I mean obviously all my equipment depreciates and by the time I leave it will be virtually useless/valueless, and all I will have left is my own goodwill. You can't sell your goodwill. This is something to consider when establishing a private practice.

All the businesses that have grown since start-up provide direct clinical services from commercial premises. They started as sole operators, and as the flow of referrals increased, the participants employed clinicians to cope with the workload. However, all these participants still want to continue to work with their clients and retain their roles as clinicians, that is, deliver professional clinical services themselves. They have taken on more of a managerial role through necessity, but they do not want this to be to the total exclusion of losing their professional role. This sentiment is reflected in Annette's words.

I employ four clinicians. We could grow bigger if I wanted to, but I don't want to. I want to limit the size of the business and I don't want to be just a manager. So the more staff I have the more I have to manage the staff, and I don't want to do that. I don't want to be a big manager. The greatest joy I get in my work is actually working with clients, so I still want to have the opportunity to do that.

To recap about growth, most of the participants started out as sole operators with no aspirations for growth. However, over half the businesses did grow in response to increased referral lists. With growth came increased levels of stress as the participants took on more of a managerial role, and reduced time for their clinical roles. Annette's words on this resonated with those of other participants.

I think the worst thing about running my own business, are the disappointments, and it's the management type of stuff. It's the having to get staff contracts up, and it's sort of remembering to do all of that sort of stuff. That's the worst part I think. Yeah, dragging myself away from the clinical.

The participants' views about exit plans varied from not thinking about it at all, to developing a strategy, and on this point there was a shared view that there would not be much to sell, especially if the business brand was the individual participant's name.

This section has discussed the management skills occupational therapists need to be successful small business owners. Their personal accounts about the development of their business skills covered their journeys from start-up to the time of interview, which across all the participants covered a span of between one to twenty five years. Generally, the participants did some preliminary planning prior to and for start-up, most limited their networks to family and close colleagues, and sometimes included an accountant or bank manager. At this stage their marketing was generally limited to finding referral sources for their clinical services, although these strategies were generally limited to word of mouth and low cost advertising on the "Find an OT" directory. Opportunity recognition for establishing a business in a niche market was evident, but little attention was given to environmental scanning and identifying potential risks.

As their businesses developed, some of the participants became more aware of the need to develop a business persona, with skills in financing, marketing, risk management, systems development and quality control mechanisms. They also recognised the need to develop relationship skills to manage their referral sources and clients, communication and interpersonal skills, and conceptual skills for problem-solving and decision-making. Social skills for managing staff and extending their business networks were especially important for the participants who employed staff.

When the participants started out the majority were not particularly interested in adopting a business persona. However, as they started to operate

their businesses they recognised the need to do this to survive as small business owners. They also acknowledged that being a small business owner gave them something priceless, some flexibility and autonomy to choose how they worked. Regardless of the reason for becoming a small business owner, all the participants loved their clinical work first and foremost and the majority only embraced the role of a manager through necessity and depending on their personal circumstances. The passion for their profession was palpable, but the same could not be said for most of them about being a small business owner-manager. However, all of them recognised the need to 'manage' their businesses and for the bigger businesses, the need to manage other aspects of the business, such as staff. How they learnt these business and management skills is discussed next.

Research question 3. How they learn their business skills

This section is an account on how participants learnt their management skills. The skill sets of the participants ranged from simple to more complex, and related to the size of the business and length of time the participants had been operating their business. The bigger the business and the longer it had operated, the more complex were the skill sets of the participants. Initially the participants started out with a set of generic academic competencies gained when studying for their professional qualifications and other competencies, such as skills in communicating, lifelong learning, problem-solving, decision-making, and inquiry. Some of these skills are taken to a very high level in occupational therapy education, for example, interpersonal communications, problem identification, problem solving and decision making are fundamental to occupational therapy practice. Occupational therapists are also skilled in seeking scientific evidence to apply best practice principles in their work with clients (OTA, 2010). Several participants actually suggested these OT specific competencies and skills gave them the confidence to start their business, for example Gertie said:

I think confidence in yourself is the biggest thing. You know as an OT I think

we have got skills in research, finding out how to do things and problem solving, which comes into running your own business too. I think I have got a clear head and I think we are well schooled in how to do things. It's actually the aggressive business side that we are not schooled in necessarily. Some people might be but it is not me. I am not an aggressive marketer.

Annette made similar comments about how she applied her occupational therapy skills to the management of her business.

I think it's reflecting on what is occupational therapy, the foundations of occupational therapy, you know it's that analysing tasks, task analysing - so whether you are doing a major consultancy for an agency, or working with an individual client on a medico-legal case, or providing a clinical service. You find out what's really needed and what the client wants, whether it be an individual or a large department, and then work back from there, and find a way to achieve what needs to be achieved. So, that's it for me, across all the different fields that I work in.

Task analysis is a fundamental skill used by occupational therapists, so much so, that it might become tacit knowledge, and the participants didn't consciously realise when they were transferring skills learnt in their professional education into the business context.

Zelda, one of the more experienced participants managing her business, offered additional insights into her observations on how some of the knowledge and skills learnt in formal occupational therapy education might transfer into the business environment.

It's also about "knowing" and "doing". I have staff and I am very put out if any of these staff come to a meeting with a problem, and they haven't given any thought to how we might resolve it at a management level. Some come up with some strategies and make some phone calls, and have given it some thought; they have gone through that process. You still have people who work in business and they

can't do the "do" - they can't say "how do you want to pay - cheque, cash or credit card". It's a bit like transferring skills really, "knowing" and "doing" are two different things.

It was evident that transfer of learning of some skills from the clinical to the business context occurred, and enabled participants to navigate their way through the basic pre-planning and start-up phases of establishing their businesses. Once the participants reached the stage of actually operating their businesses they had to learn how to think and act like a business owner, that is, balance their professional and business roles. This happened in various ways. Ingrid worked in another small occupational therapy business before embarking on establishing her own business. She had aspirations to establish a business beyond the size of sole ownership and decided to use a business consultant. Her strategy to learn about business suggests some reciprocal learning occurred between herself and her business consultant.

'I hooked up with a business consultant and over time he has reduced my warm fuzzy therapy thinking, which gets in the way of running a business. At the same time I think I have helped him to recognise some of the cultural values of the thinking that goes into being a therapist running a business, and not a business person running a business – and that involves quite a different mentality. That has been a very useful strategy having him on call.

For other participants their early learning in business was through doing routine operational activities, such as processing their accounts, ordering supplies, and managing their appointments diary. This is often referred to as lower-level or 'know-how' learning (Eraut, 2004). By contrast, the process of higher-level or 'know why' learning occurred through significant events that were unusual, non-linear and discrete.

Critical incidents (Flanagan, 1954) were used to explore the participants' adverse business experiences and if these caused them to become better managers (Taylor & Thorpe, 2004). The participants recalled their worst business experiences and described a range of self-defined non-routine or discontinuous events. These events resulted in the participants questioning their assumptions, and to re-think, unlearn or adapt and re-frame their understanding of a difficult confronting situation. This process required higher-level cognitive thinking or 'know-why' learning. These situations or events often happened when the participant was faced with new experiences, situations and contexts, which might be positive and negative.

The four vignettes that follow highlight the prominent role these events played in the participants' learning about some of the more complex aspects of being a business manager. Each vignette demonstrates how the participants developed a new understanding or the re-structuring of the organisational processes used in their businesses, and caused changes in the participants' self-understanding of their role as a business manager.

Vignette 1: Annette

Annette started as a sole operator and grew her business over 10 years. A major part of her business involved working with solicitors and law courts on cases involving people with long term disabilities as the result of accidents. Strict administrative and reporting protocols were required for this work. The business has seven employees, a mix of clinical and administrative staff. This critical incident vignette includes a number of non-routine events that occurred over several months.

Annette had dual roles of manager and clinician. She managed all the business activities, but preferred her clinical role. In Annette's words the business is *'…run*

like it's a family unit in many ways, it's very supportive, and we made a decision to be proactive in trying to support staff'. One employee had some personal issues over several months and as a consequence his work deteriorated but the business continually offered him support through this period.

This supportive approach included Annette trusting staff to adhere to office practices and processes. However she was shocked one day when this employee suddenly left without any warning and in the middle of a heavy work period. Over a short period of time many of this employee's mistakes were revealed, and they were significant and many. Some of the employee's errors incurred a financial cost to the business; other mistakes went wider and affected other businesses. For Annette this was about her reputation, her business – *'…you have to be sure things have been done right'*. She realised she had become slack about checking work and quality control.

Although this situation proved difficult at the time, it had a positive effect in the longer term. Annette undertook a revision of the operations of the business and implemented clearly identified structures, systems and responsibilities, including the appointment of a deputy manager to share the oversight of all operations. Annette believes now the business is more professionally managed.

Annette experienced some basic learning about herself as a result of this event. She recognised that she ought not to confuse the value of supporting and being 'soft' with staff, with the need to manage the business. *'I trusted people when they said they had done something. Now we have cross-checking and quality control processes that I check regularly'.*

Through this event Annette experienced a significant change in self-

awareness, and resulted in the process of becoming a more effective manager. *'You know, it was a lesson learnt. A hard lesson but I think some of the best lessons that you learn are the hardest. This was a hard one and it cost us a huge amount of money'.*

Vignette 2: Fay

Fay operated as a sole operator for about 14 years. About 6 years ago she purchased a business property where she continues to work as a sole operator, and sub-lets rooms to other practitioners. Around this time Fay decided that the accounting systems needed upgrading. Her accountant recommended a bookkeeper, who she engaged to do this. After 12 months Fay realised the bookkeeper had *'…put my books into a complete mess'*. She engaged a second bookkeeper, only to find this one continued to make the same mistakes as the first one. Both had made incorrect allocations to different line items.

Fay had trusted the accountant and another colleague who had recommended each of these bookkeepers, and was shocked when she realised the extent of the errors made by the bookkeepers. She attributed her naivety to this happening.

'You know sometimes I just assume everyone else has high standards, and because I had such high recommendations I didn't think I needed to check the level of detail in the books. I was trusting, and as a result I still have not completely finished those tax years since 2006.'

This event caused Fay to stop and take stock of the situation. She subsequently employed a consultant who taught her how to use MYOB, and helped her to establish systems for the business. She employs a bookkeeper but now checks that these are being done properly, and is confident because she

understands how MYOB and the systems work.

'So that was a big learning curve, you know at times things can be very challenging and I could pull my hair out, but you just have to find a way to deal with it. You know these are some of the very hard lessons.'

This event had personal consequences for Fay. Significant transformative learning occurred when Fay realised her own expectation to work to a high standard should not be projected to others, and that to do so can adversely affect her business.

Vignette 3: Betsy

Betsy started as a part-time sole operator in a home-based business when she had very young children. Later she moved into rented commercial premises and continues to work three days a week, and she employs an occupational therapist one day a week. This discontinuous event occurred when Betsy realised she had let bad debts accrue to $20,000.

'I am not very good with money. You know when you have someone there, with their finger amputated, and they are a Dad with four kids, have a mortgage, are self-employed and have no income protection, it's hard to address money.'

It was Betsy's practice to mail invoices to clients after their treatment sessions. Debts accrued because many clients assumed the costs were part of their referring doctor's accounts, and therefore didn't pay. Workers' compensation agencies were always three or six months behind in paying and needed to be reminded to make payments. Betsy couldn't afford a debt collector, and gave priority to her clinical work over her business needs. When the debt reached $20,000 she realised something in her business practises had to change.

Betsy realised that not giving information about fees up-front and her method of billing clients was her problem. On reflection she came to realise that clients regarded her as a better business-like person if she talked about money and fees up front. *'I think I have learnt the hard way, and that people appreciate it, and see you as a better therapist for your honesty, rather than beating around the bush about it'.*

She engaged a bookkeeper who follows up on bad debts, especially with the workers' compensation agencies. The most significant way Betsy reduced debt to a negligible level was by changing the method of payment by individual clients. Clients are informed of costs for services prior to receiving treatment, and billed immediately after each treatment session.

For Betsy this experience resulted in her learning about herself, and that she could incorporate a more efficient business persona into her clinical-self without jeopardising either her business or clinical roles.

Vignette 4: Tessa

Tessa was the youngest participant in this study and had 2 years of clinical experience in another private practice before starting her own small business. Her entry into her own business was the result of an unplanned and unexpected opportunity that she took up. She works in rented premises and contributes to the cost of a receptionist employed by an adjacent business. The receptionist handles the invoices, receipts, appointments and phone calls. Her referrals grew quickly and she employs one occupational therapist. Even so, Tessa continues to work 6 days a week to cover her business and clinical roles. She has been resourceful in seeking information about establishing a business and devotes considerable time to developing manuals on business processes.

Tessa experienced considerable stress in dealing with staff-related issues.

The business side has been more stressful than the clinical. Things like getting phone calls from staff saying their pay slip was wrong. And I didn't find out about legislative requirements until it was too late at first. I did get a fine for not submitting superannuation, withholding tax and HECS - those three things were most difficult and I had to get my head around it. I have done that now and so no more fines.

These discontinuous events resulted in transformative learning for Tessa. On reflecting, she realised she didn't know what she didn't know about many aspects of running a business, and that this could be detrimental unless she committed more time to learning about business management.

Since these events, Tessa has given more time to attending business-related workshops and seminars, and extending her business networks to gain a deeper understanding about business practices. She also pays to have clinical supervision to support her clinical-self. Her goal is that the combination of these activities will better equip her to supervise employees on both their business and clinical performance.

Prior to these negative experiences each of the participants thought they were doing a reasonable job as managers of their respective businesses. They had processes in place, but each of the four managers failed on something that was serious for the business, either due to genuine ignorance about what they needed to know, or because they did not maintain effective control systems. In each case it took a discontinuous event to jolt the participants into learning something new about business management and about themselves as managers. The higher-level learning resulting from these events was identified as a significant learning mechanism by the participants, and resulted in purposeful activity to improve aspects of the business operations, and an understanding of themselves as business

managers.

Participants were also asked to describe the best aspect of being a small business owner. All the participants gave global responses rather than a single event. These generally related to their interpersonal communications with staff and, or their clients, opportunities for creativity, meeting the needs of others, providing quality services, and autonomy and flexibility to practice as and when they wanted, and the value that occupational therapists gave to the community. Annette refers to a number of these aspects during her interview:

I think the team of people that we have got are fantastic and it is like a little family so to speak where we know each other's life, and we go through the ups and downs with everybody, and I think being able to work the way you choose to work and not be constrained by all the paperwork and bureaucracy that now is the public sector. You know, having that level of commitment and compassion that you can change someone's life, even if it's really minor you can do it, and you have your big wins. You have what we call marshmallow moments - like one of the therapists who has been working for a year to take this woman motorbike riding and it is all happening next week. We are going to video it and it will be tears, you know it is that sort of level. Or when someone drives their wheelchair for the first time, it all makes it worth it. You know you can celebrate; we really celebrate the big wins.

Margot highlighted the importance of having flexibility to pursue interests external to her business.

It's not a money thing, it never has been. For example, now I have started some voluntary work in a developing country and I want to make it sustainable. I'm a mentor for therapists here and I do some mentoring over the internet for therapists over there.

Similarly Katrina referred to the benefits of autonomy to use her professional skills to provide a quality service.

I would never go back to the public sector. If I want something I want to be able to buy it and not be hamstrung by the bureaucracy of public hospitals. I love being able to try something new – I can – I can get the equipment today and use it straight away. I love the work I do.

All the participants chose an aspect of professional practice when choosing the aspect of their business they liked the most. Not one said they loved their role as business manager. Perhaps this explains why it is the significant, discontinuous negative events that jolt them into learning more about the complexities of management.

To summarise this section, the participants learnt their business skills through a combination of skills gained through formal learning prior to starting their businesses, and informal learning in the businesses. Lower-level learning occurred in the more routine and operational processes in the business, the 'know-how' to do things. Often this was as much as some of the participants learnt, especially the part-time sole operators in home-based businesses, where their households did not depend on their income.

However, most of the learning of the other participants was extended through discontinuous events that had serious consequences for their businesses if not addressed. These events resulted in participants understanding the 'know-how' and the 'know-why' change was needed. This higher-level learning resulted in a transformation in the participants' understanding about themselves as business managers, as well as the way they manage their businesses.

Research question 4. Self-assessment of business performance

The participants were asked to self-assess their level of success as business managers on a 10-point scale. No one rated themselves 10/10 or lower than 5/10. Their scores were distributed across the range five to nine (5 – 9) out of ten.

The eleven participants who assessed their success as managers to be 8/10 (5) and 9/10 (6) have been operating their small businesses for longer periods than the others (mode = 22 years), all had postgraduate qualifications; three in management and the others in clinical specialisations; seven employed staff; all had prior management experience; and the reason they started their business was to have autonomy for the way they delivered their expertise, that is, for mastery and control.

Katrina has been in business for twenty six years and is confident in the way she manages her business. Like others in this group she believes you must back up the claims you make about your service with quality.

I've never thought about how to rate success in my business. I think I am quite successful but I could do better business-wise with the number and types of referrals. Money is important but it is not the most important thing. Success for me is also how my colleagues perceive me. I like a good challenge. I would hate to think I would only get mundane referrals. I feel successful if I can deal with difficult referrals (meaning people who have complex injuries to repair), and if I back up my service with the quality of my work.

Olivia also has had her small business for over twenty years and measures her success against outcomes for her clients. She said of herself:

I do pretty well for a very small operator, but I wouldn't want to be any bigger. I don't think of myself as a business person. For me success in my business is that I'm

happy that people get benefit from my work. My most useful skill is confidence in my clinical knowledge - you have to know that what you're doing is ok.

Dora is only one of two participants in this group of high self-assessment who works from home as a sole operator. She put her success as a business manager down to being disciplined.

I am very disciplined in dealing with the business side of my work. I have done a lot of other things during my career, and I know how you need to keep attending to all the tasks that need to be done. I do BAS statements on Sunday mornings and routinely put invoices and bank statements into the MYOB programme, so that when it comes to the end of the quarter I don't suddenly go 'Oh, my God, I forgot'. I don't do the same things every Sunday morning but I do business related things. That's the time, Sunday morning is my religious experience, and it works.

Joy's attitude to managing her business focused on the importance of combining the two perspectives of providing a professional service and being an effective business manager.

I think to be successful it is crucial to have the ability to have a business and an OT focus. Being able to run as a business person as well as a health professional is key to being successful. You need to see other OTs as competition. You need to be protective of your business and take this into account when looking to hire staff. I provide staff with training about the business aspects on things like chargeable hours, reports formats and time to be spent on various chargeable activities. I regularly review timesheets and look for any anomalies in the time spent on activities.

Four participants assessed themselves as 7/10 for their success as business managers. Three had postgraduate qualifications, two in management, one in a

clinical specialisation; they employed staff and were located close to their referral sources. One participant managed her part-time home-based business, had no postgraduate qualification, but did have prior management experience. Three of the participants had worked for about ten years, and one had extensive experience over twenty years (mode = 10 years). They had a combination of various reasons for starting their businesses, two wanted flexibility for work-life balance, the other two were entrepreneurial and all four wanted autonomy in practice.

Lois preferred to apply more tangible measures to provide evidence of how well she was performing as a business manager, rather than the 'soft' or personal measures some of the other participants used.

Another strategy I have is to look at the evidence, tangible evidence about our business practice and how it's performing - it's not about having a nice fuzzy experience but rather I want to know how we are doing. So we are working hard on looking at how to measure our business outcomes. We are doing ok but there is still a lot for me to learn.

Sharon had extensive management experience before starting her own business and shares Joy's opinion that to be successful one must have a dual focus on business management and quality clinical services.

If you do not have a clinical background and management experience behind you, you can make mistakes and in the end people will complain. If you don't cross all you t's and put everything out there for your clients, you are open for problems and you will get complaints from clients, surgeons, accounts, etc. You are expected to know everything as a specialist if you are putting your name out there. If you think you can do everything you will come unstuck, and so will your business. I'm careful about these things.

Nine participants assessed themselves as 6/10 for their success as business managers. Three had postgraduate qualifications in management, two had prior management experience, none employed staff, and six were home-based businesses. These participants had their businesses for a shorter time than the ones who assessed themselves more highly on their success as business managers, and ranged from 2 to 12 years (median = 8 years). The majority reason for starting these businesses was for flexibility to balance family responsibilities.

Xanda has run her part-time home-based business for 10 years and rated herself to be a successful business manager.

…because I'm still alive and going in spite of a recession. I think the business is healthy. My accountant says things are looking ok. I know I could probably be richer. But I'm not sure that I really want to be that way.

Generally, the sole operators didn't place great emphasis on using money as an indicator of managing a successful business. As managers they responded to business tasks as required, and were inclined to use personal criteria to determine how successful their businesses were. For example, some of the participants were unable to determine if their businesses were financially viable, although for some making a profit wasn't important, it was maintenance of their technical expertise.

Una highlighted that success to her was more than a financial measure, and placed significance on providing a quality service that her clients value, and that she found her work professionally rewarding.

The reason I work this way is to earn enough of an income to be able to live ok, but it's not the reason I moved into private practice. I wanted to do what I wanted to do. I thought I had the background experience and capacity to do what I wanted to do, and so I guess I think about success in more ways than financial

success. That is one measure but there are other measures that indicate success. For me , it's because my work is professionally rewarding…so for me making ends meet and staying financially viable is important, but so is how I'm perceived in the community, and the outcomes for my clients. These are the things I focus on.

Helen has managed her part-time business for 11 years. She isn't the family's main breadwinner but she needs to do some work. She highlights some of the issues she faces as a business manager, and acknowledges she still has much to learn.

I've really pieced it together over the years, bits and things, and going to stuff like the local small business network. I learnt to use MYOB and do my own BAS, and I have a backup person who helps me deal with the end of year tax return. It has been a real stretch for me, doing this accounting type stuff. I have a system for managing the bills and accounts and stuff like that. I don't actually know how to pull the figures out, which I should be able to do from my MYOB programme. At times I can easily get side-tracked into the various other aspects and my life and responsibilities. My business is ok but I know I have a lot to learn to manage it properly. Some of my clients can't pay, but I have a commitment to do this for one or two people who wouldn't have access to this sort of service. That's probably not a good business move, but the commitment is important to how I view my success.

Polly started her part-time home-based business two years ago and wants to remain small until her young children are older. She sees business success as something to achieve later on.

I would be stupid to say income is not a factor. At this stage I am not doing this for financial reasons. I don't have to work. I want to be a working OT again. In the next few years income will not be a factor. When I'm working more I will probably be more driven on income as a measure of success. But for now I will base success on the level of my reputation, and how I cope and manage the work I do. It's

no good if I'm not doing a good job. I set myself high standards - if I start to feel like a sinking ship then I think I might not be doing a good job or keeping on top of it.

The final two participants rated themselves 5/10 for their business skills. They were the least experienced of the participants in the study, and acknowledged that while they thought they were doing alright, they recognised they still had a lot to learn. Both employ staff, have specialised clinical facilities in commercial premises, and aspire to grow their businesses.

Tessa has been operating her business for two years and thinks success for her will be when she has steady work and doesn't have to do so much promoting of her service to get enough referrals.

When I'm well established, but I'm not there yet. I rate myself just now at about five, six maybe, because I'm already hiring staff. If I was doing this in ten years I would rate myself lower.

Una has been in her commercial location for three years and has well established policies and procedures in place. The business activities she finds most difficult to do are generating enough income to cover costs and salaries, keeping the administrative processes in place and maintaining quality.

We have a business plan in place and aim for it to be viable and then it will be a lot easier to sell it. It's my husband's goal and he keeps me on track to make sure I'm not off on another tangent that might not be viable. He is like a big shadow. Overall, I rate my business success financially and administratively about 5/10. Clinically 9/10.

All the participants aspired to provide quality services and to make a

difference for their clients. They place great importance on the quality of their technical clinical competencies and see those as a pre-requisite for a successful business. Most of the participants stated they do not like their management and business roles, but recognise a certain level of managerial competence is required for business success.

The participants shared a common view about the value of their businesses. For them, to be a successful small business owner meant acquiring, using and developing resources that met their business purpose, which was to deliver a quality client-centred service through the provision of specialist clinical skills. They valued their business skills inasmuch as it enabled them to achieve their professional goals. The lifestyle participants further defined success in terms of how much it enabled them to retain their professional role as a clinician, and fulfil other family and personal roles. For this group in particular, being a small business owner wasn't about making money. It was more about the opportunity their own business gave them to balance their various roles and achieve a sense of personal fulfilment, and a pathway for their future professional careers.

During the interviews the participants were asked what advice they would give to an occupational therapist who was contemplating starting their own business.

Annette's words summed up the range of responses the participants gave to this question.

The thing you need to do is get your system. Do what I do now. Do what I didn't do when I started. Get your systems in place, get a good bookkeeper, get your accounts in place, understand the tax system, get your cards printed up, stuff that I didn't do. Get a website, and then find a group of private practitioners and get into some mentoring sort of situations. Make sure you have an overdraft because people take ages to pay you, so go set up your overdraft first because you need money to

live on, go and do a little business course at a small business development centre. They cost nothing. They can appoint you a mentor. The mentors don't really understand the health industry in terms of therapy but they are fantastic for general business stuff. They are great people. Use these resources and then take the leap of faith. Get out there and before you know it you will be too busy.

To summarise, overall, the participants do perceive they are successful business owners, and the strength of their self-assessment largely reflects the length of time they have been in business and the reason they went in to business in the first place. The longer they had been in their business, the higher their success ratings, whereas the need for flexibility to maintain the dual responsibilities of business owner and family caused some participants to rate themselves at the lower end of the scale.

Factors that contribute to the development of business and management skills

So far this chapter has explored several facets related to how occupational therapists established their small businesses, their reasons for starting a small business, the management competencies they need and how these were developed. The previous section investigated how the participants perceived their level of business success. This final section summarises the accumulated effect of these factors on the participants' business performance.

The diversity of background and prior experience amongst the participants reflects in the way they organised their businesses and the range of skills they use. The concept of 'autonomy' is the unifying theme for the various reasons they started their businesses, and 'context' was a significant factor in determining the range of business skills they acquired, and the size of their business.

All but two of the participants started their businesses as sole operators but within a few years, many started to employ clinical and administrative staff. The participants who had work-life balance issues around family responsibilities remained sole operators. They wanted part-time work, and often did this in a home-based setting. However, some of these participants were contemplating a return to full time salaried work when their children were older. Their current business provided a mechanism to maintain their professional skills during the years when they fulfilled family responsibilities. As such, they were not committed to adopting a business persona and limited their management learning to the essential operational and routine skills required within a small sphere of business practice. They didn't extend their business networks, did minimal marketing and almost no planning. They used lower-level learning to develop basic business skills. As such they were buying their employment in order for them to maintain their clinical competencies.

Participants who employed staff committed time and resources to develop more advanced levels of business skills. Their businesses were most likely located in the community, rather than at home, and the overall positioning of their business into the wider environment exposed them to more opportunities for business advancement or failure. They were more likely to expand their business skills by doing things such as joining business networks, having coaches or mentors, or participating in informal and formal business or management studies. A number of them provided examples of significant learning that occurred through discontinuous events that initially had negative consequences. These participants often used higher levels of learning to solve problems and develop their business skills. However, most participants didn't have long-term plans for their businesses, such as growth or exit plans, or contingencies for potential risks to their business.

A small number of participants did adopt a more futuristic and strategic outlook for their businesses and adopted systematic formal planning processes.

These participants sometimes learnt business lessons through significant discontinuous events; they had extensive networks, and actively sought advice from a range of sources.

Basically the participants' motivation for starting their business became the cornerstone for the development of their management capabilities. Their level of motivation determines the level of engagement in cognitive strategies, such as problem-solving and planning to identify their learning needs, which then leads them to decide if they need to engage with the resources in the task and general environments to enhance their management capabilities. Once that happens the participants engaged in reciprocal learning through socially situated contexts.

Comparisons with models of small business learning

The section compares these findings with the three models of learning in small businesses that were discussed in chapter two, and with the conceptual framework adopted for the study. To recap, brief details of the three models of learning are provided in Table 7.

Table 7. Summary details of models of learning in small business

Model	Participants	Data sources	Outcome
Triadic model of entrepreneurial learning (Rae, 2004)	3 entrepreneurs, multiple interviews over 2 years	Narrative accounts of learning through personal and business experiences.	Process of learning that connects with social context, through • Entrepreneurial identity formation • Contextual learning • Engaged with external networks.
Model of learning through engagement and support (Ehrich & Billett, 2004)	30 heterogeneous small businesses – one-off interview with each	Narrative accounts of • learning a new business process and • use of resources and supports	• Engagement in learning and use of external resources related to size of business and motivation levels. • Workplace is the centre for learning and external resources augment learning.
Model of learning in micro businesses (Devins et al., 2005)	Nil. Conceptual.	Research literature	Proposition on how external trainers and educators can indirectly permeate the micro business boundaries.

This study supports some of the aspects related to each of these models of learning. Firstly, it found that the changing role from employee to business owner requires a transition in identity and an adjustment to new and self-directed working patterns. This involves learning to adjust, cope and develop confidence and self-belief to adapt to the new owner-manager role. The Triadic Model of Entrepreneurial Learning sub-theme of 'personal and social emergence' picks up on this aspect, and refers to the following aspects that the owner-manager needs to adjust to – role of family, construction of identity and tension between current and future identity. The other models do not include these aspects of personal adjustment.

A second aspect to consider is the age of the participants and the level of prior experience and learning they brought with them to their new roles as owner-managers. The occupational therapists brought many of the characteristics of being immersed in their professional discipline, and the technical expertise of being a

therapist. Most of them found it difficult, even impossible to 'unlearn' some of their former professional work habits, and to be more responsive and innovative to changing circumstances and opportunities. This was particularly noticeable in their reluctance to move into business networks, and as a result, they tended to remain myopic to spotting new opportunities. The Triadic Model of Entrepreneurial Learning sub-theme of 'contextual learning' also picks up how the level of immersion in the business sector affects engagement in learning. How the level of motivation and size of business influences the relationship between engagement in learning and the use of external resources is also picked up in Ehrich and Billett's (2005) Model of Learning through Engagement and Support. However, their model firmly locates the workplace as the centre for learning and use of external resources are used to augment learning.

The size of the businesses in this study related to the motivations of the participants to develop their networks, where those with the bigger networks had the bigger and older businesses. Those with less developed networks were the ones who commented on loneliness and feeling isolated. This aligns closely with the 'negotiated enterprise' sub-theme in the Triadic Model of Entrepreneurial Learning, which considers how business managers respond to changed roles over time, participating in joint ventures, and engaging with external relationships and networks. The Model of Learning in Micro Businesses also includes the importance of engagement in business networks and with external agents, especially those that provide consultancy services, training or formal courses.

Some of the findings in this study overlap with components of the Triadic model and the Engagement and Support model. However, these two models are silent about aspects about any progression in management learning as a small business matures. The focus of the Learning in Micro Businesses model is about finding a way for external trainers and consultants to gain access to the micro business managers, and it is does not explain how management capabilities are

learnt, but rather where they are learnt. Even so, this model does describe learning as occurring in three stages. In the first stage the owner-manager is fully immersed in the business itself, and focused on learning about managing the micro business. The second stage considers how external interventions might affect learning in the micro business, and the third stage considers how external interventions might increase business performance. This staged approach to learning reflects the findings of this study, where the participants started out with few management skills and they developed over time.

The findings of this study do not fully align with any of the three models of learning in small businesses, although there are overlapping components with each of them. The missing element in the models is the ability of the owner-manager to be reflective, to be a motivated and a self-directed learner, and who can make accurate self-assessments of their business performance.

The components in the conceptual framework, the owner-manager's characteristics, social capital and access to resources, were found to be important for developing management capabilities and the resultant performance of the business. However, these findings indicate that the motivation for becoming self-employed and the perception on what sort of business they wanted, were the major influences on the extent to which management learning occurred. It is evident that the participants' level of preparedness at start-up relates to their success in shaping their learning once the business is established, and its subsequent level of success. It gives rise to propositions arising from the various personal, social and environmental factors that affect how occupational therapists make the transition to small business manager. These propositions are briefly outlined here and discussed in more detail in the next chapter.

Every occupational therapist who starts planning to become a small business

owner has a unique range of accumulated experiences, skills and capabilities that has accrued up to that point. This is the starting point for defining the level of business preparedness they bring to the start-up stage. It requires the occupational therapist to look backward and inward, and to reflect on the relevance of past learning and experiences.

However, contextual and socio-cultural factors also influence these start-up preparations. These include things like the reason for starting their business and their social groups and communities. They also need to look outwards and learn about the wider environment and the business opportunities or risks within it.

Lastly, the occupational therapist cum business manager needs to look forward and be able to envisage how to manage a business successfully, and then be able to execute the necessary actions to make it happen. In other words at start-up and throughout all stages of business development, occupational therapists who aspire to become small business owners needs to develop a clear understanding of their strengths and weakness (looking inward), and those of their potential business in the wider environment.

The following model of business learning (Figure 12) for occupational therapists who become small business owners, is developed from the findings in this research. It indicates the level of interaction between individual, social and environmental factors for occupational therapists who aspire to be small business owners. It reflects a progression from an individual's initial accumulated resources to the acquisition and development of additional resources as the individual becomes more proficient in dealing with increasing complexities in business management.

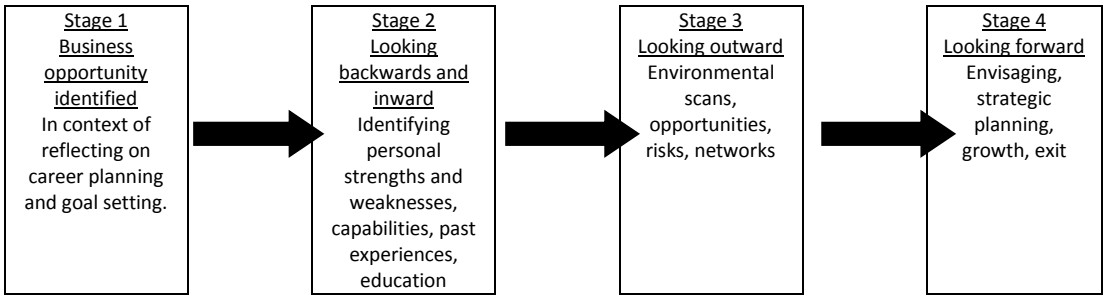


Figure 12. A model of small business learning

Conclusion

This research explores how occupational therapists can become successful small business owners. It comprises a set of twenty-six occupational therapists who are self-employed small business owners, representing a diversity of backgrounds, prior experience, clinical specialisations in their professional discipline, and age of business. The semi-structured interviews were conducted with the primary aim of building an understanding of the factors and experiences that have influenced how these occupational therapists became and developed as small business owners.

This involved an exploration of their reasons for starting a small professional service business, business skills they need to succeed, events that facilitated learning these skills, and how they self-assessed their level of success as small business owners. The participants often found they were unprepared to manage a business and were challenged by issues such as dealing with staff and growth-related transitions. Various forms of learning occurred, including tacit learning and transfer of learning that related to their previous experiences and education, and to informal learning that occurred in the business. Attention was given to critical discontinuous incidents and the learning processes involved. The range and complexity of management and business skills the participants needed varied by the stage of development of their businesses, with lower-level learning occurring earlier for simple operational tasks, and higher-level learning evidenced for the more complex management skills. A model of business learning based on the propositions

arising from these results is outlined here, and is discussed in more detail in the next chapter.

CHAPTER 5. DISCUSSION

The discussion builds on the results presented in the previous chapter, taking account of the literature and to the purpose of the study, which was to identify the factors that contribute to developing the management competencies occupational therapists need to succeed as owners of small professional clinical businesses. It starts with a description of the demographics of the sample and then looks at the four research questions related to the twenty-six participants' reasons to start a small business, identification of the management competencies they needed to be successful owner-managers, how they learnt their business and management skills, and their self- assessment on managing their small business. These findings are compared with the information in the literature reviewed in chapter two, and then led to the development of a theoretical model of small/micro business learning. An explanation of this model as it applies to occupational therapists is given. The chapter concludes with the determination that the accumulation of resources in the internal, external task and general environments influences the capabilities of owner-managers to learn and develop the management and business skills needed to manage their small businesses effectively.

Demographics of the small business owners

The characteristics of the small professional service firms in this study are consistent with those described by Devins, et al. (2005). They are small or micro businesses and the owner-managers are "the business", that is, they are directly involved in all aspects of the business both operational and strategic, and therefore have a significant personal impact on the performance of the business.

In many respects the demographics of the participants are consistent with other studies, for example on age at start-up, only one participant was younger than 30 years, few had previous management experience or management training, and most were self-funded (Australian Bureau of Statistics, 2002; Breen, 2010; Cook

& Belliveau, 2004; Jay & Shaper, 2003; Sarri & Trihopoulou, 2005). The benefits of having parents in small business or accountant partners/husbands, was limited to a third of the participants (Franco & Haase, 2010; Unger et al., 2011). Twenty-five participants were married or in a de facto relationship and of these twenty-four had children. One participant was not in a relationship and had no children. The literature suggests that because so many of the participants in the sample had little exposure to small business or management experience, and the majority had domestic responsibilities thus restricting their ability to devote a significant amount of time to the new venture, their foray into self-employment might well meet with under-performance and potential business failure (Cressy, 2006; Jundt & Blackwell, 2007; Mazzarol, 2004; Richbell et al., 2006; Ricketts Gaskill et al., 1993). It is clear this has not happened. The participants have operated their small businesses over a span of twenty-five years, with a mode of eleven years, and they perceive themselves to be successful owner-managers, albeit some of them recognised they under-perform from a financial perspective.

Compared to the Australian Government statistics (Australian Bureau of Statistics, 2005) on the characteristics of small business operators, participants in this study are more educated, have stronger success rates, and have operated their businesses longer than the 'average' woman small business owner. A possible explanation for this is that by virtue of their professional clinical education, some of the skills they learnt enabled them to cope better with the trials and tribulations of starting and sustaining self-employment. For example, their occupational therapy training develops skills in task analysis, problem identification, decision-making, planning and reflection as part of patient assessment and treatments processes (Clouder, 2003; Occupational Therapy Australia, 2010; Sparkes, 2002; Swick, 2000). It was apparent from the interviews that all participants demonstrated evidence of tacit learning and transfer of learning from their clinical skills when developing their business skills, for example, in decision-making, information seeking, and communication skills.

At the start-up stage, the majority of participants worked part-time as a sole operator for work-life balance, or as a low-risk way to test out if they could manage a small business, and this is consistent with other studies, especially for women (Breen, 2010; Clouder, 2003; C. Mason, 2010; Occupational Therapy Australia, 2010; Redmond & Walker, 2010; Sparkes, 2002; Still & Walker, 2006; Swick, 2000). However, this study found that later on most participants worked full-time, employed staff and worked in commercial premises. This is not always the case with other micro businesses, as the longer the business operates from home, the less likely it is that the operation moves to external premises (Walker, 2002). The small business owners in this study appear to be unique in this aspect because while their initial motivation included consideration of family responsibilities, they all consciously want to continue in their profession. The option for self-employment was part of a career plan, rather than a random or serendipitous option to do any kind of occupation whilst their children were young. Therefore, rather than staying in the comfort zone of being home-based, eighteen of the twenty-six participants chose to take the more professional option of moving out to external premises when practical.

The incremental growth in the businesses was in response to demand for their services rather than any deliberate plans for growth. The study found that most of the participants do not regard profit and growth as the sole rationale for being in business. Balancing work and family responsibilities was an important aspect and this is supported in the literature (Drew & Humbert, 2011; Ho et al., 2010; Walker, Wang, et al., 2008). However, the participants identified an equally, or possibly more important reason for having a business, which was to continue to practice as a professional clinician and to provide a quality service to their patients. Starting their own small professional service business enabled them to do this and as a result, the participants derived a high level of personal and professional satisfaction from being self-employed. In addition, participants who had to accommodate family responsibilities while their children were young, placed greater importance on being able to maintain their professional competencies through a part-time

business rather than any serious consideration for growth or being financially successful. An explanation for these attitudes about growth and financial success is their professional enculturation into a 'caring' profession, and this over-rides their desire for business success defined by size or finances, whilst also acknowledging they have to make enough money to be viable. This supports findings of other studies on role modelling in the education of health professionals, that emphasises the importance of developing reflective skills and professional character through professional socialisation processes (Clouder, 2003; Kenny et al., 2003; Sparkes, 2002; Swick, 2000).

The aspect of continuing to practice their occupation, whilst balancing family responsibilities is a common situation for many women, especially professional women. What makes some of this sample of participants unique is that the ones who had family responsibilities worked out a way to balance them with their career aspirations, through becoming self-employed rather than continue in the paid workforce in a reduced capacity. All the sample said they enjoyed the flexibility self-employment gave them and it was notable that none of them reported feelings of stress or tension in balancing their dual roles as carer and professional clinician. This is different to some women, for example, 'mumpreneurs' who also start their own businesses to combine income generation with childcare responsibilities. However, mumpreneurs often choose to start their business in an area that is not in their profession or trade, and find they face significant challenges including a lack of appropriate knowledge, resources, and limited networks (Nel, Maritz, & Thongprovati, 2010). In addition, mumpreneurs often experience stress trying to combine their family and business roles (Duberley & Carrigan, 2012). This is not to say that none of the participants mentioned some of the challenges of work life balance, rather they appeared to have been able to compartmentalise the two separate functions, and perhaps this demonstrates another example of transfer of learning from a clinical setting. This was possibly made easier because of the overall satisfaction they derived from working, thus making this a worthwhile aspect of their lives rather than simply being something that was income generating for the

household.

Consistent with the literature, some of the participants did find working in the public and corporate sectors frustrating, and saw self-employment as a more palatable alternative (Arenius & Kovalainen, 2006; Budig, 2006b). A discussion on the participants' reasons or motivations for starting their businesses is in the next section of this chapter.

Research question 1. Why occupational therapists become small business owners.

The participants started their businesses mainly for personal and internally focused reasons, such as wanting autonomy and control, a need for personal development, wanting a challenge, to use expertise and knowledge, and wanting a flexible lifestyle. In addition, financial factors were not a dominant reason for starting their business. All these factors are synonymous with internal 'pull' reasons that other studies have identified as reasons people go into business in the first instance (Fleck et al., 2011; Humbert & Drew, 2010; K. Lewis, 2008; Orhan & Scott, 2001; Sarri & Trihopoulou, 2005; Storey, 2003; Walker & Brown, 2004). None of the participants were 'pushed' into starting their own business. This may be because there is no under-employment of occupational therapists, and as many of the jobs are in the public sector, getting flexible working hours is not difficult.

Whereas there have been at least two other typologies to categorise different motivations, or aspirations for small business owners (Kuratko, Hornsby, & Naffziger, 1997; Walker, 2002), this sample did not mirror the categories of these other studies. Notwithstanding these studies were mainly quantitative in nature and derived their categories by factor analysis, and were much broader based in terms of sample, both emphasised the financial aspect of small business ownership. While Walker's (2002) study sought to highlight the 'unimportance' of financial

aspects, neither of the two studies mentioned the aspect of career continuation. In this study there were four specific motivators for starting a small business, being mastery of practice, opportunistic, entrepreneurial and lifestyle choices. In addition, lifestyle also overlapped on the other three motivators. As this was a qualitative study it was not possible to test the strength of these motivation types, but 14 out of the 26 participants cited lifestyle as being the most important or the second most important motivator.

Balancing work and family because of domestic responsibilities is the most common reason given by women for small business ownership. Where this sample appears to be unique, is an equally strong motivator was to continue working as an occupational therapist, classified as mastery of practice, as well as to balance work and family. So a clear decision was made to continue their professional career in this employment form. This is different to starting a home-based business in an unrelated field, as a way to gain some income, which is often the case cited for 'mumpreneurs'. The women in this study would not be classified as mumpreneurs.

The two weakest motivators were opportunistic and entrepreneurship, which are the more traditional motivations for new business owners. However, these participants also stated very strongly that they wanted to continue their careers as occupational therapists and that starting their own private practice was a logical option. The professional skills of occupational therapists equip them to maintain a professional career and balance family responsibilities. In achieving this, they have successfully adapted their working lives to respond to social and environmental conditions that affect their professional lives. The age of the participant and their domestic responsibilities also made a difference to their rationale for starting their business. The participants with young children still at home were clear about wanting to maintain their clinical expertise and saw self-employment as a good option, but did not see it necessarily as a permanent option. While participants who had less domestic responsibilities, and had also been in business for longer,

saw their private practices as permanent and something they would continue with until they retired. Whatever the reason for becoming self-employed all of the participants felt it was the right choice for them. It suited both their professional aspirations and their personal aspirations. Self-employment was a good fit.

Research question 2. Management competencies occupational therapists need to be successful small business owners.

Seven of the participants had worked in managerial positions in large public sector organisations, three had worked in the private sector, but most (19) started their businesses with little or no prior management experience. Only one of the participants had ever run a business themselves and only four had vicarious experience through their parents owning and operating a small business. With this lack of business knowledge they could be considered very naïve in their intention to start their own business, as they had little or no experience and no perceived business acumen. However, what all of them had was at least one tertiary qualification in occupational therapy, and as mentioned earlier, the training they received in this course enabled them to implement some generic transfer of knowledge skills, for example, problem identification, decision-making, problem solving, seeking information and communicating with others. Their tertiary training also gave them sufficient confidence in their professional skills that they could convert those competencies into a different work path.

Prior to start-up all participants said they had given the idea of having their own private practice some thought, and focused on what was needed to establish the technical (clinical) aspects of their businesses, but little thought about the management aspect of the business. Their understanding or appreciation of needing to consider the external environments was limited, and generally related to the type of service they were going to provide. For example, they considered how to establish sources for the referrals of patients and clients, and some basic information about accounts and where to locate their businesses. None of them

had a long term strategic plan, which made them similar in this regard to many other new small business owners in that they were strategically myopic (Mazzarol, 2005; Wang, Walker, & Redmond, 2007). Other studies have identified similar shortcomings in owner-managers where the main interest in establishing a business is to use their technical skills with little interest in the business aspects that need attention (Cressy, 2006; Jundt & Blackwell, 2007; S. Lee & Denslow, 2005; Pena, 2002; Richbell et al., 2006). The lack of attention by owner-managers in developing their business skills has also been identified as a major cause for business failure (Cressy, 2006; Franco & Haase, 2010; van Gelderen, Thurik, & Patel, 2011; J. Watson, 2003). However, most of the participants (22) in this study have been in their business in excess of 5 years, and the majority (15) in excess of 10 years, which suggests they are operating sustainable and successful businesses. If success is defined by sustainability and personal satisfaction, why were the participants successful and how did they avoid failure?

One explanation is because they were very clear why they were in business in the first place. A unifying theme across all the reasons for starting a business was to maintain their professional skills and competencies and to continue as clinicians in some way. This led them to decide to become autonomous clinicians rather than work in mainstream employment, for example, in a hospital. However, the reasons for seeking autonomy differed, and as a result, their need for business skills ranged from simple to more complex. The owner-managers, who were employers and located in commercial premises, required more complex business skills. Those who were sole operators in home-based businesses had less business complexity to deal with.

All the participants made a preliminary assessment of their personal resources, be they financial, personal and professional skills, knowledge, and relevant contacts and did have a basic action plan to get started. The skills they developed through their formal education can explain their capabilities to do this

basic level of business planning. Similarly, these capabilities supported their decisions on business location, which related to the needs of their clients, and their referral sources. The nature of their work with patients and clients requires health professionals to adopt a low risk approach in their clinical work, and they know how to assess levels of risk as part of a decision-making process. The participants reflected this attitude to risk when assessing their personal security about the location where they would see clients. For example, they paid to rent commercial premises rather than have patients come to a home-based business, and also because they perceived it to be more professional to not operate from home, although this would have been a cost saving. They also stated that they wanted a clear separation from home life and work life in regards to their clinical practices, even though they would do much of the business administration at home.

However, apart from addressing the issue of personal safety and costs, most of the sole operators opted for a low-cost approach to their financial management, and described this as low-risk, even though they failed to expend funds to cover important aspects such as work-related accidents, sickness or other reasons for absence from work. This tendency to minimise costs is consistent with the literature, especially related to home-based businesses (Breen, 2010; Gilmore et al., 2004; Redmond & Walker, 2010).

Another example of the participants' reluctance to commit resources to their businesses was evident in marketing their businesses. There is a high demand for health services and as a result most of the participants in this study did very little marketing, or had formalised marketing strategies or plans in place should there be a reduction in the flow of referrals to them. The larger businesses did develop some marketing capabilities, but all relied heavily on word of mouth as a major marketing method. This is typical of all small businesses but given that private provision of occupational therapy is something of a niche market, where demand appears to be higher than supply, it makes business success and continuity relatively easy for this business cohort. This lack of concern for any strategic thinking does indicate that just about all of the participants can afford to consider themselves clinicians first and business owners second, which is not the case for other service related

industries which have many more competitors. Even though the barriers to entry as a private occupational therapy practitioner are low, the actual pool of therapists has been controlled by quotas similar to other health professional such as medical doctors or dentists. Another compounding factor is that the profession is mainly women, which may also account for the this niche in the small business workforce, however this is likely to change, given the health reforms, which were one of the driving factors for this study in the first place.

Over time the participants reported that they did develop their business skills in financing, marketing, risk management, systems development and quality control mechanisms sufficiently to survive. They also developed their relationship skills to manage referral sources and clients, communication and interpersonal skills, and conceptual skills for problem solving and decision-making. Social skills for managing staff and extending their business networks were especially important for the participants who employed staff.

The literature identifies the use of networks, especially in the external environment, as a significant factor for business success (N. Carter et al., 2003; Davidsson & Honig, 2003; Martinez & Aldrich, 2011). All the participants engaged in networking as a strategy to develop their businesses. The use and size of networks was consistent with the respective participant's concept of their business. Sole operators tended to restrict their networks to their strong ties with family and friends, whereas the employers in the sample extended their networks more widely and gained access to business resources, which in turn supported the development of their internal capabilities and business performance. However, the interest to develop their business acumen did not extend to a desire to grow their businesses significantly.

Most of the businesses had some growth, for example, one growth indicator is the number of participants who changed from part-time to full-time owner-

managers. Another is at start-up only two participants employed staff whereas at interview over half were employers, albeit their businesses remain very small. However, growth tended to be unplanned and was more a response to growing lists of referrals of patients and clients, rather than a deliberate plan for growth. The participants' responses to business growth are consistent with the literature on gender that show women choose to be less growth oriented because of the necessity to balance work and family responsibilities (Drew & Humbert, 2011; Ho et al., 2010; Walker, Wang, et al., 2008). Further their growth was organic rather than specific or strategic (Saxon & Allan-Kamil, 1996; Still & Timms, 1997), and all of the participants stated that any growth or expansion was never to compromise patient care. It was not that the participants did not want to make more money, rather the majority wanted to be autonomous clinicians rather that to win business awards. As all the participants were women, it is not possible to say whether this was a gender issue or not. However, the enculturation of the profession is such that it is more likely to be the case that most occupational therapists in private practice have an extremely high level of professional compassion and their rationale for becoming occupational therapists in the first instance is about helping people, rather than as an opportunity to earn a very high income.

The literature on management competencies demonstrates that there is no common list of key competencies that small business owners need to have to be successful (Barbero et al., 2011; Mitchelmore & Rowley, 2010; Pansiri & Temtime, 2008). However, more broadly most of the competency frameworks have two major categories, being functional competencies (for example, finance, and marketing) and organisational and personal competencies (for example, motivating, organising, leadership, personal skills) (Man et al., 2002; Smith & Morse, 2005). The extent to which the participants developed these competencies seems to relate to the size of their business. The bigger the business, the more complex the range of functional and organisational competencies needed, whereas organisational and personal competencies were essential for service-oriented businesses, regardless of business size.

Regardless of how long the respective participants had been operating their business, none of them saw themselves as a business person first, and a clinician second, it was always the reverse. They relished the flexibility and autonomy their own small business gave them, and accepted (sometimes rather reluctantly) that they had to adopt a business persona to manage successfully. All of them loved their clinical work and embraced their manager role through necessity. This strong tie to their profession is evidence of the professional identity and enculturation reported in studies on the education of professionals (Clouder, 2003; Kenny et al., 2003). Their professional education might also account or explain why the occupational therapists were more adept at using organisational and personal competencies in their businesses, than the less familiar functional competencies in business. Social learning theory (Bandura, 1986) also offers an explanation on how the participants are socialised into their profession, as well as how they learn to become successful business managers, by learning through social interactions, and reactions to events that occur in context.

In summary the participants in this study were fully immersed in the culture of their profession during years of formal training. However, in their business role they could choose their level of immersion in the informal learning that occurs in a business context. These variations in the strength of immersion in the respective cultures and competencies of a profession versus business, provides a possible explanation why the participants' preference is to maintain a strong identity with their clinician role over their business manager role.

In their study, Hindle and Yencken (2004) suggest that qualitative research might provide new insights into how management competencies develop. The results in this study offer a different perspective on the linkages that can affect the development of management competencies in occupational therapists who are

small business owners. The participants highlighted their need to have a two-pronged approach to competency development. The participants acknowledge they must develop management competencies, but they also know they must keep up-to-date with their clinical competencies. It was a commonly held view by the participants that a shortfall in the development of relevant management or clinical competencies will almost inevitably result in business failure.

Research question 3. How occupational therapists learn their business skills

This view of the participants that they were first and foremost professional clinicians rather than defining themselves as 'business' people is consistent with a number of studies (Cashin, 2006; Jundt & Blackwell, 2007; Knight & Gurd, 2007; McConnell, 2008; Pilling & Slattery, 2004). For personal, professional and regulatory reasons the participants placed significance on, and used time and resources, to maintain currency in their clinical knowledge and skills. Conversely they were not as disciplined when it came to initially learning and developing their business knowledge and skills and with on-going business learning.

The participants demonstrated some naivety regarding any possible issues and difficulties they might have faced in their businesses. As noted in several of the critical incident vignettes, participants acknowledged that they made crucial 'business' mistakes in some of their business operations. Perhaps as a counterbalance to this naivety though, was the strong self believe that therapists were problem solvers, and that they had the almost innate ability to sort out issues as they arose. However, this does not compensate for the need to have appropriate training on business issues. For example, participants did strongly believe an occupational therapist should have extensive clinical experience before starting a private practice, and without this they would verge on being negligent. Yet they did not seem to think that starting a private practice without any experience in small business ownership and management was in fact the opposite side of the coin.

Prior to start-up, all the participants sought business-related information from sources such as small business information bureaux, the internet, accountants and family and colleagues. In doing this, they drew on the generic skills learnt in their formal professional education to seek resources, and to do some basic planning. Some of the participants also had additional business and management knowledge gained through prior work experience or formal management courses, and drew on these sources of knowledge and skills when establishing their businesses. However, consistent with the evidence in the small business literature, most of the participants did not have plans to develop their management and business skills (Matlay, 2000; Walker et al., 2007; Walker et al., 2005; Webster et al., 2005). The main reasons the owner-managers gave for not participating in any business-related training included a lack of money and time, and a belief they could sort out their own issues and therefore training was not a priority. Again, other studies have had similar findings (Darch & Lucas, 2002; Matlay, 2000; Vinten, 2000).

However, over the years these participants have developed enough business acumen to survive. Cognitive learning theories provide an explanation on how the participants developed at least some of their business skills through the mental mapping or processing of business information and its transformation into business skills later on. This is supported by studies in a business context that used cognitive learning theory to examine how owner-managers' experiences in different exchanges is converted into business practices, and developed into valuable resource capabilities (D. Gray, 2007; Higgins & Aspinall, 2011; Rae & Carswell, 2000). In other words, cognitive learning theories place an emphasis on the owner-manager's personal development and explain how nascent entrepreneurs learn to start and grow sustainable businesses. Learning is also dependent on the types of environments and their relevancy to the business context, and level of motivation of the business owner. Bandura's (1986) social learning theory helps to explain why the home-based sole operators developed less business skills for their less

complex businesses, than the participants with more complex businesses did.

The development and use of business skills by the participants gained through information about the environment includes their formal education as occupational therapists and the cognitive skills they learnt, for example problem identification, problem solving, and reflective thinking. Polanyi (1967) described formal education as articulable knowledge that individuals can explain how and where they learnt something, and how and when they can transfer such knowledge to other settings. The participants in this study who had completed formal education courses in management recognised the range of business processes they should use, for example, planning, human resource management, marketing, operational processes, and quality controls. They also recognised the importance of developing networks that extended beyond their professional connections.

Most of the participants had no formal training in management and they did not have the benefit of the same articulable business knowledge and skills as those who had formal management training. Instead, these participants learnt their business knowledge and skills through informal means, such as observation and reflection in the workplace. Very often, individuals who learn informally are unable to describe how and what they have learnt. Polanyi (1967) referred to this as tacit knowledge, gained through engagement in the environment and cognitive processing and reflecting on what they have observed or experienced, and then converted to a behavioural skill later on. A number of studies support a learning approach that focuses on the personal development of the small business owners through informal learning in the workplace, instead of applying the more traditional approach to management development with its focus on imparting articulable knowledge and skills (Cavusgil et al., 2003; Lam, 2000).

All of the participants learnt business skills that suited their reason for having a business in the first place. Those who had home-based businesses to meet family

needs as well as their career needs did not aspire to grow their business. These participants planned to return to full-time mainstream employment when their children were older. They kept their business skills at a simple level with a focus on gaining enough work and maintaining accounts. Networking and extending social contacts to develop business capabilities were not as important to them, as they were to the participants who worked full-time and those who were employers. These participants needed a wider range of business skills that were more complex.

There appeared to be some incremental learning correlated to the growth aspirations of the individual participant. At one end of the continuum were the participants who were working part-time from their home base. This group learnt just enough to get them through their day-to-day business operations, and as they had no growth aspiration, they felt they did not need to learn any more. At the other end of the continuum were participants who had growth aspirations and as a result had a vested interest in continuing to learn. The practical application of this information is that most small business information assumes that all businesses want to continuously grow and therefore often provide more complex and detailed information than is actually necessary.

This study explored with participants what effect critical incidents had on their business learning. The findings highlighted that the participants often experienced prolonged, traumatic, and emotionally-laden critical episodes. The critical incidents resulted in significant, higher-level learning, involving reflection and a change in behaviour in some aspect of managing their business. The changes were both personal, in the sense they caused the participant to change the way she viewed herself as a business manager, and process-related with respect to business activities. The impact on participants of the critical incidents suggests there is a place for mentoring programmes that support owner-managers to interpret critical incidents as learning experiences, and thus increase the constructive outcomes of these learning experiences. The significance of critical incidents and the

contribution they might have for learning by small business managers is supported in the literature (J. Cope & Watts, 2000; L. Cope, 2003; Sullivan, 2000).

In summary, the participants learnt their business skills through a combination of formal learning prior to starting their businesses, and informal learning in the businesses. Lower-level learning occurred in the more routine and operational processes in the business, the 'know-how' to do things. Often this was as much as some of the participants learnt, as they felt it was all they needed to know, especially the part-time sole operators in home-based businesses, where their households did not depend on the income derived from the private practice. However, much of the learning of the other participants was through discontinuous events that had serious consequences for their businesses if not addressed. These events resulted in participants understanding the 'know-how' and the 'know-why' change was needed. This higher-level learning resulted in a transformation in the participants' understanding about themselves as business managers, as well as the way they manage their businesses. However, for all the participants it was apparent that informal learning occurred through random events or incidents. These were often unintentional and un-structured and lead to an increased awareness and reflection about what had occurred. As a result changes and improvement in business practices were made.

Research question 4. Self-assessment of business performance

The theory of self-efficacy (Bandura, 1982) derives from social learning theory. It describes the importance of motivation for determining behaviour that results in a person gaining internal rewards like pride, sense of accomplishment and satisfaction. Further, this theory explains how individuals with a strong sense of self-efficacy see problems as things to master, that they have a deep-seated interest in the activities they undertake, and the ability to recover quickly from setbacks. During the interviews the participants displayed these characteristics and generally spoke with confidence that they run their small businesses successfully, and if they

experienced a problem, they could figure a way to solve it. They attribute this ability to the problem-solving skills learnt during their formal occupational therapy education. How the concept of 'success' is evaluated by owner-managers varies, it is not always in financial terms only and aspects like work-life balance and personal satisfaction come into play (Walker & Brown, 2004). This was the case for the participants who placed considerable importance on providing excellent services to their patients and clients, whilst having work-life balance issues to contend with. For some, making money to cover costs and to have a reasonable income was important, for others maintaining their clinical expertise while their children were young, was the priority.

The literature on measuring the level of competencies of owner-managers in small business report that this is difficult to achieve because competencies vary in different contexts, can change over time, and are not directly observable (Smith & Morse, 2005). Studies have generally used a common approach to measure competencies, which is to review the competency literature to identify key abilities thought to reflect managerial competencies, and then ask respondents to self-assess their own level of competence, or agreement with a competence-related statement (Chandler & Jansen, 1992; Markman et al., 2002; Smith & Morse, 2005). Examples of theoretical frameworks that have under-pinned these studies include information-processing theory where respondents used a nominal scale to agree or disagree with a list of statements (Mitchell et al., 2002; Shepherd, 1999), and the resource-based view theory where respondents completed a self-reporting questionnaire on their self-assessment of their skill levels for each competency (Lerner & Almor, 2002; Reuber & Fischer, 1994).The findings from these studies are generally inconclusive. Critics have attributed some of this to the methodological weakness of using the owner-managers' self-assessment to measure levels of competency.

Conversely several studies have refuted this criticism and demonstrated a strong relationship between perceived and actual competencies, and that the self-

reported competencies of respondents correlated with business performance (Chandler & Jansen, 1992; Gist, 1987). On the basis of this evidence, and as this study used a qualitative approach to data collection, self-assessments were used as a measure in this study. In the in-depth interviews participants verbally self-assessed their level of business success on a 10-point scale, where a score of "1" meant very poor, and a score of "10" meant they were successful and had very good management competencies. Overall, all the participants perceived their management competencies were sufficiently developed enough to manage their businesses successfully, and agreed with the study by McGregor and Tweed (2001) that found small business owner-managers assessed themselves as being managerially competent and reported that their competencies developed over time.

The participants' self-assessed levels of business performance and success varied somewhat and related to their educational levels, prior management experience, length of time they had been in business, and the reasons they started their businesses. For example, the five participants who self-assessed their management competencies as 8/10, and the six participants who said 9/10, had been operating their respective businesses for much longer periods than the other participants had. In addition, all of these higher scoring participants had management experience prior to starting their business, and they had formal postgraduate qualifications. Another aspect that differentiated these participants more strongly from the others was they started their business to have autonomy to use their technical clinical expertise in accordance with their own values. Whereas financial criteria are the most common measures of success, if longevity was used, then these participants would be deemed successful.

The four participants who self-assessed their management competencies to be 7/10 had been operating their businesses for significantly less time - an average of ten years compared with 22 years for the higher scored participants. Their prior

management experience and levels of education varied, as did their reasons for starting their businesses, two wanted work-life balance, and the other two had entrepreneurial aspirations. They shared a common desire for autonomy to use their clinical knowledge and skills. This suggests that experience is a strong indicator of sustainability, and there is confidence that also comes with this experience. Whereas this is intuitively logical, the participants' scores do give some empirical grounding to this finding.

The second biggest group included nine participants who self-assessed their management competencies as 6/10. The characteristics that differentiated these participants from all the others were they were sole operators and started their business for flexibility to balance family responsibilities. They needed just enough management and business knowledge and skills to maintain a simple small business and maintain their clinical skills until their children were older, and they could then return to full time employment. Again these scores might be expected, but from a motivation perspective, the intentions of these participants to become long-term business owners was lower than in the previous groups mentioned above, who had higher business-related motivations.

The remaining two participants who self-assessed their management competencies as 5/10 had just started their businesses and simply acknowledged they still had a lot to learn.

The self-assessment of management competencies by the participants indicate that the level of their management and business competences varies from simple to more complex, and develops over time. This supports the literature that some competencies are learnable and develop as their businesses succeed and grow (Hashim, 2008; Mitchelmore & Rowley, 2010; O'Gorman et al., 2005). It also supports studies that report that the competencies of the owner-manager of a

small business become synonymous with the competency needs of the business and that often owner-managers have good technical and operational skills but few formally acquired management skills (Man et al., 2002; Stockdale et al., 2004). Other studies also found a wide variety of management practices in small professional services businesses that relate to variables such as ownership, size and managerial philosophies (French, Kelly, & Harrison, 2004; Pilling & Slattery, 2004). As Walker and Brown (2004, p. 588) state, "Given the strong entwined nature of the business and the owner, personal success often equates to business success". The findings in this study highlight that the development of management competencies relates to variables such as age of the business, prior management experience, and significantly to the reason why the business started in the first place.

This latter point about philosophies and reasons for having a small business suggests that the development of management competencies might relate to motivations to grow the business, and it might be possible to use the traditional growth model for tracking small business development. For example, the seminal Churchill and Lewis (1983) five-stage model comprising start-up, survival, success, growth and maturity makes assumptions that growth is incremental and external factors assist in progressing through the five stages. Relating this to these participants, if they wanted to remain successful small sole operators then they see no reason to aspire to growth for the business, or engage in the range and complexity of management competencies needed for the business to be more successful than it currently is. On the other hand if they did want their businesses to grow, then they acknowledged that they might need to up-skill in some areas, in particular areas related to strategic rather than operational issues.

As noted previously, it is important to emphasise that success in this instance is very much in the eye of the beholder. If these private practitioners believe they are successful, then they are, as they are not measuring themselves against external benchmarks or even other private practitioners. They evaluated their success by

having a good clinical outcome and by the personal satisfaction that they derived. Finishing the day professionally fulfilled, was more important to them than a high income stream. This does of course raise questions as to whether a small business can be perceived as being successful if financial measures are not taken into account. Redmond and Walker (2010) query this to some extent in that businesses with low turnovers gain some taxation benefits without an equal contribution to taxable income, however they do concede that it is better to have some form of meaningful employment, regardless of income level, rather than no employment.

In the case of this group of occupational therapists, it could be argued that it is a triple win situation, in that firstly governments are successfully defraying services to the private sector. Secondly, patients are receiving the very best care from these private practitioners (possibly better than if they were in the public sector) because of the high level of quality service that all of the participants said they provided. Finally, the therapists themselves are highly satisfied with what they are doing. If these three factors are taken into consideration, the financial aspect of the whole transaction, is of less importance overall, providing of course that all three parties are satisfied with the transaction, and therefore being good example of a non-financial measure of success in small business.

In summary, the success of a small business can be measured by quantifiable or qualitative means. Quantifiable measures invariably are financial indices, such as turnover, profit, ROI, or number of employees. They are easy to measure and to benchmark. Qualitative measures by contrast are much harder to measure, as they are personally defined by the small business owner. In the case of these small business owners the financial aspects of their businesses were not perceived as good measures of their business success. They all used qualitative measures, such as personal satisfaction, client satisfaction and the ability to maintain clinical skills whilst balancing work and domestic responsibilities. It is important to note however that the sample was only women, and the majority had a partner who was working,

and therefore they had less pressure to make a substantial financial contribution to the household budget. Nevertheless, if self-assessment is accepted as a valid measure, then most of the sample did perceive themselves as attaining a high level of personal satisfaction in their business operations, and therefore were successful.

Proposed model of business learning for occupational therapists

In order to take the discoveries in this research forward, and to benefit current and future self-employed occupational therapists about the business knowledge and skills they need to learn to start and operate a successful private practice, a new model of business learning has been derived (see Figure 13).

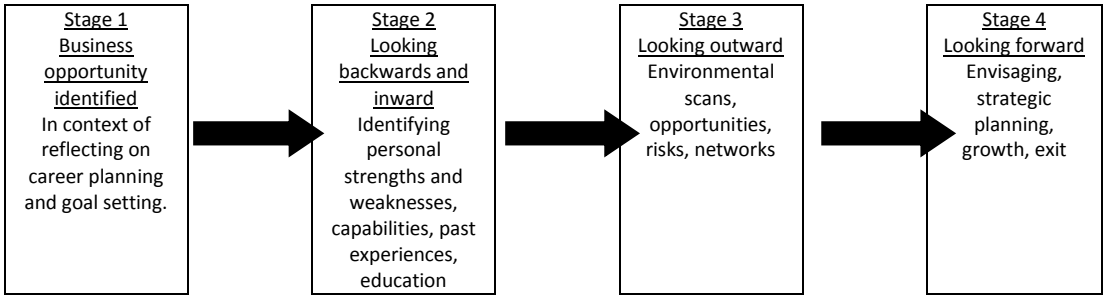


Figure 13. Model of small business learning

Earlier, social learning theory and its derivatives such as cognitive learning theory, situated social learning theory, and self-efficacy theory, were described and their relationship with learning given. To recap briefly, social situated learning theory (Lave & Wenger, 1991) is about knowledge and skill acquisition which posits that learning is a function of activity, context, and culture, and explains how individuals assimilate into communities of practice that are relevant to their social setting. This approach suggests that the cognition of learners involves problem solving, sense making, understanding, transfer of learning, and creativity, in terms of the properties of the environments in which they are situated. That is, it is impossible to separate learning from the context in which learning occurs and individuals come to learn or 'know' something through their actions and

engagement in a community of practice. This theory is relevant to the findings of this study where the participants learnt most of their business and management skills in the day-to-day experiences of running their businesses.

Bandura's (1982) theory on self-efficacy describes the importance of motivation for the adoption of modelled behaviour, and for gaining internal rewards, such as pride, satisfaction, and a sense of accomplishment. Individuals with a strong sense of self-efficacy see problems as things to master, have a strong interest in the activities that they undertake, and recover quickly from setbacks. The participants expressed strong self-efficacy related to their professional competencies, and this was a principal motivation for starting their businesses, that is, to exercise mastery in their clinical skills and provide excellent and valued services to their clients. There was a flow-on effect of this self-confidence when they started their businesses, and self-belief that they could handle any business-related difficulty that arose.

Cognitive learning theories explain how information in the environment is transformed into knowledge stored in the mind, and can be articulable or tacit (Polanyi, 1967). Formal management education is articulable knowledge, and can be transferred and measured and is the mostly commonly utilised in management development programs. Tacit knowledge is learnt informally through observation and reflection in the workplace, it is not articulable and is difficult to transfer (Cavusgil et al., 2003; Lam, 2000). Most of the participants started their businesses with little knowledge and few skills about how to manage a business, but with time, they did learn, via tacit knowledge, these to varying levels of complexity, in the context of managing their businesses.

All these theories have their basis in explaining the interactions between individuals, their social interactions, external environmental factors, and how they

affect the business learning and performance outcomes of owner-managers. It is not surprising therefore, that social learning theory is the supporting framework for the proposed model of business learning that has been developed because of this research, to explain how occupational therapists respond to the challenges of becoming the owner-manager of their own small business. The proposed model of business learning recognises that owner-managers have a pivotal role in the development and all operational aspects of their businesses. The model of business learning has four stages that progress along a continuum, starting with opportunity recognition and contemplation of start-up, and proceeding to the fourth stage of managing a progressive and financially successful business.

Initially, the occupational therapist contemplates starting a small business, identifies that an opportunity exists, learns todo a preliminary feasibility study, and takes the decision to proceed to start-up. This decision might be part of a career plan, or might be the result of an unexpected opportunity, or the result of changing circumstances in the work and personal life of the occupational therapists. In reaching a decision to start a small business the occupational therapist draws on prior learning related to career development and setting goals. To undertake a preliminary feasibity study requires some new learning to occur before taking a decision to start a business is made. The individual then moves the learning focus in the familiar professional context, to a focus on what needs to be learnt in an unfamiliar business context.

Next, when considering the pros and cons of starting a business the occupational therapist need to recognise the limitations in their level of management and business capabilities, and how they can utilise and adapt what they have previously learnt, to turn that into successful business related skills. They start by assessing these capabilities and identifying their personal strengths and weaknesses, past experiences, formal education, and social contacts that might be able to assist them. In other words, they *look backwards* and identify what they

have learnt through their interactions with others, for example in their formal education, their professional preparation, work and other experiences. They need to *look inwards* to identify their personal strengths and weaknesses, and their preferred ways of learning and managing themselves, for example, how they use their time, their ability to prioritise activities, and be strategic in achieving their goals. Here they need to reflect on the relevance of past learning and experiences. These accumulated experiences, skills and capabilities define the individual's level of business preparedness for start-up. The application of cognitive learning theory (Bandura, 1986) explains how the occupational therapists' reflections and ability to transfer what they have learnt in other contexts to the business context occurs.

However, consideration of contextual and socio-cultural factors that affect or influence start-up preparations is also necessary. These include aspects such as the reason for starting their business, their involvement with their profession, social groups and other communities. In this third part of the process of developing their professional service business, occupational therapists need to *look outwards* and learn about the wider environment and the business opportunities or risks within it. This requires conducting environmental scans to assess their competitors, suppliers, customers (clients), and resources, and changes in the political, socio-cultural, technological and economic environments, that is, all those aspects in the external general and task environments that affect business (Daft & Marcic, 2009). The outcomes of these assessments require occupational therapists to think about how they can learn the business capabilities and skills to respond to these external demands effectively. This stage requires engagement with other sectors in the business world. It involves learning basic business and management skills, such as marketing, accounting, taxation and risk management. In this stage of the model of business learning, the occupational therapists most effective learning occurs in context through their interactions with, and observation of other business owners, in other words, in business situations with other business people, where they can observe and learn from others. These scenarios are examples of situated social learning theory in action (Lave & Wenger, 1991).

Learning also occurs in the occupational therapists' day-to-day experiences of managing their own businesses (Eraut, 2004; Reinl, 2009). This is most noticeable when incidents have significant outcomes (L. Cope, 2003) and results in them perceiving their business manager and clinical professional roles as being equally important. This change in their acceptance of their role as business manager is important if they are to engage in the learning involved in the fourth and last stage in the model of business learning. An awareness of the external factors that can affect business does not necessarily translate into a business being successful. Occupational therapists who want their businesses to be financially and professionally successful need to develop their managerial capabilities and be able to envisage how to operate a business successfully, and then be able to execute the necessary actions to make it happen. In this last stage in the model of business learning, occupational therapists need to recognise opportunities and changing circumstances, and when and how to respond to these. Here they envisage and do strategic planning for growth, development, and exiting the businesses, in other words they *look forward*. They recognise the business resources and capabilities they have accumulated along the way and are able to use these to develop and grow their businesses successfully (Bratkovic et al., 2009; Nesbit, 2007).

This proposed model is based on the business experiences of twenty-six participants, however not all of them demonstrated their capabilities in all facets of looking backwards, inwards, outwards and forwards, as described above. All the participants shared a need to maintain their professional expertise to meet regulatory as well as personal professional needs. However, for a small number of participants having a small business was the most viable way they could work part-time and maintain their professional clinical skills while they cared for their young children. By taking the step of starting their own businesses these participants had passed through stage one of the proposed model. They did the minimum in terms of the development of their business skills and did not extend their assessment of their learning needs much beyond the capabilities they had gained from the *looking backwards and inwards* stage. They did a little *looking outwards* to establish a

source of clients, but very little beyond that. As a result, they had a narrow range of business skills and perceived these to be enough to meet their needs. These participants could be seen as buying their employment rather than having a long term goal of developing a sustainable business. What was critical to this group was the maintenance of clinical skills rather than the ongoing operation of a business. They had no ambition for the business to carry on after they had the option to go back into the paid workforce. The income they derived from their private practice was not a critical factor, but was secondary to the continuation of their professional career.

A second category of participants wanted to remain sole operators, rather than develop the business to any sort of size, with perhaps the support of a bookkeeper, but did want their business to be financially viable. This group could be seen as looking backwards, inwards and to a certain extent had some outward looking characteristics, thus combining stage one, two and three of the model. They gave some attention to the external task environment, and extended their business networks and marketing activities. They were also more cognisant of the need for systematic processes related to the financial aspects of the business, and maintaining good relationships with those who referred patients and clients to them. However, they were not interested in business growth and did not express interest in *looking forward* or doing any strategic planning.

A third and smaller category of participants, who became employers and therefore managed the bigger businesses in the sample, did demonstrate that they had a range of management and business skills. They undertook regular planning, had extensive business networks and regularly reviewed the business processes and outcomes, in other words they did *look forwards*. This group combined all four elements of the proposed model. Whereas these participants also strongly considered themselves professional clinicians in the first instance, they also considered themselves to be business owners, and as such accepted that the

business side of the practice required as much attention as did the clinical side.

Whilst the proposed model attends to all the aspects that a nascent owner-manager could consider, this is not necessarily what all occupational therapists want from their businesses. The different aspiration of the participants suggests that even in a specific sub-sector of the health industry heterogeneity related to need exists. This finding provides some evidence that another layer of heterogeneity exists than reported in studies that have focused on differences across small business sectors (Bannock, 2005; Beaver, 2002; Devins et al., 2005; Fuller-Love, 2006; Goss, 1989). These differences in the structure and philosophy of small businesses, and the initial motivation for business start-up, indicate a need to understand the management development and learning processes used in the different sub-sectors and sectors of small business.

Overall, the study provides some understanding about what business and management competencies might be useful for occupational therapists in small professional service businesses. However, there is considerable variation in the ways in which these owner-managers operate, and therefore the management and business competencies they need. The proposed model of learning also highlights that the management competencies required for success will vary within the contexts of the specific sub-sectors of small business in occupational therapy.

CHAPTER 6. CONCLUSION

This chapter starts with a brief overview of the total study from its inception, through to the discussion of the results. It then moves on to highlight the discoveries that were uncovered in the process, the theoretical and practical implications of these, and recommendations for future research. The chapter concludes with an acknowledgement that the study has limitations that should be considered when drawing an overall conclusion of it's worth.

Overview of the study

This study sought to identify the factors that contribute to the success of occupational therapists when they become self-employed small business owners providing professional clinical services. The reasons that caused this issue to arise include the Australian government's recent introduction of incentives to encourage health professions to move from employment in public hospitals into the private sector, recognition that occupational therapists receive no formal business training in their professional education, and the reported high levels of business failure in the general small business sector.

A review of the literature established the value of small business to the Australian economy, growth in the health sector, its esffect on the provision of health care in Australia, and the opportunities for health professionals traditionally employed in the public sector to consider starting their own small business. Such a move requires occupational therapists to gain mastery as business managers in addition to their professional clinical knowledge and skills.

The context of the study was set with a review of the literature on management development and learning in small businesses, and it was evident that there is a dearth of literature on this topic as it relates to small professional service

firms. What exists indicates that professionals who start their own small business have poorly developed management and business knowledge and skills, and some experience high rates of failure. Theories and models on management development in small business were reviewed, and the conclusion drawn that a gap in knowledge on how occupational therapists develop their business and management knowledge and skills existed. These gaps in the literature gave rise to the principal research question, and four related questions, which were:

Research question. What factors contribute to the success of occupational therapists as small business owners providing professional services?

1. Why do occupational therapists become small business owner-managers? (Motivation)
2. What management competencies do occupational therapists need to be successful small business owner-managers? (Management competencies)
3. How do successful occupational therapist owner-managers develop their management competencies? (management learning)
4. Do occupational therapists perceive they are successful in managing their small business? (Self reflection and self-assessment)

The research questions aimed to contribute new knowledge in a sector of small business that has been largely neglected, the small professional service sector. In addition the study aimed to enhance an understanding of the factors that aid or hinder the development of management competencies occupational therapists need to operate successful small professional service businesses. This was especially pertinent because of the growth in the Australian health sector, and the changing landscape that encourages health professions to move out of the public sector and to become self-employed.

The study used a qualitative exploratory method, based on an interpretivist paradigm. Interview data were collected from twenty-six female occupational

therapists who are owner–managers of small professional service businesses, on their experiences of becoming a business manager. The principal factors affecting the development of their business and management skills were the interactions between their 'pull' motivations for start-up, career aspirations, and engagement with external business environments. These findings led to a theoretical proposition on how occupational therapists make the transition along a continuum, to become successful small business owners. From this proposition, a model of learning that explains how these factors interact was developed. The occupational therapists themselves were central in determining the level of interaction between the resources and capabilities in their internal environment and engagement with external environments that enable the development of their business and management capabilities.

Demographics of the occupational therapists

The professional service firms in this study were small or micro businesses and the owner-managers were directly involved in all the operational and strategic aspects, they were 'the business' and therefore significantly affected the performance of the business. Overall, the characteristics of the owner-managers were generally consistent with the literature on age at start-up, lack of prior management training or experience, and social contacts with business experience. In addition, most of these women had children and associated family responsibilities, which again is consistent with previous studies on women in small business. However, that is where the commonalities on demographics with other small businesses stopped and differences were revealed.

In spite of their lack of prior business and management experience, the participants did not experience the level of under-performance or even business failure that one might predict. The majority had operated their businesses for many years and perceived they were successful. In the discussion chapter this level of 'success' was attributed at least partly to the specific nature and content of their

university-based professional education in occupational therapy. All higher education aims to develop in graduates a common range of generic thinking and communication skills, and occupational therapy is no exception. However, the study results suggest that the difference might lie in the extra emphasis occupational therapy education places on training that develops skills in task analysis, problem identification, decision-making, planning and reflection as part of patient assessment and treatments processes. As a result, the potency of these capabilities is such that participants were effective in transferring their capabilities in decision-making, information seeking, and communication skills into the business context and perhaps more effectively than others without a tertiary educational qualification.

This finding suggests future research to test the veracity of linkages between capabilities learnt in the professions, including occupational therapy education and then transference into a business context. Any evidence that links exist would provide some insights on how the skills were learnt and at what level skill transfer is more likely to occur. It would provide evidence of the theoretical concepts in social learning theory related to the social and environmental contexts in which the learning occurs, and also to cognition and meta-cognition processes that enable individuals to transfer concepts learned in one context to another.

Another aspect that differentiated the participants from other women in small business was the location and growth of their small businesses. Many women start their small business as a way to manage their family responsibilities and work. Many micro businesses, especially those operated by women, often start, and then remain part-time and home-based sole operators. These women also often experience considerable stress in balancing their business with family responsibilities. Another generic feature is these women often start their micro businesses with no specific expertise or skills, limited human capital and few resource capabilities. The participants in this study also had family responsibilities

and cited this as one reason for starting their businesses.

However, even though family responsibilities was a reason for starting their business, the participants were different inasmuch as they started their businesses as part-time sole operators, but over several years in business, many of them became full-time and employed staff. Some of those who started as home-based businesses moved into commercial premises. Why were they different to other women who had these dual work/family roles? They were different from many other women in small business because their choice of self-employment was part of a conscious decision to have a continuing professional career plan. The concept of communities of practice and enculturation into a profession explains why the participants wanted to remain in their professional community. It may also explain why they stay committed to responding to the human needs of patients and providing quality services, over profit making. In short, they had career plans that extended to a time when their family responsibilities changed. The effects of professional enculturation and apparent high levels of self-efficacy in the participants also goes some way at least, to explain why they seemed to experience less stress in balancing their dual career/carer roles than women who start their business without specific skills and knowledge, and less human capital and resource capabilities.

This linkage between professional identity and career planning is speculative. It provides opportunities for future studies into the long-term effects of socialisation into a profession, and what effects this might have on the success of small businesses that provide professional services. This area of inquiry highlights possibilities for research to study the development of women's careers that take account of their dual work and family roles. Self-employment for professional women with these dual roles might be a significant option to extend their career opportunities beyond those available to them in large organisations.

Reasons occupational therapists became small business owners

Balancing the dual roles of work and family responsibilities is the most common reason women give for small business ownership (Duberley & Carrigan, 2012; Thompson et al., 2009; Walker, Wang, et al., 2008). This study discovered that the participants did not fit this mould completely. They had strong motivators to continue their professional careers, and self-employment enabled them to do this, and to balance their family role without experiencing high levels of stress. The reasons they started their businesses are synonymous with "pull" factors, such as wanting autonomy and control, a need for personal development, wanting a challenge, to use their expertise and knowledge, and wanting flexibility to balance professional and family roles (Hughes, 2003). Financial factors were not a dominant reason for starting their business. Rather the desire to balance their professional and carer roles were the dual reasons for self-employment.

A point of difference among the participants was evident, and this was in those who had very young children still at home. They were more interested in the opportunities self-employment gave them to maintain their clinical expertise while their children were young. However, they did not see it necessarily as a permanent option, but rather as a means to comply with regulatory requirements for the maintenance of their clinical competencies, and then return to full employment when their children are older, if they wanted to.

Further study related to this finding would be valuable to determine the extent to which self-employment is used as a part of a career plan, rather than simply a last resort for women who have dependents. Studies conducted through the prism of small business ownership for women because of this motivator, suggest that these types of business often fail. Whereas in situations where women use self-employment as part of a career plan they might just close their business when they are ready to return to full-time employment. The application of career theory studies about small business women with dual roles might provide a clearer

understanding about the place of self-employment as a viable long-term option. Women with very young children are likely to be poor business owners because of the competing priorities of family and business, when inevitably family comes first. Perhaps if they received support in both their career and business aspirations in their early years in business, they might have the potential to develop successful businesses in the longer term.

Management competencies occupational therapists need to be successful business owners

The literature is clear that a lack of attention by owner-managers to develop their business skills is a major cause for business failure (Cressy, 2006; J. Perry, 2001). Most of the participants lacked business and management experience prior to start-up, and some were not interested in developing these skills. As such, they would be candidates with a strong possibility for business failure. However, as stated before, most have been in business for many years, and perceived their businesses to be successful. Some of this success is attributed to education in occupational therapy, which developed their capabilities in reflection and transferring skills from one context to another. It is unlikely these capabilities alone enabled the participants to start a business with minimal, if any, business and management skills, and then be successful. In fact, they were as 'myopic' as owner-managers described in other research studies (Mazzarol, 2005; Wang et al., 2007) where their main interest in establishing a business was to use their technical skills.

Other reasons for their success were attributed to the actual clinical expertise, they were very good at what they did professionally, and thus maintained a high level of continuous referrals from other health professionals. Many participants had more work than they could handle, but chose not to expand their practices as that meant losing some control and also took them away from what they loved best, which was working with clients. The final reason for their success was the niche market in which they worked. This field of practice is in fact artificially

controlled, as are medical practices. They are not governed by the usual market forces of supply and demand, rather by the number of new occupational therapists that graduate, which is balanced out by the number of occupational therapists that fall out of the professional for various reasons. This is also compounded by the relative newness of occupational therapists having the opportunity to be self-employed rather than the traditional career path of working in the public sector. This area has enormous potential for growth.

Regarding their self-employment journey, all the participants succeeded in the start-up stage by drawing on their personal capabilities and a very limited source of social contacts, for example, their family, close friends and accountants that gave snippets of business advice, mainly on financial matters. From that stage onwards, the development of business and management skills related to reasons they started the business in the first place. The sole operators had less business complexity to deal with, compared to those who employed staff, who had to manage more complex business operations and processes. Over time they realised they must respond to the needs of the business and all of the participants did develop functional skills, such as financing, marketing and HRM, depending on the size of their business. They placed significant importance on their communication and interpersonal competencies, with the focus mainly on providing a quality service to their clients.

For the sole operators, they only learnt the minimum skills required. The majority of the participants did not develop strategic planning capabilities, and were unprepared, with no contingencies in place, if a major event affected their business, such as a change in government policy. Nor did they plan for growth and development. These aspects about the paucity of resources the participants gave to developing their businesses are consistent with the literature (Kelliher & Reinl, 2009; Loscocco & Bird, 2012). However where they were different was that they were always prepared to continue to develop their clinical expertise. This is also a

requirement of their registration as an occupational therapists, but many went beyond the minimum in this regard, which is another indication of how they placed their professional self above their business self.

The use of networks to extend their knowledge and learn about business was an important difference between the sole operators in home-based businesses and those who employed staff and were located in commercial premises. The home-based business operators did almost no networking into the wider business sector, and as a result they did not expose themselves to the potential learning that occurs through the social encounters experienced in these settings. These participants also commented on the occasional loneliness they experienced by working alone, and the benefits they derived by sharing time with professional colleagues.

The other participants did some networking, although many of these were also tentative about getting involved with business networks. The participants who actively engaged with business networks were also the most experienced, and employed staff. They acknowledged the importance of networking as a resource for learning about business matters. Over time, these participants did develop the essential business and management skills they needed to run their businesses. It would appear that the longer the business operated, the higher the success factor, if financial criteria was not included as a measure of sucess.

How occupational therapists learnt their business skills

Having established that the participants were reluctant learners of business and management skills, this section considers the strategies and experiences that enabled business learning to occur. Consistent with the small business literature (Richbell et al., 2006; Wang et al., 2007), most of the participants did not have plans to develop their management and business skills, and offered similar reasons for not participating in business-related training, which included a lack of money and time, a belief they could sort out their own issues, and training was not a priority. Instead, they learnt from making mistakes, sometimes these were minor, and sometimes they were much more serious, as was seen in the vignettes. Over time their business and management skills developed to a level that most assessed as being acceptable. Some learning occurred through articulable knowledge gained from their formal education and later transferred into the workplace. Most learning occurred through tacit knowledge gained through observation and engagement in the workplace, and cognitive processing that converted these experiences into a behavioural skill later on. This is consistent with the studies based on cognitive learning theories by Polanyi (1967)and Eraut's (2004) research on learning in the workplace.

The theoretical basis of cognitive learning theory supports and explains how a small business owner-manager learns and develops their business capabilities. The vignettes described the most serious mistakes some of the participants made. Those mistakes caused these individuals to stop and reflect on what had happened, and to take action to repair the damage that had occurred. However, an important aspect of their learning was that it changed their perceptions of themselves, and thereafter included 'business manager' as equivalent to 'clinician' when describing their roles.

The importance of critical incidents and informal learning for developing business skills suggests that a practical application could be programs that support

owner-managers to learn through their everyday experiences. Mentoring programs have had varying degrees of success; therefore, business coaches might be more useful.

An aspect about the participants that held them back from learning business and management skills was their attitude about being a business manager. Regardless of how long the participants had been operating their businesses, none of them saw themselves as a business-woman first, and a clinician second, for most the two roles weren't even on an equal footing. The participants expressed some tension in their perceptions of what they do and value, compared to what business people do and value. The participants strong ties to their profession, combined with their negative perceptions about what it means to be a 'business person' held them back from actively seeking out business networks, or associating themselves with the 'business' world. It held them back from developing their business persona and associated business skills. Perhaps similar cognitive learning processes to replace these negative with positive perceptions might occur through the application of perception management strategies. Such strategies might include involving their professional associations in promoting the benefits of having well-developed business and management skills, or the advantages of employing a business coach.

What has emerged is that the participants' learning about business matters was social in nature and occurred in environments of reciprocal actions and behaviour among individuals, and in different environmental contexts. This aspect of socially situated learning theory is important in understanding why the home-based sole operators discussed the loneliness they experience. They missed the social and professional interactions they experienced when in paid employment. By not engaging in business networks these sole operators also missed the opportunities to learn by observing the actions of others, and then incorporating behaviours and standards that could enable them to achieve better business outcomes from the business, if that was one of their aims.

Self-assessment of business performance

The study used self-assessment as the method for gauging the participants' perceived success as business owners. The participants made a self-assessment on one measure on their perceived performance as a business manager, that is, participants gave one overall measure of their perceived level of business success, rather than self-assessment against a list of specific management competencies. The rationale for adopting this approach, supported by research evidence (Chandler & Jansen, 1992; Lerner & Almor, 2002; Smith & Morse, 2005), is that measuring competencies is difficult because they vary in different contexts and can change over time as the business develops and grows.

The participants perceived levels of business success were consistent with other studies that indicate management and business competencies develop over time. However, the results suggest other factors might be at play, and that time alone might not be the only reason why different levels of competencies develop. The eleven participants that rated themselves high on the ten-point scale perceived they had very good business skills, were the ones who had been in their businesses for the longest time. However, in this group of participants were also those with prior management experience and postgraduate qualifications. Another variable that differentiated them from the other participants was the reason for starting their business in the first place, which was to have autonomy to use their technical clinical expertise in accordance with their own values. The other participants also aspired to provide quality services to their patients and wanted autonomy. However, their reasons for wanting autonomy and flexibility had as much to do with balancing family responsibilities as it did as a way to maintain their clinical expertise.

Throughout the interviews, the participants did display a strong sense of self-efficacy, and confidence they could handle any problem that arose. It was apparent the participants' concept of 'success' and how to evaluate their performance as

business owners varied. It was not always in financial terms and aspects like work-life balance and personal satisfaction came into play. This fits the findings of other research that studied similar concepts (Drew & Humbert, 2011; Ho et al., 2010; Walker & Brown, 2004; Walker, Wang, et al., 2008).

The study identified that a number of variables influence the self-assessment of business success by participants. These included age of the business, prior management experience, postgraduate education, a strong desire for autonomy to use their professional expertise, and a need for flexibility for work/life balance. The degree of importance placed on each of these variables influence perceptions of business success. There is considerable opportunity for future studies to tease out these variables and determine the relative importance of each one as a predictor of business success. Other areas for more research include studies on the development of specific management and business skills over time, for example is there a natural progression in the development of competencies related to breadth/ number, or complexity of the skill or learning experience? Is there a best fit that relates to the types of competencies that a different type of business needs? The literature (Ahmad et al., 2010; Mitchell et al., 2002; Mitchelmore & Rowley, 2010) indicates that some competencies are learnable, but what are the most effective ways for small professional business owners to learn business and management competencies?

The philosophies and reasons for having a small business suggest that the development of management competencies relate to motivations and therefore future studies could test if these develop in parallel with the traditional growth model for small business development. Based on the experiences and aspirations of this small sample of occupational therapists, a model has been developed which shows that increasing business knowledge can be viewed as a linear progression. The key variables being how complex the business is and what the growth aspirations the owner-manager has for their business. If the owner-manager has no

long term aspiration for their business and is only in it for a short length of time, for example to balance domestic responsibilities, then they do not need to go further than the second stage. If however they have aspirations to grow and develop the business, with a view to potentially having something to sell in years to come, then they would need to progress all the way through to the fourth stage. The stages are explained more thoroughly below.

A model of business learning for occupational therapists

This study has referred to social learning theory and its derivatives such as cognitive learning theory, situated social learning theory, and self-efficacy theory to explain the interactions between individuals, their social interactions, external environmental factors, and how they affected the business learning and performance outcomes of the participants. Social learning theory underpins the model of business learning as it explains how the participants developed their competencies to operate their businesses successfully. The model has four levels with each level progressively demanding more business and management capabilities of the owner-manager. It starts with the individual recognising a business opportunity, sometimes without any real understanding of what managing a business entails. From start-up onwards the reason a person starts a business might determine how many of the competencies in the other three levels of action are activated. Initially the nascent owner-manager needs to draw on their human capital, accumulated experiences, skills, capabilities, and personal strengths and weaknesses. This is described as 'looking backwards and inwards'. The next aspect requires consideration of the contextual and socio-cultural factors, and involvement with the wider business community, and the risks and opportunities within it. This also requires the owner-manager to think about what they need to learn, and how they can develop their business capabilities to respond to external demands. This requires the person's actions to be 'looking outward'. However, an awareness of the external factors that can impinge on business does not prevent business failure. Owner-managers need to develop their capabilities to recognise changed circumstances and opportunities and how to respond to these. At this level of

business operations they need to envisage and do strategic planning for growth, development and even exiting their business. At this level, a person has capabilities in using strategic applications in their business that is 'looking forward'.

The proposed learning model is based on the business experiences of twenty-six participants, however not all of them demonstrated their capabilities in all facets of looking backwards, inwards, outwards and forwards, as described above. Furthermore, some of the participants did not necessarily need all these capabilities to manage their business. The different aspirations of the participants suggests that even in a specific sub-sector of the health industry, heterogeneity related to need exists. These differences in the structure and philosophy of small businesses, and the initial motivation for business start-up, indicate a need to understand the management development and learning processes used in the different sub-sectors and sectors of small business.

Overall, the study provides some understanding about what business and management competencies might be useful for occupational therapists in small professional service businesses. However, there was considerable variation in the ways in which the participants operated, and therefore the management and business competencies they needed. Therefore, the model of learning highlights that the management competencies required for success will vary within the contexts of the specific sub-sectors of small business in occupational therapy.

Theoretical implications

This study demonstrates that the range of management and business skills of the owner-manager in small occupational therapy businesses is similar to other small businesses (Devine, 2012; Devins et al., 2005; Fuller-Love, 2006; Goss, 1989). The findings also resonate with components of models of learning in small businesses and add to a more comprehensive understanding about the role that

motivation, cognition and social contexts have in management learning. It is also evident that there are aspects of the occupational therapy businesses that are unique and primarily relate to their motivations for being in business in the first place. This suggests that there is heterogeneity even in this specific section of the health sector. Earlier studies have not discussed this level of differentiation in the management competencies needed by occupational therapy small business owners, and highlight the need for the identification of sub-categories within the health industry, and the management and business competencies that vary across them.

Another common feature of small businesses is they are resource-poor and the owner-managers lack managerial capabilities, including the strength of their external relationships. This research supports the importance of social networks for enhancing the business and management capabilities of the occupational therapy owner-managers. Their social networks often developed through informal means, and provide another way of understanding how these important capabilities can develop, other than through formal means. This supports earlier research that show owner-managers with connections to others with similar values are likely to achieve more than those who act alone (Bratkovic et al., 2009; N. Carter et al., 2003; Davidsson & Honig, 2003). Also social networks are useful for small business because they give access to resources that would otherwise be unknown to the owner-manager (Granovetter, 1983; Inkpen & Tsang, 2005; Leek & Canning, 2011; McGovern, 2006; Miller, Besser, & Riibe, 2007). Networks might also be important for sole operators to avoid the sense of loneliness and isolation that some experience, and improve their sense of wellbeing and health.

The literature on the measurement of business success indicates a strong bias towards using financial outcomes. The self-assessment of perceived business success in this research indicates that owner-managers use different variables to define 'success'. These definitions of success aligned with the reasons why the participants started their businesses in the first place, and one of these reasons is

for work-life balance to accommodate their family responsibilities as carers. This provides new understanding on why definitions for business success and performance need to take more than financial outcomes as the definitive measure of success, and challenges the dominant thesis that women small business owners under-perform. It also suggests that performance measures in occupational therapy services, where there is little return business will be different to performance measures in other service sectors that do have customers who return, for example, hairdressing and accountants.

This thesis started with an interest in how occupational therapists could inter alia avoid failure as manager–owners of their own small business. The findings indicate that the professional background and prior learning in a different context that occupational therapists bring to their small business, does make a make a significant difference to them being successful. In this way the thesis has contributed to a better understanding of what factors may help to avoid failure.

Practical implications

In practical terms, this study contributes new knowledge by identifying differences in the management learning needs of small businesses compared to large firms. The findings have several practical implications for occupational therapists in small professional service businesses. Often occupational therapists don't know what they don't know about running a small business. This suggests other organisations have a role to play in raising awareness of the risks associated with starting a small business. Organisations could also provide learning materials in formats that are more accessible and support informal learning in the workplace. Following are some examples on how this could happen.

Government policies aimed at increasing the productivity and profitability of small businesses through training programs could place a greater focus on promoting individualised learning that takes place in the workplace, rather than on

traditional formal ‘classroom’ approaches.

The professional association could play a role in raising awareness of the risks in starting a small business, and suggesting where and how occupational therapists can access business knowledge. As occupational therapists generally have strong ties within this community of practice there would be a high probability of these messages being heard. A way to do this might be through establishment of a forum to discuss the development and implementation of professional development programs dealing with business skills and small business management know-how.

The purpose of the occupational therapy regulatory authorities is to protect the public from harm. They could provide guidelines on aspects of running a business that occupational therapists must comply with, such as the level of professional indemnity insurance, as well as observing other regulatory requirements.

Given that occupational therapists are reluctant to engage in formal management and business education there is scope for learning institutions to offer courses that provide meaningful learning experiences for owner-managers of small businesses in the health sector. These could take the form of individualised learning in the workplace, rather than traditional formal ‘classroom’ approaches.

Limitations of the study

The lack of evidence about how occupational therapists develop their business skills in the literature meant that an exploratory study was necessary to gain an understanding about this issue. While exploratory studies may have some limitations, this approach was effective for investigating how occupational therapists developed their managerial capabilities. The study applied Guba’s (1981)

model of trustworthiness, which included criteria of truth-value, applicability, consistency and neutrality to strengthen the methodological quality of the study and to increase the credibility and accuracy of representation of the findings. However, statistical generalisations are not possible but the findings can be generalised to other similar cases, but not to every situation in the population.

For logistical and financial reasons, the study restricted the inclusion of participants to three capital cities and three regional locations, all in Australia. These locations were selected as being representative of cities and regions across Australia. Purposive sampling resulted in the inclusion of participants from eight different clinical specialisations and across these six locations. The total number of occupational therapists who are small business owners in Australia is small, and most of these are micro businesses, with less than five employees. This may affect the range of managerial competencies required by the business owners compared to managing larger small businesses.

Questions relating to the development of managerial competencies form a basis for denoting change processes. The three modes of time (past, present and future) were taken into account by asking questions about the past and future that related to the present moment. The underlying assumption is that participants were unlikely to invest in development activities not aimed at future value creation. Therefore, the study is based on a historical reconstruction of past events and activities through the participants' interviews. The results are drawn from participants' recall of events and as such may be subject to memory lapses and inaccuracies in recall. The open-ended structure of the interview schedule encouraged participants to recall events and provide open-ended responses, which does not allow standardised comparisons to be made across the twenty-six case studies.

In summary, having considered its limitations, the study provides some new understanding about why occupational therapists become small business operators, and how they develop their business and management capabilities. The study provides possibilities for future research, which are included in the next section.

Directions for future research

This study has identified a number of directions for future research. To start, an exploratory case study approach was used and the findings on this one study cannot be generalised. However, replication of the study would strengthen or refute the findings. Another research opportunity is to use the qualitative findings of this study as a basis for developing studies using quantitative methods with randomly selected samples of occupational therapists. Such approaches could also test the proposed model of learning with occupational therapists and other small business industry sectors.

The model of business learning outlines four developmental stages for owner-managers of small businesses. A proposition is to test if these four stages relate to the five stages of business growth (Churchill & Lewis, 1983).

Participants in this study perceived they were successful. However, many acknowledged they had weaknesses in a number of key management skills, significant amongst these were financial management, networking and marketing. Focused research to identify good practices in these areas of occupational therapy small businesses would make a valuable contribution to this sector.

In this study, it is evident that there is heterogeneity in the occupational therapy businesses. This level of differentiation in the management competencies in small business owners has not been identified before. It highlights the need for further studies that identify sub-categories within the health industry, and

variations in the management and business competencies across them.

Previous research has highlighted the need for business to have performance models, which include more than financial measures. Much of the literature has focused on large organisations with less attention given to small business, and almost none to micro businesses. This study highlights that micro business also needs holistic business performance models, and that take account of women's family roles, and might not simply be down-sized versions of larger businesses.

The study identified that the feeling of isolation and loneliness experienced by some of the sole operators, especially those in home-based businesses, had limited opportunities to develop their business capabilities. The 'loneliness' factor has been identified in other studies and therefore it is suggested that this factor warrants further investigation to find ways to ameliorate this problem, and to enhance social and business outcomes.

The reasons participants gave for having a small business related to the level they had developed their management competencies. Smaller businesses needed fewer and more basic levels of competencies, and the larger business required more complex competencies. Future studies could test if these levels of competency development parallel stages in the traditional growth model for small business development.

To summarise, this thesis contributes to the theorising on important issues in small and micro professional service businesses, in particular, as it relates to occupational therapists who leave paid employment for self-employment in their own small or micro business.

The study identified factors that influenced the development of business and management capabilities of occupational therapists for their small or micro professional service business. The findings resulted in the development of a model of learning that involves the interactions between the internal and external environments, but most of all it rests on the individual's motivation, human capital, and cognitive abilities to transform their experiences and the resources available to them into demonstrable, performance measures of business success. From a practical perspective, occupational therapists can use the model of learning as a tool to understand the factors that affect their business performance, and steps they can take to develop to manage a small business successfully.

The influences on the development of business and management capabilities, and the separate components and linkages reflected in the model of learning, contribute to knowledge, and add to the academic understanding of self-employed occupational therapists. In practical terms, this study contributes new knowledge by identifying the management needs of small and micro businesses, and implications for the management training needs of small business owners that provide professional services in the health sector.

The limitations of the study have been acknowledged and overall the findings developed a better understanding of how small business managers can enhance their capabilities for successful business outcomes.

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APPENDIX 1. INTERVIEW SCHEDULE

1. Start by getting some basic information
   1.1. OT qualifications
   1.2. Management qualifications/training/experience
   1.3. When did you start your business? Was it full time/part-time?
   1.4. Location – when you started and now?
   1.5. Employees – at start- up and now
2. Why did you start your business?
3. How did you go about starting your business?
4. In general, what helped or hindered you when starting your business?
5. Are there things you know now that you wished you knew when you started? (What were the most difficult things about starting your business?).
6. How have your management skills developed since you started your business? (Networks, critical incidents, courses, training).
7. What things most influence your business? How? Why?
8. Do you have plans for your business to grow? Have you an exit plan?
9. What advice would you give an OT who was considering starting a business?
10. What do you think might cause OTs to fail in business?
11. On a scale 1 – 10 how successful do you rate yourself as a business manager?
12. How do you define 'success' in business?

APPENDIX 2. RESEARCH ETHICS

Project #2893

Approved by the ECU Human Research Ethics Committee on 5th August 2008

Information letter to prospective participants

Dear <name>

A study on managerial learning for occupational therapists in small business

My name is Jeannine Millsteed and I am a PhD scholar at Edith Cowan University. I am undertaking some research to explore what management capabilities occupational therapists need to be successful as managers of their own private practice.

The research findings will have practical value in terms of broader national policy and planning efforts to support small business growth in particular, and more generally to stimulate overall small business growth in Australia. It is well-recognised that a strong small business sector provides both economic and social benefits.

I am inviting you to participate in this study on self employed occupational therapists. Your input will be invaluable in providing a better understanding where knowledge gaps exist in management practices for occupational therapists who enter self employment. This will provide important information for state and national governments when formulating policies to support small businesses in the health services sector

I estimate that an interview will taking approximately one hour. Your participation is voluntary and you may withdraw your participation at any time before and during the interview. With your consent, interviews may be audio-recorded to aid transcribing. However, all information collected will be confidential, and no participant or organisation will be identified in any reports produced. This research has been approved by the ECU Human Research Ethics Committee.

If you agree to be interviewed I will contact you shortly to discuss details regarding your availability.

If you have any questions or require further information about the interview, please contact me (contact details below). If you have any concerns about the interview and wish to talk to an independent person, you may contact the Human Research Ethics Officer at Edith Cowan University (Tel: 6304 2170, Email: research.ethics@ecu.edu.au).

Yours sincerely,

Jeannine Millsteed
Edith Cowan University
Joondalup Drive, Joondalup WA 6027
Phone: 6304 5229 l Email: j.millsteed@ecu.edu.au

Intention to participate

A study on managerial learning for occupational therapists in small business

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I understand the purpose of this study, and that as a participant I would be expected to be interviewed for approximately one hour. I also understand that I can withdraw at any stage and do not have to answer all the questions I may be asked.

I agree to participate in this study.

_____

Signature: Occupational therapist (participant)

Date

_____

Signature: Jeannine Millsteed (researcher)

Date

APPENDIX 3. SUMMARIES OF 26 PARTICIPANTS

Participant summary: Annette

The owner-manager	
Graduated as OT	UK. 1983
Management qualifications or training	6-wk intensive executive management course Grad Dip Organisational Change & Development
Prior management experience	Manager of disability programs
Motivation for starting a business	Dissatisfaction/frustrated with bureaucracy
Tolerance for risk-taking	High
Confident of success factor	High
Start date, location, business status	1994. HBB. Sole operator. Full time
The business now	
Location of private practice	Commercial premises
Full- or Part time	Full time
Number of employees	4 OTs, 1 admin, 1 tech officer, 1 book keeper (7)
Strong or weak ties – business networks	Weak - extensive – professional, legal, financial
Transition from novice to expert small business owner-manager	
Start-up	Did planning. Focus - quality services.
Now	High demand for services – more organisational structure
Future growth	Reluctant– too much HR management
Strategies to develop management skills	Problem-solving, networking, mentoring, business training
Worst business-related experience	Failure in quality control systems
Most difficult management task	Being a manager. *'I don't want to be a manager. So the more staff you have the more you have to manage the staff and I don't want to do that. You know, I have been there and done that and I don't want to be a big manager.'*
Things that help	Delegation of management duties, team work , good staff, networks
Things that hinder development of management skills	Preference for clinical work
Management training	Attended small business bureau short courses
Worst aspect about being an O-M	'Management type of stuff', quality control
Thoughts on possible causes of failure in business	Poor management/business systems
Self assessment of management capabilities	9/10 – can always learn more

Participant summary: Betsy

The owner-manager	
Graduated as OT	1981
Management qualifications or training	nil
Prior management experience	nil
Motivation for starting a business	Serendipity – surgeons starting a private practice wanted her to work with them-invited her to join them. Pull- push. Preferred benefits of public sector work.
Tolerance for risk-taking	Low – concerned at overheads.
Confident of success factor	High
Start date, location, business status	1992 – HBB. Part time
The business now	
Location of private practice	Commercial. Rents rooms next to surgeons
Full- or Part time	Part-time. 3 days / week for lifestyle/family roles
Number of employees	1 OT for 1 day/week. Receptionist
Strong or weak ties - business networks	Accountant, bookkeeper. Lectures to GPs to gain appropriate referrals
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning. Focus – quality individualised services. Did all accounts.
Now	High demand for services. Uses bookkeeper, accountant, receptionist, debt collector. Better organised for payments.
Future growth	Busy practice. Doesn't want growth.
Strategies to develop management skills	Trial and error.
Worst business-related experience	Poor billing practices resulted in $20,000 bad debts. *I think I have learnt the hard way. There was a stage where I had over $20,000 of bad debts and that was because I wasn't billing on the day.*
Most difficult management task	Having to be a business manager.
Things that help	Outsource business tasks – bookkeeping, BAS, tax
Things that hinder development of management skills	Lack of interest and motivation.
Management training	Minimal. Consults with accountant and bookkeeper
Worst aspect about being an O-M	Loneliness being a sole operator. *…because you haven't got enough peer review and secondly it's lonely.*
Thoughts on possible causes of failure in business	No guaranteed referral source at start-up. Located at distance from referral source. Poor provision of privacy for clients. Not providing choice of therapists for clients.
Self assessment of management capabilities	9/10 – has been doing it for a long time and is happy with the way the business operates.

Participant summary: Chris

The owner-manager	
Graduated as OT	1981
Management qualifications or training	nil
Prior management experience	nil
Motivation for starting a business	Flexibility to accommodate family responsibilities.
Start date, location, business status	2008. Commercial. Part time (1 day/wk) in rooms of another part time O-M OT Worked public sector part-time as well.
The business now	
Location of private practice	Commercial. Same rooms as when she started 1 yr ago. Belong to another part time private practitioner. In a free standing building at the rear of a home. Has access via a lane way.
Full- or Part time	1.5 days/week
Number of employees	Nil. Husband is practice manager (unpaid)
Strong or weak ties - business networks	Accountant.
Transition from novice to expert small business owner-manager	
Start-up	Minimal pre-planning.
Now	Management and financial systems are established by husband
Future growth	Not interested in full time work, and wants part time work distributed between private practice and public sector work.
Strategies to develop management skills	Nil
Worst business-related experience	Nothing catastrophic
Most difficult management task	Thinks employing staff would be difficult. *Employing people would scare the hell out of me.*
Things that help	Close ties – with family and the O-M of the treatment rooms she hires.
Things that hinder development of management skills	Lack of interest and making time to attend training
Management training	Minimal – attended a seminar on starting a private practice.
Worst aspect about being an O-M	Social contact and lack of access to clinical updates
Thoughts on possible causes of failure in business	Lack of referrals.
Self assessment of management capabilities	6/10 Husband does most of the practice management tasks.

Participant summary: Dora

The owner-manager	
Graduated as OT	1969
Management qualifications or training	nil
Prior management experience	nil
Motivation for starting a business	Dissatisfaction with public sector bureaucracy
Start date, location, business status	1998. Part-time. Home-based office.
The business now	
Location of private practice	Home-based office. Sees clients in their homes
Full- or Part time	Part-time – for lifestyle choice (wants time to write a novel)
Number of employees	nil
Strong or weak ties - business networks	Extended – accountant, wide range of professional colleagues who send client referrals.
Transition from novice to expert small business owner-manager	
Start-up	Advice from accountant, attended a workshop run by OT Australia. Did a locum to ensure a cash flow until enough referrals came in.
Now	Uses MYOB for accounts – does them herself – on Sundays
Future growth	Nil – does mainly contract work for large agencies – chooses her clients. Only wants work 3 days/week.
Strategies to develop management skills	Management training courses
Worst business-related experience	None.
Most difficult management task	Work load – accepting too many referrals that lead to working more hours than she wants to.
Things that help	Being a problem solver. Self-discipline, planning, decision-making, book-keeping, having established business procedures. Networks
Things that hinder development of management skills	Identified none that pertained to her.
Management training	Attends short courses and uses internet to find information.
Worst aspect about being an O-M	None – the freedom to choose is fantastic.
Thoughts on possible causes for failure in business	Lack of client referrals, poor business practices. Poor communication with prospective clients/referrers *'You have to be able to make decisions and you have to stand by those. I think some people don't attend training…you need training, even if it is not exactly what you are most interested in, you do it so that you get the experience.'*
Self assessment of management capabilities	9/10 – disciplined and knows when to seek assistance.

Participant summary: Elaine

The owner-manager	
Graduated as OT	1984
Management qualifications or training	TAFE – small business course Member of Australian Institute of Management - 2 yrs Has a coach.
Prior management experience	Nil
Motivation for starting a business	Pull factor – for flexibility and choice of clients
Start date, location, business status	2003. HBB. Sole operator. Part time
The business now	
Location of private practice	HBB – works with clients at home
Full- or Part time	Full time
Number of employees	nil
Strong or weak ties - business networks	Bookkeeper, accountant, coach, personal trainer, OT private practice group
Transition from novice to expert small business owner-manager	
Start-up	No prior planning. No imperative for financial success – wealthy husband
Now	Started to develop management systems.
Future growth	Potential for growth but not interested in employing staff, or losing flexibility to meet family needs.
Strategies to develop management skills	Problem solving, trial and error
Worst business-related experience	Misuse of time with clients – non-billable time is inefficient
Most difficult management task	Doing accounts. *I am always running late with sending accounts, receipts...its mortifying...I have a client I haven't billed for all of last year's work.*
Things that help	A coach who helps to set boundaries in the practice. *Having a coach has been much more defining about what to do. Having a coach has been a good thing for me.*
Things that hinder development of management skills	Prefers to work in the practice rather than on the practice – lack of discipline.
Management training	Attends seminars, reads business literature
Worst aspect about being an O-M	Working alone.
Thoughts on possible causes of failure in business	Inexperienced clinician. Inadequate finances for start-up. No defined referral source.
Self assessment of management capabilities	6/10. Recognises she should attend more to the business aspects of her practice.

Participant summary: Fay

The owner-manager	
Graduated as OT	1981
Management qualifications or training	nil
Prior management experience	Leadership role in a work team for 4 years
Confident of success factor	High. Has strong referral base and doesn't have to do any marketing.
Start date, location, business status	1987. Part time. HBB – from home
The business now	
Location of private practice	Commercial premises. Owns the building and sub-lets consulting rooms.
Full- or Part time	Full time.
Number of employees	Receptionist. 4 clinicians
Strong or weak ties - business networks	Extensive. Family, accountant, ATO, women's business networks, Mastermind group. *I have created contacts based on my own needs. I recognise what my needs are and then go and set something up that would meet those needs.*
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning.
Now	Looks at the big picture. Has a vision and business plan. Good processes in place for staff and accounts. Collaborative alliances.
Future growth	Has a vision of where her business is heading – for business and clinical aspects.
Strategies to develop management skills	Life-long learner. Problem-solving, networking, alliances
Worst business-related experience	Not knowing enough about account processes to identify mistakes made by the bookkeeper. Resulted in a substantial tax liability.
Most difficult management task	Estimating costs of running a business and setting fees
Things that help	Networking, confident clinical and good communication skills
Things that hinder development of management skills	Preference for giving too much time to clinical work, and overlooking the needs of the business and skills needed
Management training	Small Business Bureau, short courses and workshops, internet
Worst aspect about being an O-M	The pressure of covering costs while maintaining quality services.
Thoughts on possible causes of failure in business	Lack of awareness on complexity of business management. Lack of business skills especially HR, financial and accounting. Clinical inexperience.
Self assessment of management capabilities	9/10 Has been O-M for a long time and is confident she is an effective O-M, but always looking for further improvement.

Participant summary: Gertie

The owner-manager	
Graduated as OT	1991
Management qualifications or training	Nil
Prior management experience	Minimal – as an employee of a private practice OT for 2 yrs
Motivation for starting a business	Maintain currency of practice while her children were young, and she wanted flexibility for parental duties.
Start date, location, business status	2004. HBB. Part time
The business now	
Location of private practice	HBB. Works from home. Works 1 day/wk for a rehab hospital.
Full- or Part time	Full time. 5 days/wk between school hrs and late at night.
Number of employees	Nil
Strong or weak ties - business networks	Minimal. Professional association. Accountant
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning. *Got myself an ABN and figured I didn't need to do much else.*
Now	Has invested in some IT, but no serious business planning is done.
Future growth	Plans to consolidate the business when the children are older.
Strategies to develop management skills	Problem-solving and figuring out what to do as she goes along.
Worst business-related experience	Follow up on bad debts.
Most difficult management task	Contacting clients for non-payment of accounts.
Things that help	Self-confidence. Observing management processes in another OT small business
Things that hinder development of management skills	Time management to do marketing.
Management training	Small business bureau short courses, internet
Worst aspect about being an O-M	Working alone is isolating, and it is lonely
Thoughts on possible causes of failure in business	Inexperienced clinician. Isolation. Lack of business awareness.
Self assessment of management capabilities	6/10 *I am not business savvy in any sense.*

Participant summary: Helen

The owner-manager	
Graduated as OT	1980
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Pull. *It was the (public) system, and working for the system. I wanted more control over what I did and how I did it. I thought if I stayed in the system, I would get burnt out.* Also for flexibility – work-life balance, family.
Start date, location, business status	2000. Commercial premises. Part time
The business now	
Location of private practice	Commercial premises
Full- or Part time	Part time (60%)
Number of employees	Nil
Strong or weak ties - business networks	Minimal.
Transition from novice to expert small business owner-manager	
Start-up	Planning – minimal
Now	Minimal processes in place
Future growth	No aspirations for growth
Strategies to develop management skills	Just in time responses. Consulting others. Observation of other practices. Piecing bits and pieces together over the years.
Worst business-related experience	Under charging. Poor understanding of financial aspects. *...doing this accounting type stuff is quite a stretch for me. I don't have a clear idea what I am making, what it is costing me, all that sort of stuff.*
Most difficult management task	Establishing a referral base. *The first 2 or 3 years were really hard.*
Things that help	Talking to others
Things that hinder development of management skills	Lack of interest in management generally. *Clinical work is my great love.*
Management training	Small Business Corporation, workshops, MYOB
Worst aspect about being an O-M	Financial aspects
Thoughts on possible causes of failure in business	Lack of referral base.
Self assessment of management capabilities	6/10. *I am easily sidetracked into the other aspects in my life and responsibilities.*

Participant summary: Ingrid

The owner-manager	
Graduated as OT	1994
Management qualifications or training	Currently studying for an MBA
Prior management experience	Considerable experience in private health services
Motivation for starting a business	Pull. *My driver is not to be the best practitioner, but to run a business that provides quality services to more and more kids.*
Start date, location, business status	2000. Full time. Commercial premises. Sole operator.
The business now	
Location of private practice	Commercial premises
Full- or Part time	Full time
Number of employees	2 clinicians, 1 admin
Strong or weak ties - business networks	Moderate
Transition from novice to expert small business owner-manager	
Start-up	Planning – based on experience with private health providers
Now	Does extensive planning, has a formal planning process. Implemented systems and monitoring processes.
Future growth	Planning to establish additional services of other health professions
Strategies to develop management skills	Learnt from others. MBA studies, self-starter, life-long learner. Uses a business consultant.
Worst business-related experience	Staff who don't comply with the processes or ethos of the business.
Most difficult management task	Establishing realistic fee schedules.
Things that help	Induction and on-going training staff in the business' processes
Things that hinder development of management skills	Lack of awareness, commitment to learning about business and not focussing on clinical aspects only.
Management training	Uses management consultants, studying MBA. *The MBA has shown me that I know a little slither of things about business.*
Worst aspect about being an O-M	Fear of failure.
Thoughts on possible causes of failure in business	Lack of referrals. Competitors who adversely affect the business. Poor business skills.
Self assessment of management capabilities	6-ish. *I'm aware my business skills are limited to this place.*

Participant summary: Joy

The owner-manager	
Graduated as OT	1987
Management qualifications or training	Master of Management
Prior management experience	Nil
Motivation for starting a business	Pull. Thought she would do as well on her own as working for a private company. Later on accommodates family roles.
Start date, location, business status	1989. Commercial premises. Part time – started Saturday mornings only and built up to 3 days\wk plus 2 days employed by a bank.
The business now	
Location of private practice	HBB.
Full- or Part time	Full time
Number of employees	Nil now – used to employ OTS on casual basis. *It's a big thing to employ OTs. I prefer not to do it. It's much easier being on my own.*
Strong or weak ties - business networks	*I used to but I don't now because of the costs and time.*
Transition from novice to expert small business owner-manager	
Start-up	Didn't plan to start a business – did minimal planning to start.
Now	Doesn't do any formal planning. Has a constant source of referrals and work.
Future growth	No plans
Strategies to develop management skills	Focus on service to referral services, do courses in accounting
Worst business-related experience	*The only downside is that experience is not rewarded (as a sub contractor) in the fees agencies pay.*
Most difficult management task	Employing OTs. Managing technology.
Things that help	In a HBB – have a separate office. Doing a business course.
Things that hinder development of management skills	Too much focus on clinical work, and not enough time given to running a business.
Management training	MYOB. Master of Management.
Worst aspect about being an O-M	Loneliness*. Working alone can be is fairly isolation.*
Thoughts on possible causes of failure in business	Lack of business skills. Not charging sustainable fees. Poor time management, failure to set priorities.
Self assessment of management capabilities	8/10. Satisfied with what she does but knows she could be more efficient and grow if she wanted to. *I really love what I do, and the flexibility to swap my time around to suit what I want to do.*

Participant summary: Katrina

The owner-manager	
Graduated as OT	1978
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	To avoid bureaucracy and management role in the public sector
Start date, location, business status	1986. Commercial premises. Full time.
The business now	
Location of private practice	Commercial premises.
Full- or Part time	Full time
Number of employees	1 admin
Strong or weak ties - business networks	Minimal. Accountant. Family.
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning.
Now	Has processes in place, but really no long term planning.
Future growth	Has potential to grow but doesn't want to employ staff.
Strategies to develop management skills	*When I started I had no business skills at all. I learnt the hard way – through experience.*
Worst business-related experience	*When I think back, the way I operated my private practice was appalling. I didn't bill patients, and didn't follow up on bad debts. My list was so full I didn't leave time to do my bookwork.*
Most difficult management task	Time and effort spent on establishing and maintaining relationships with referral sources.
Things that help	Learning from experience. Admin support to deal with cash flow related activities.
Things that hinder development of management skills	Lack of commitment to business aspects over clinical aspects of the business.
Management training	Minimal – uses family ties for advice. Trial and error.
Worst aspect about being an O-M	Financial aspects and establishing an appropriate fees schedule. Taking holidays and needing to arrange for locum cover. Private practice is very isolating when you are on your own.
Thoughts on possible causes of failure in business	Inability to deliver quality service will result in lack of on-going referrals. Too much emphasis on making money and not enough on service and expertise.
Self assessment of management capabilities	8/10. *Quite successful but I could do better. I know I could definitely improve my business. I know I could earn a lot more money with the same number of patients. But ignorance is bliss.*

Participant summary: Lois

The owner-manager	
Graduated as OT	1993
Management qualifications or training	Has an MBA
Prior management experience	Worked for a private practitioner for 18 months
Motivation for starting a business	Pull. Flexibility for family reasons, and wanted to be a manager of a clinical program, rather than a clinician. To make money.
Start date, location, business status	2001. Full time. Commercial premises. Sole operator.
The business now	
Location of private practice	Commercial premises.
Full- or Part time	Full time
Number of employees	2 clinicians, 1 admin
Strong or weak ties - business networks	Extensive
Transition from novice to expert small business owner-manager	
Start-up	Planning – based on prior work experiences.
Now	Does extensive planning and has developed procedure manuals, provides staff training.
Future growth	Plans to start a second private practice in the northern suburbs.
Strategies to develop management skills	Life-long learner. Uses a business consultant.
Worst business-related experience	Initially having *warm fuzzy therapy thinking which got in the way of running a business.*
Most difficult management task	Establishing realistic fee schedules.
Things that help	Using business consultants to help provide clarity.
Things that hinder development of management skills	Lack of awareness about business and skills needed.
Management training	MBA and management consultants.
Worst aspect about being an O-M	Covering costs and being able to pay salaries.
Thoughts on possible causes of failure in business	Lack of referrals. Competitors who adversely affect the business. Poor business skills.
Self assessment of management capabilities	7/10. *I still have a lot to learn.*

Participant summary: Margot

The owner-manager	
Graduated as OT	1985
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Push/pull. Long term goal but brought forward when there were no public sector jobs available. *I have high standards and don't like compromise that comes in all organisations – they all have limited budgets.*
Start date, location, business status	1990. Full time. Commercial premises. 1 admin. No therapists.
The business now	
Location of private practice	Commercial offices in 3 locations
Full- or Part time	Full time
Number of employees	6 therapists. 3 admin
Strong or weak ties - business networks	Extensive – especially for marketing
Transition from novice to expert small business owner-manager	
Start-up	Minimal. *I knew nothing about business. Nothing. I floundered a bit in first year or two. I knew I would be ok in the end because my parents were always in small business.*
Now	Well established business plan with vision statement. *I'm much more advanced in my marketing and business approach.*
Future growth	Has begun to think about an exit plan for 10 yrs time. Doesn't want to grow larger than the 3 locations now.
Strategies to develop management skills	Talking with others and then working out what works for her.
Worst business-related experience	*It's risk taking and the long hours of work. Others who have partners don't seem to have the same pressures I do. There seems to be more of a role delineation. I think this is where I have struggled – because I have done it on my own.*
Most difficult management task	Maintaining enough work for her staff. *I feel the pressure to maintain the workload for my staff.*
Things that help	Having multiple marketing strategies. Learning from parents who are in small business.
Things that hinder development of management skills	Attitude about being a business person.
Management training	Seeking advice from business related sources – accountants, lawyers for HR contracts.
Worst aspect about being an O-M	High work hours.
Thoughts on possible causes of failure in business	Quality of service provided is not high enough. Not planning or finding out about business.
Self assessment of management capabilities	In a business sense, I would say 7/10 because overheads for the practice should run at 50%, and mine run at 70%.

Participant summary: Nina

The owner-manager	
Graduated as OT	1990
Management qualifications or training	Nil
Prior management experience	Managed a small not for profit organisation for 18 months.
Motivation for starting a business	Push/pull. Public sector frustrated her, inadequate staff to cover workload. Could provide better services in her business. Flexibility. *I had other life things to do so a part time private practice gives me time to do these things.*
Start date, location, business status	2000. Commercial premises. Part time. Sole operator.
The business now	
Location of private practice	HBB.
Full- or Part time	Part time.
Number of employees	Nil
Strong or weak ties - business networks	Moderate. Local Chamber of Commerce and Small Business Development Centre, colleagues in private practice. Accountant.
Transition from novice to expert small business owner-manager	
Start-up	Little planning. Did short locums for income while she established a referral base.
Now	Sole operator – does everything herself. Has experience as a secretary and running an organisation. Does no marketing and gets enough referrals through word of mouth.
Future growth	No plans for growth. *It's a dilemma re employing OTs – I would need to have more clients to cover costs, and charge more. I'm happy the way it is.*
Strategies to develop management skills	Discipline to allocate time to the business-related activities. Peer support from other OTs with small businesses.
Worst business-related experience	Financial matters and establishing a realistic fees schedule.
Most difficult management task	*Asking clients for money. I found that really, really hard.*
Things that help	Asking others for information and advice. *I keep things simple, I do all my own accounts, invoices, banking.*
Things that hinder development of management skills	Awareness that one needs to seek out business people to get information.
Management training	Hasn't done any. Independent learner – uses internet.
Worst aspect about being an O-M	The prospect of needing to do some serious marketing.
Thoughts on possible causes of failure in business	Lack of referrals. Economic circumstances in the community.
Self assessment of management capabilities	6/10. *I know I could probably be richer. However, I'm not sure that I really want to be that way.*

Participant summary: Olivia

The owner-manager	
Graduated as OT	1974
Management qualifications or training	Nil
Prior management experience	Minimal management experience in the public sector
Motivation for starting a business	Pull/push. *I have always been dragged into it at some level…Because the work was there and I could provide a service the public sector could not.*
Tolerance for risk-taking	Low. *It's a risk and you have to be prepared to put yourself on the line. It's also a financial risk and you need to have a bit of money behind you, or someone to support you through it.*
Confident of success factor	Moderate. *Private practice work is wonderful and I love it, and that is why I still do a little bit of it. However, lots of little practical things are better with the public sector.*
Started private practice & location	1985. Commercial rooms. Part time – Saturday mornings. Sole operator
The business now	
Location of private practice	Commercial rooms
Full- or Part time	Part time.
Number of employees	Nil
Use of business networks	Minimal.
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning.
Now	Minimal. Works for the public sector 4 days a week.
Future growth	No interest.
Strategies to develop management skills	Problem solving, discipline attending to business tasks
Worst business-related experience	Setting fees schedule
Most difficult management task	HR and dealing with contracts
Things that help	Being motivated. Having a referral base. Marketing. *Confidence in my clinical skills*
Things that hinder development of management skills	Not thinking like a business person. Keeping up with technology.
Management training	Minimal. Sought advice from accountant.
Worst aspect about being an O-M	Missed collegial support and the emotional demands of seeing clients all day.
Thoughts on possible causes of failure in business	No referral source. Inadequate financial resources. Inexperienced as a clinician. Lack of professional supervision to debrief.
Self assessment of management capabilities	9/10. *I do pretty will for a very small operator, but I wouldn't want it any bigger.*

Participant summary: Polly

The owner-manager	
Graduated as OT	1997
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Pull. *The challenge to do this is all about me. I want to prove it to myself.*
Start date, location, business status	2010. Part time (1 day/wk). Commercial premises. Sole operator.
The business now	
Location of private practice	Commercial premises. Sole operator.
Full- or Part time	Part time (1 day/wk)
Number of employees	Nil
Strong or weak ties - business networks	Moderate. Accountant, ATO, small business owner-managers
Transition from novice to expert small business owner-manager	
Start-up	Moderate amount of planning. Sought out information from various sources.
Now	Still small while fulfilling parental role.
Future growth	Plans to build up to full time when the children are older.
Strategies to develop management skills	Seeks help and information from others
Worst business-related experience	Nil so far
Most difficult management task	Establishing a referral base.
Things that help	Networking. Confidence in own ability to solve problems.
Things that hinder development of management skills	Other responsibilities.
Management training	Independent and self-directed learner. Seeks information from numerous sources, including the internet.
Worst aspect about being an O-M	Professional isolation
Thoughts on possible causes of failure in business	Lack of planning and referrals. Quality of service.
Self assessment of management capabilities	6/10. *I have systems in place and a plan on where I'm heading. However, I am new at this and know I have a lot to learn and grow as I go.*

Participant summary: Queenie

The owner-manager	
Graduated as OT	1981
Management qualifications or training	nil
Prior management experience	Head OT, Public Hospital for 4 yrs
Motivation for starting a business	Pulled. The public sector constrained how she preferred to work clinically. *After years in the public sector, I felt that there was an element where my clinical self was constrained. I couldn't practice as I wanted to practice, and private practice was a drawcard for me*
Start date, location, business status	1993. Part time – half a day/wk. Commercial - used GP rooms.
The business now	
Location of private practice	Owns commercial premises.
Full- or Part time	Full time.
Number of employees	Receptionist. 4 clinicians
Strong or weak ties - business networks	Extensive. Family, accountant, women's business networks, Mastermind group.
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning. *I thought, well for a couple of years I will just do private practice and go from there.*
Now	Has a vision and business plan. Infrastructure and processes in place for staff and accounts. Collaborative alliances.
Future growth	Plans for the future – for business and her clinical aspects.
Strategies to develop management skills	Life-long learning. Problem-solving, communication skills, discipline
Worst business-related experience	Incurred a substantial tax liability because she didn't understand the accounting processes and left the bookkeeper to do them.
Most difficult management task	Establishing a fees schedule that will cover all business costs.
Things that help	Knowing when you need to seek help or advice. Understanding all aspects of the business processes, even though they are outsourced. Implementing quality assurance/controlling practices.
Things that hinder development of management skills	Not knowing what you need to know. Preference for giving too much time to clinical work, and overlooking the needs of the business.
Management training	Internet, RMIT courses, Small Business Victoria, and workshops
Worst aspect about being an O-M	The pressure of covering costs while maintaining quality services.
Thoughts on possible causes of failure in business	Lack of awareness on complexity of business management. Lack of business skills especially HR, financial and accounting. Clinical inexperience.
Self assessment of management capabilities	9/10 Has been in business for a long time and is confident she is an effective O-M. Always looks for further improvement.

Participant summary: Rhonda

The owner-manager	
Graduated as OT	1993
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Pull. Disenchanted with the public sector. Sought flexibility for lifestyle/family reasons.
Start date, location, business status	2002. Full time. Commercial premises. Sole operator
The business now	
Location of private practice	Commercial premises.
Full- or Part time	Full time
Number of employees	6 OTs. 2 admin.
Strong or weak ties- business networks	Moderate.
Transition from novice to expert small business owner-manager	
Start-up	Spent 6 months planning for start up. Had a comprehensive plan.
Now	Maintains a regular schedule of planning and review. Annually sets goals for 1,2 and 5 yrs.
Future growth	Maintains a dynamic approach to running the business and improving performance. Has tentative ideas for an exit plan in about 10 yrs time.
Strategies to develop management skills	Seeks out information from multiple sources and implements new ideas. Takes on most of the management functions and little clinical work.
Worst business-related experience	Loss of a number of staff within a year, and associated loss of productivity and increased stress. Responded by implementing regular monitoring of staff, extensive induction and ongoing PD for staff.
Most difficult management task	Reviewing and setting fee schedule each year.
Things that help	Asking for help. Having a mentor to provide regular feedback and advice. Use of technology for information management. A good accountant.
Things that hinder development of management skills	Lack of attention to detail.
Management training	Self-directed learner. Having a business mentor.
Worst aspect about being an O-M	Financials – cash flow. *It is a lot of work and pressure, with all the overheads and knowing you are supporting a lot of people's income.*
Thoughts on possible causes of failure in business	Lack of referrals. Inadequate planning and review of processes and income
Self assessment of management capabilities	7/10. *I have achieved my goals and to that end I am confident of my business abilities.*

Participant summary: Sharon

The owner-manager	
Graduated as OT	1984
Management qualifications or training	Nil
Prior management experience	Senior OT in a large hospital
Motivation for starting a business	Pull. *I was looking for a mix of being my own boss and that would utilise my management skills as well as my clinical skills.*
Start date, location, business status	1995. Full time. Commercial premises. Partnership
The business now	
Location of private practice	Multiple sites – commercial premises.
Full- or Part time	Full time
Number of employees	12 OTs. 2 admin
Strong or weak ties - business networks	Minimal. Husband is finance manager.
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning. Had some tangible support with resources from her father (rooms, receptionist, debt collector).
Now	Has an extensive network of clinics. *HRM – you just pick it up as you go along.*
Future growth	No deliberate plans for growth. *I know there is a business model that says status quo is not great and you want to keep expanding. But I think there is a point where I think status quo would be really nice – if we could stop just for a minute – but I haven't been able to do that.*
Strategies to develop management skills	Had some management skills from work in the public sector. Ask for help or information.
Worst business-related experience	Dissolution of a business partnership.
Most difficult management task	HRM – seeks advice. *Once you look at employing people you start looking around and asking for advice.*
Things that help	*The business side of things and what you need to know is out there and you can source that pretty quickly.*
Things that hinder development of management skills	Failure to recognise when you need to know something.
Management training	Self-directed learner and commitment to best practice means she makes time to find the information she needs for the business.
Worst aspect about being an O-M	Covering costs and ensuring a regular source of referrals for the workloads of the staff.
Thoughts on possible causes of failure in business	Failure to recognise the need for business skills, and under-developed clinical skills and expertise – the quality of your work and your reputation are everything.
Self assessment of management capabilities	8/10. *I am confident that I have the management skills necessary to run this practice, although there is always room to learn more.*

Participant summary: Tessa

The owner-manager	
Graduated as OT	2009
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Pulled – long term goal but opportunity to buy into business came up early.
Start date, location, business status	2010. Commercial -rented premises. Full time.
The business now	
Location of private practice	Rents commercial premises on an established shopping strip
Full- or Part time	Full time (thinks part time would be good when she has children)
Number of employees	1 OT – finds supervision hard, 1 part time receptionist
Strong or weak ties - business networks	Closed. Uses boyfriend's parents who have a small business. Her parents don't have small business experience.
Transition from novice to expert small business owner-manager	
Start-up	Small business workshops – intro to business, marketing
Now	High demand for services.
Future growth	To expand services, purchase premises, hire more staff
Strategies to develop management skills	Being a proactive learner
Worst business-related experience	Lack of knowledge re legislative requirements – superannuation, withholding tax and HECS. *'I didn't find about legislative requirements until it was too late and the Tax Office fined me. These things were most difficult, and I now have got my head around it – so no more fines. I still do my own BAS statements.'*
Most difficult management task	HR – supervision and payment mistakes
Things that help	Motivation to succeed. Weighs things up before acting. Developed policy & procedures manuals.
Things that hinder development of management skills	Finances – she does everything herself, time consuming and stressful.
Management training	MYOB and small business bureau short courses
Worst aspect about being an O-M	HR and business aspects
Thoughts on possible causes for failure in business	Lack of referrals and clients
Self assessment of management capabilities	5/10 maybe a little higher. Expects to continue to develop her business skills over time.

Participant summary: Una

The owner-manager	
Graduated as OT	1983
Management qualifications or training	Nil
Prior management experience	Nil
Motivation for starting a business	Pull. *I felt constrained by the system. I wanted flexibility. I wanted to do what I wanted to do.*
Start date, location, business status	2000. HBB. Part time. Sole operator.
The business now	
Location of private practice	Commercial premises
Full- or Part time	Full time
Number of employees	3 therapists. 1 admin
Strong or weak ties - business networks	Minimal
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning. *Just started part time and dabbling and didn't have a vision.*
Now	Established planning model, procedures and systems in place.
Future growth	Have a tentative plan for more development to a stage when the business is viable and can be sold.
Strategies to develop management skills	Outsourcing. *My husband is the admin manager (unpaid). If we didn't have him I would have to get someone to do it. I do not have the skills in business management, and to be honest I'm not interested in doing it.*
Worst business-related experience	Nil
Most difficult management task	Getting the administrative things in place and maintaining quality.
Things that help	Use of technology for information management
Things that hinder development of management skills	Attitude, disinterest
Management training	Minimal – not interested in doing any. Hard to take time out from the business.
Worst aspect about being an O-M	Having to attend to management issues. Making enough money to cover costs.
Thoughts on possible causes of failure in business	Poor quality services. Inexperienced clinicians.
Self assessment of management capabilities	5/10. *I know what needs to be done, but I get others to actually do them.*

Participant summary: Violet

The owner-manager	
Graduated as OT	1981
Management qualifications or training	nil
Prior management experience	Minimal in public sector OT department
Motivation for starting a business	Push-Pull. Expert surgeons invited her to join them. She preferred benefits of public sector work, but wanted to work with these particular experts.
Start date, location, business status	1991 – HBB on part time basis. Maintained PT work in public sector.
The business now	
Location of private practice	Commercial -rents rooms situated next to specialists who refer clients.
Full- or Part time	Part-time. 3 days / week for family roles
Number of employees	1 OT for 1 day/week. Bookkeeper, receptionist
Strong or weak ties - business networks	Accountant, bookkeeper. Lectures GPs to gain appropriate referrals
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning. Attended workshop for start-up costing. Did all accounts Focused on quality individualised services.
Now	Very busy. Uses bookkeeper, accountant, receptionist, debt collector. Better organised for payments (Eftpos)
Future growth	Busy practice. Doesn't want growth. *…it can't be busier than what it is, so I'll just puddle on as it is.*
Strategies to develop management skills	Seeks business advice from accountant.
Worst business-related experience	Doing BAS statements and incurring bad debts because of dislike discussing fees with clients.
Most difficult management task	Being a business manager.
Things that help	Outsource business tasks – bookkeeping, BAS, tax
Things that hinder development of management skills	Lack of interest in business skills.
Management training	Minimal. Consults with accountant.
Worst aspect about being an O-M	Ensuring all overheads are covered, especially when planning to take a holiday or attend a conference/training.
Thoughts on possible causes of failure in business	Lack of a referral source at start-up. Accessibility of location for clients. Quality services for clients. Not providing individualised treatment sessions.
Self assessment of management capabilities	8/10 – doing it for a long time and overall happy with the way the business operates.

Participant summary: Wendy

The owner-manager	
Graduated as OT	1984
Management qualifications or training	TAFE – small business course Has a coach.
Prior management experience	Nil
Motivation for starting a business	Pull factor – for lifestyle and professional specialisation
Start date, location, business status	2003. HBB. Sole operator. Part time
The business now	
Location of private practice	HBB – works with clients at home
Full- or Part time	Full time
Number of employees	nil
Strong or weak ties - business networks	Bookkeeper, coach, OT private practice group
Transition from novice to expert small business owner-manager	
Start-up	No prior planning or marketing.
Now	Has some basic management systems in place.
Future growth	Has potential client referrals for growth but not interested. Doesn't want to employ staff, or lose flexibility to meet other needs.
Strategies to develop management skills	Problem solving, learning from others
Worst business-related experience	Doing accounts. *I am always running late with sending accounts.*
Most difficult management task	Working on the business. *I like to work more in the practice. I'm quite interested in the practice of the practice even though it is chaotic at the moment - because the practice is sort of overwhelming.*
Things that help	Learning from other sources. A coach who helps with decision-making and setting priorities.
Things that hinder development of management skills	Lack of interest. *There are 2 ways of looking at it. You can get the business aspects set up and then start your (clinical) practice, or do you start your (clinical) practice, and when you have enough work, then start worrying about how to do the system.*
Management training	Attends seminars, reads business literature
Worst aspect about being an O-M	Working alone.
Thoughts on possible causes of failure in business	Inexperienced clinician. Inadequate finances for start-up. No defined referral source.
Self assessment of management capabilities	6/10. Recognises she should commit more time to working on the practice.

Participant summary: Xanda

The owner-manager	
Graduated as OT	1989
Management qualifications or training	Nil
Prior management experience	Minimal. Senior OT in public hospital.
Motivation for starting a business	Push/pull. Frustrated in the public sector. Wanted flexibility for work-life balance.
Start date, location, business status	1999. Commercial premises. Part time. Partnership.
The business now	
Location of private practice	HBB. Sole operator
Full- or Part time	Part time.
Number of employees	Nil
Strong or weak ties - business networks	Moderate. Small Business Development Centre, colleagues in private practice. Accountant. Peers.
Transition from novice to expert small business owner-manager	
Start-up	Minimal planning.
Now	Sole operator. Gets enough referrals without doing any marketing.
Future growth	No plans for growth.
Strategies to develop management skills	Problem solving skills – similar processes as used in OT process. Communication skills.
Worst business-related experience	Establishing a realistic fees schedule. *I sold myself quite cheap.*
Most difficult management task	Asking clients for money and chasing up if they didn't pay.
Things that help	Asking others for information and advice. *I occasionally review where my funds are going and keep a log for a while.*
Things that hinder development of management skills	Awareness that one needs to seek out business people to get information.
Management training	Hasn't done any. Independent learner – uses internet.
Worst aspect about being an O-M	Applying for access to funding through gov't health programs. *I need to apply for them (funding) and find that a bit tedious.*
Thoughts on possible causes of failure in business	Lack of referrals. Lack of incentives. *The public sector salaries are very good and would discourage OTs from starting a private practice.*
Self assessment of management capabilities	7/10. *Because I'm still alive and going in spite of a recession.*

Participant summary: Yvonne

The owner-manager	
Graduated as OT	1981
Management qualifications or training	Attended one seminar of starting private practice
Prior management experience	nil
Motivation for starting a business	Flexibility to accommodate family responibilities
Start date, location, business status	2008. Part time (1 day/wk) in shared commercial premises with another PT O-M OT Worked public sector part-time as well.
The business now	
Location of private practice	Same commercial premises as when she started 1 yr ago.
Full- or Part time	1.5 days/week
Number of employees	Nil. Husband is unpaid practice manager
Strong or weak ties - business networks	Accountant.
Transition from novice to expert small business owner-manager	
Start-up	No pre-planning.
Now	Management and financial systems are established
Future growth	Not interested in full time work, and wants part time work distributed between private practice and public sector work.
Strategies to develop management skills	Nil
Worst business-related experience	Nil to date. Some late payments of accounts.
Most difficult management task	Thinks employing staff would be difficult.
Things that help	Support of husband and the O-M of the shared treatment rooms she hires.
Things that hinder development of management skills	Lack of interest and making time to attend training
Management training	nil
Worst aspect about being an O-M	Lack of social contact and access to clinical updates
Thoughts on possible causes of failure in business	Lack of referrals. Economic crisis in the community.
Self assessment of management capabilities	6/10 – early days and still much to learn.

Participant summary: Zelda

The owner-manager	
Graduated as OT	1998
Management qualifications or training	Nil
Prior management experience	Extensive running a small business in childcare
Motivation for starting a business	Flexibility to work part time and family responsibilities
Start date, location, business status	2002. HBB. Part time. Sole operator
The business now	
Location of private practice	Commercial premises
Full- or Part time	Full time
Number of employees	10 OTs. 2 admin
Strong or weak ties - business networks	Moderate.
Transition from novice to expert small business owner-manager	
Start-up	Extensive planning based on previous experience and skills
Now	Conducts regular reviews and plans, has established processes and information management systems. *We stand on our feet quite well. We make quite good money. We're quite a good business.*
Future growth	No plans for growth while her children are at school.
Strategies to develop management skills	Confidence, prior experience, mentors. *I create my opportunities. I cold canvas, I ring and talk to people. A support structure and mentors make it easier.*
Worst business-related experience	Nil
Most difficult management task	Getting staff to engage in marketing to maintain a referral base
Things that help	Training and attending workshops
Things that hinder development of management skills	Already has well developed skills. She is time-poor for doing anything more formal.
Management training	Organised in-service training for staff and herself.
Worst aspect about being an O-M	Having to spend most of her time on the management of the business
Thoughts on possible causes of failure in business	Lack of clinical expertise and an appreciation of the effort required to establish a small business. *To become self-perpetuating takes between 2-5 years, and you really have to do marketing that encompasses things like sales, talking to people, getting out there and putting in all the business hour, as well as the clinical hours. You're working pretty hard for a couple of years. It is not like opening up a retail store, it is completely different.*
Self assessment of management capabilities	8/10. Confident of her business skills but always open to new ideas.

End of thesis – thank you for reading it.