

Maintaining a Competitive Edge for Small and Medium Enterprises through Education and Training in Developed, Developing, and Emerging Economies: A Literature Review

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Abstract – Successive studies have reported the importance of SME training for developed, developing and emerging economies and their role in improving the SME performance and minimizing their failure. In line with the significance of SME training, the current paper systematically reviews the existing literature and categories it in the field of enterprise training and SMEs performance. For the purpose, a three stage methodology is employed which is to determine the databases considered as the potential publications outlets in the field, to determine the search descriptors and time length, and to identify the relevant research studies. The literature review has covered many areas and identified various external and organizational factors that drive or hinder training initiatives within SMEs. In addition, this study also identifies the research gap related to the SME's training and performance in developed, developing and emerging economies. The evaluation of existing literature reported that firms managed by educated owner/managers are aware of the importance of training in terms of enhancing profit, reputation and the quality of their products. Moreover, the results of this study have demonstrated that SMEs have to embrace and internalize training to remain relevant and competitive. Such as review pf literature proved that technical and business training enables owner/managers to use efficient technology and know-how to re-invent to remain competitive. **Copyright © 2016 Penerbit Akademia Baru - All rights reserved.**

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1.0 INTRODUCTION

As an emergent topic, encouraging “enterprise culture” has become an important theme in government policy in the UK [1], as well as in developing and emerging economies [2]. Conceptually and practically, it is assumed that the drivers of growth in modern and old age's times depend highly on the dynamic entrepreneurial activities. In recent years, the prevailing mode of enterprise and entrepreneurship considers favourable business environment and progressive government support as a fundamental tool for entrepreneurial growth [3]. Furthermore, there is a shared perception that positive visible links can be identified amongst overall economic growth

and the socio-economic entrepreneurial activities [4]. The Organisation for Economic Co-operation and Development (OECD) states that this information can be used to develop targeted interventions aimed at addressing the enterprise and entrepreneurship education, infrastructure, governance, and institutions in a competitive economy.

In this context, during the last two decades, enterprise and entrepreneurship education has expanded significantly in most industrialised [5], developed [2,6], developing [7], and in emerging economies [8]. There is an increasing concern that small and medium enterprises (SMEs) in any economy should emphasise upon intellectual capital to develop working practices in a new economic era. In most countries, a key concern of the policy makers is an implication of such dynamics, which encourage adaptive human resource and participation in SMEs education and training to increase individual's and business's performance. In the UK, this has resulted in a considerable investment in access to equip human resource with mandatory and high level skills in the new flexible competitive market economy. In the same way, in 2008, this approach could fit well within the Global Entrepreneurship Monitor (GEM) initiatives to customise strategies about entrepreneurship education and training, within and outside traditional catchment boundaries [9]. It should be noted that, however, growing body of empirical rigorous studies on SMEs training and business performance in developed, developing and emerging economies has so far provided limited evidence to support the assumption that employees training enhance the business performance and generate better outcomes. This study aims to analyse numerous theoretical models and paradigms and propose a framework to identify the link between training approaches and SMEs business performance globally. In the first section, this study presents the summary of global outreach of SMEs definition, training in context, and theoretical models identifying the relationship between training and SMEs performance. In the next section, this research aims to critically evaluate the assumption that current training approaches in SMEs in developed, developing and emerging economies can generate better outcomes for the business and overall for national growth. Thus for unlike traditional literature review, current research will take a closer look at the relationship between training practices and SMEs performance as well as, training interventions, barriers and the thrust of government policies.

1.1 Small and medium enterprises (SMEs)

SMEs play an important role in the maintenance of economic growth and competitive environment in any economy, however, there is still no uniform definition available in the existing literature. It has often been stated that there is little agreement between scholars and government agencies [10], and these definitions vary from country to country depending on the number of social-economic and environmental factors. Consensus is neither possible nor practicable, as defining SMEs depends on national and local needs [11], also socio-economic and market needs [12,13] which makes comparison difficult. As illustrated in Table 1, it can be seen that there is a major difference between various definitions of SMEs in developed, developing and emerging economies. Numbers of employees, total assets, total annual sales, and sometimes balance sheets of the organisations are the common elements to define SMEs. This study uses a sample of SMEs of manufacturing and services sector including agricultural from different economies.

Table 1: Definition of SMEs in developed, developing and emerging economies.

Country	Size	Employees	Total assets	Total Sales	annual	Other
USA	Micro	<10	<\$100,000	<\$100,000		None
	Small	10<50	<\$100,000 <\$3 million	<\$100,000 million	<\$3	None
	Medium	50<300	<\$3million <\$15million	<\$3million <\$15million		
UK	Micro	<10	<£1.2million	<£1.2million		None
	Small	10<49	<£6.5million	<£6.5million		
	Medium	50<249	<£25.9million	<£25.9million		
European commission	Micro	<10	<€2million	<€2million		None
	Small	10<49	<€10million	<€10million		Balance sheet total less than € 10million balance
	Medium	50<250	<€43million	<€50million		Balance sheet total less than € 43 million balance
Malaysia	Micro	<5	<RM250K	<RM250K		None
	Small	5<50	<RM10million	<RM10million		
	Medium	50<150	<RM50million	<RM50million		
Indonesia	Micro	<5	<50million	<5million		None
	Small	5<19	<200million	<RP1billion		
	Medium	20<99	<10billion	<RP1billion		
Turkey	Micro	<10	<€2million	<€2million		None
	Small	10<49	<€10million	<€10million		
	Medium	50<250	<€43million	<€50million		
Pakistan	Small	10<49	PKR 5million PKR 25million	None		
	Medium	50<250				

Prepared by researcher.

For this reason, comprehensive definition of SME is needed from this country's point of view which is operational and currently implemented there, and also appropriate for this research, as illustrated in Table 1.

1.2 Enterprise Education and Training: In context

Investigating knowledge management (KM) is a continuing concern within the area of business innovation and enterprise development. Traditionally, KM is defined as

... "The systematic organisation, planning, scheduling, monitoring, and development of people, processes, technology, and improvement, with appropriate targets and feedback mechanisms, under the control of public or private sector concern, and undertaken by such a concern, to facilitate explicitly and specifically the creation, retention, sharing, identification, acquisition, utilisation, and measurement of information and new ideas, in order to achieve strategic aims, such as improved competitiveness or improved performance, subject to financial, legal, resource, political, technical, cultural, and societal constraints" [14].

There is an agreement in the extant literature that to facilitate the KM, SMEs need to embark on enterprise education and training [15]. In the UK, and elsewhere, enterprise education is a chimera and widely acknowledged as an economic field or research [2]. In a recent study which set out to determine the business plan in enterprise education, Jones and Penaluna [16] explain that enterprise education is closely related with entrepreneurship education, and a contemporary issue in proactive research and development. At this point, an importance of “enterprise education culture” plays a significant role to maintaining cost effective human resource in any knowledge based and flexible market economy. Jones and Iredale [17] define enterprise education as:

..... *“Enterprise education is much more focused on the “capabilities” and “potential” of individuals to adapt to changing circumstances and the associated “behaviours” and “skills” needed to function effectively as a consumer, citizen, employee or self-employed person in a flexible market economy”.*

At a generic level, It shows that result to equip human resource with enterprise education give them better opportunity to perform routine tasks in flexible market economy. This view is supported by [18] who identifies that enterprise education can build effective links between education and work. In her studies “A systematic method to develop work based training for SMEs”, Samara [15] found that any knowledge based economy need to be explicit about education and training for lifelong learning of employees, who are key to determining organizational success [19,20]. Regardless of their size business owners in UK consider trained and skilled workers are an essential ingredient for any business competitiveness [15]. That is why most of large size organizations in developed, developing and emerging economies are more willing to spend on training their personnel’s in comparison to their smaller counterparts. Small business preferences for training include:

- Enable employees to do their current job; [21]
- Raise quality of services and productivity and business performance; [21]
- Raise leadership and management skills; [21,22]
- Accommodate new equipment/work organisation; [21]
- Improve individual employability; [21,23]
- Improve the individual business needs.; [24]

Generally, training is defined as “a learning experience creating a relatively permanent change in an individual that improves their ability to perform on the job” [25]. This view is supported by [26] who argue that employers expect their investment in training to facilitate job-related knowledge, skills and behaviour of employees. The literature on the economics of training describes a number of training approaches (formal or informal, unaccredited or accredited, internal or external) and various methods [27]. However, in the case of training assistance, finance and provision, SMEs are in a paradoxical situation are not able to recognise the demand and supply of training [28]. Storey [29] claims that “ignorance” and “market explanation” are the main cause of low training provision in SMEs in comparison to their larger counterparts. Not surprisingly, in the Greece, Panagiotakopoulos [7] see market forces such as a political, economic, social, technological, and legal can also influence the demand and supply of training interventions.

Consequently, both demand and supply factors are affected by various internal and external barriers, provide explanation of low participation of SMEs in current training market. In his major

study “the small enterprise training market”, a broader perspective has been adopted by Bishop [30] who argues that the training market has often affected by economic and objective barriers. In the same vein, Hussain and Matlay [31] in their major study “vocational education and training in small ethnic minority businesses in the UK” found that various social-economic barriers are the main cause of low participation in the SMEs training market. Overall, there seems to be some evidence to indicate that mostly SMEs have often pretentious by political [30-32], economic [30,33], social [32], technological [32,34,35], legal (Commission of the European Communities, 2001), and organisational [30,33,36-39], as illustrated in Table 2 below.

Table 2: Barriers to Small business training provision.

No	Factor	Studies
1	Political Funding, grants, initiatives,	Daniel Bishop [30], Darch and Lucas [36], Storey [37, 38], Hussain and Matlay [31], Longenecker and Fink [39], Walker <i>et al.</i> , [32].
2	Economic Lack of financial resource Poor and inadequate policies	Akman and Yilmaz, 2008 [70]; Daniel Bishop [30], Darch and Lucas [36], Storey[37, 38], Hussain and Matlay [31], Longenecker and Fink[39], Shury, 2010 [77]; Webster <i>et al</i> , [22, 52], Walker et al., 2006 [71].
3	Social Education system, national culture	Daniel Bishop [30], Darch and Lucas[36], Storey[37, 38], Hussain and Matlay[31], Longenecker and Fink[39], Malik and Nikihant [33], Walker et al., [32].
4	Technological Research and development Technology transfer and change	Barry and Milner, 2003; Darch and Lucas[36], Demirbas et al., 2011; Longenecker and Fink[39], Storey [37, 38], Walker <i>et al.</i> , [32].
5	Legal Government policies, law and strategies	Hussain and Matlay[31], HM Treasury, 2006 [72,73]; Shury, 2010 [77]; Scottish Government, 2007 [76]; Walker et al., [32].
6	Organizational Low cost business strategy lack of awareness lack of management skills and time Nature and business size	Daniel Bishop[30], Darch and Lucas[36], Storey, 1994, 2004; Hussain and Matlay[31], Longenecker and Fink[39], Malik and Nikihant [33], Walker et al., [32].

Source: Prepared by researcher.

Crucial to the SMEs sector, in the USA, Europe, Asia or somewhere else, an above mentioned barriers are different in nature in developed, developing and in emerging economies. Demirbas et al. [35] draws attention that in developing and emerging economies’, SMEs face additional barriers such as restricted resources for policy making and access to innovation and technology. Furthermore, in the case of developed economies, it has been noted that most of the SMEs owners/managers participate in training programmes only if it is directly applicable to current situations in their business, varies from industry to industry or SMEs sector to sector [32]. Noticeably, this is perhaps because most of SMEs do not have enough resources to adopt any formal or informal training approach. In addition, in developing and emerging economies generalisability of much published research about the theoretical perspective or conceptualising training approaches and decisions is vague and problematic. The next section gives a brief overview of various theoretical models about SMEs training and performance. Second, it designs the theoretical framework that explains what the relationship is between training and SMEs performance.

1.3 Evaluating Training Performance Relationship

Recently, research conducted in Greece it was found that the small business training is supportive for the employability of the firm's personnel as workers/managers expand new marketable skills, which makes them experience so secure about their jobs, which has a constructive impact on a small business performance [7]. Similarly, in another study of Australian SMEs, Jones [40] found that increasing employee training is positively linked with business growth and leads to enhanced small business performance. Panagiotopoulos [41], however, acknowledges the fact that it is simplistic to suggest that "training and development initiatives can be considered in isolation when evaluating SME performance, as it is clear that a plethora of macro and micro-level factors influence the relationship between employee training and small firm performance". On the other side, Storey [38] failed to demonstrate any significant relationship indicating that training within small firms directs to, or is connected with, enhanced business performance. So far, however, the researchers recognize that a weak relation possibly does exist but such a relation has yet to be clearly established [7].

Regardless of this concern, in recent years, manufacturing sector has been affected severely from the economic crises, which is dominated by small firms [42]. Organization skill shortages still exist in the small business sector and management/employees training programs remain a main concern for the policy makers all over the world [43]. Furthermore, there is still an issue to investigate those programs and their effects on the business performance in developed and developing countries. This is not a simple job; in particular, there are a multitude of other external and internal variables that put weight into the training-performance relationship [38].

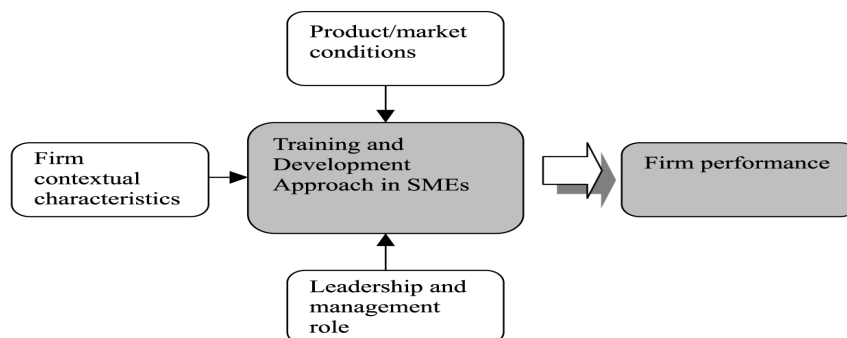
Finally, a number of important limitations need to be considered in establishing any link between employee training and small business performance. According to Panagiotopoulos [7], "first there may not actually be any causal or associative relationship between training and firm performance. Second, methodological difficulties associated with measuring and isolating the impact of training interventions on small firm performance and, in particular, the difficulties of attributing cause and effect, may account for the failure to find a statistically significant relationship".

Specific investigation on training in small businesses is very inadequate [44-46] and therefore, the present research is an effort to fill up this gap by discovering the impact of training practices on small business performance within the current context of a Pakistan and UK which are dominated by small firms. Building on previous studies, this study seeks to provide both theoretical and practical contributions to the subject of small business and enterprise development. This paper has given an account of and the reasons for the widespread use of training in the performance of small business. In previous research, the most important limitation lays in the fact that literature generally reveals an expectation of a positive relationship, while evidence for this is scanty [47]. The existing accounts fail to resolve the contradiction that training enhances the small business performance in UK and Pakistan. Furthermore, the empirical data in both countries are rather controversial, and there is no general agreement about training and performance of small scale enterprises.

1.4 Theoretical Models Linking Training and Enterprise Performance

Academics and professionals in enterprise education and training have identified that business's that pay more attention to training are successful in the long term [43]. In the past two decades a number of researchers have sought to determine the various theoretical models within SME innovation and enterprise development. The first serious discussion and analysis of investment in human capital and business performance emerged during the 1950s and 1960s when Human Capital Theory (HCT) was presented by two economists Theodore Schultz and Gary Becker. In essence, HCT is defined as "productive wealth embodied in labour, skills and knowledge" [38], and employers should examine education and training as an investment [48]. It is also worth noting that half of century has passed from the first publication about HCT, the theoretical framework for the relationship between investment in human resources and business performance is still a central issue for researchers and policy makers. The aim of this and next section is twofold. First, it provides the various existing conceptual frameworks and theories and in the next section this study presents a framework analysing the training and enterprise performance issues.

Based on the Irving Fisher's capital theory of stock (1906), HCT is an analogy to conventional capital [49]. In general, HCT affirms that people invest in themselves, through formal education with the potential of increasing productivity and competitiveness leads to enhances business performance. Few years later, this view is complemented by [50], who classified human capital in six categories: formal schooling, on-the-job training, job search, information retrieval, migration, and improvement in health. Moreover, in their major study about human capital, Nerdrum and Erikson [49] explains that "complementarity in human capital theory is rarely explicitly considered". In the Nigeria, Olaniyan and Okemakinde [51] found that HCT consider education as an important initiative to increase employee's and business's performance. On the other hand, from a socio-economic perspective, net-HCT investigators consider it a heterogeneous phenomenon. In this case, Malik and Nalakant [33] noted that investment in education and training in SMEs sector is directly correlated with increase in wages and other expenses. Not surprisingly, within the tight working environment, most SMEs owners are reluctant to invest SME training. In planning this study, researcher decided first to focus on most latest research of Jayawarna et al. [43] and Thang et al. [86]. In collaboration with current research objectives, Jayawarna et al. [43] theoretical framework closely investigate the relationship between training approaches and business performance in the UK, as shown in the figure below.



Source: Jayawarna et al. (2007)

Figure 1: Conceptualising training and performance in SMEs [43].

In terms of developing a training model in SMEs, Jayawarna et al. [43] framework provides a deep understanding of leadership and management role, product/market conditions, firms contextual characterises, and training approaches in SME sector. However, this model is totally designed for developed economies and it lacks the focus on various contingent variable faced by developing and emerging economies. In the same vein, the cybernetic model of Human resource Management (HRM) system also explores the competence and behaviour of SMEs to explore the relationship. According to [62], cybernetic model of HRM system includes input from environment and focuses on the employee's knowledge, skills, abilities, job satisfaction and turnover rate. A major criticism of the cybernetic model of HRM is that it fails to address the small business organisation reactive strategies. This model is basically designed for medium to large firms whose policies are more formalised because of their strategic nature. He further explains:

... "Perhaps more importantly, it has managerial implications in terms of designing and choosing the most suitable training approach for a particular context. However, in this regard the findings are only preliminary and further research is necessary" (p.333).

The following conclusion can be drawn from the above discussion about similarities which exist between the different models. Comparing the above models, it can be seen that most researchers and policy makers consider training practices as an important tool to enhance the performance of enterprise. However, for SMEs in developed, developing and emerging economies, it is problematic to isolate the contradiction between various existing models in comparison to their needs, demand and supply.

1.5 Training and SME Performance Framework

To contribute to the literature review, developing the theoretical framework is a significant matter in any research. Due to the informal structure and lack of information about SMEs in developed and developing countries, it is always doubtful whether SMEs have any fundamental theoretical frameworks about education and training to directly contribute to the organisation strategy, objectives, or outcomes central to individual or business performance. From this perspective, a theoretical model was developed to corroborate the Jayawarna et al. (2007) model and Thang et al. [86], who describe training as a practical activity to improve business performance, involving formal or informal interventions. As illustrated in table 2, that a number of factors may influence the approach to training in SME despite of their geographic location, sector and business ownership. In addition, firm contextual characteristics, age, location, ownership type and size of the business enterprise are also likely to impact the type and intensity of training within SME sector.

Jayawarna et al. [43] found that specific firm characteristics with the product and market location influence the training decisions in the SMEs. In this scenario, from the above Fig. 2 of the conceptual framework, this study provides the different phases of the research. The four-phase segregation: firm contextual characteristics; small business factors; training practices and finally firm performance, collectively helps to provide a better understanding of the training performance relationship. A firm's contextual characteristics refer to the size and age of the firm whereas small business factors, which affect the training performance relationship, are mentioned in the Table 3 below.

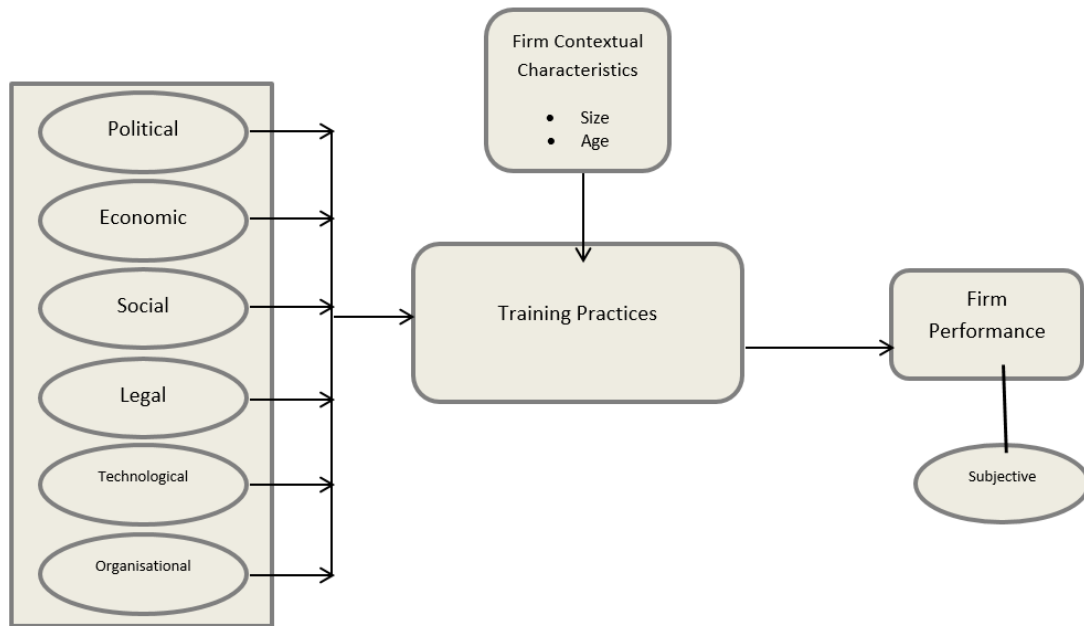


Figure 2: Conceptual Framework of training practises on small business performance: Conceptual Framework.

Table 3: Small business factors.

1: Political	Funding, grants, initiatives
2: Economic	Lack of financial resource, poor and inadequate policies
3: Social	Education system, national culture
4: Technological	Research and development, technology transfer and change
5: Legal	Government policies, law and strategies
6: Organizational	Low cost business strategy, lack of awareness, lack of management skills and time

There are several issues impeding the establishment of strategies for small business training. Economic, political, social, technological, legal and organisational factors and lack of the structured approach to counter these matters identify the gap in this particular area. Consequently, for this particular study, a conceptual framework was developed and proposed to achieve the requirement for analysing the impact of training practices on the SMEs subjective performance.

Therefore, all the hurdles above can be considered as financial and non-financial barriers. Despite of this, those business strategies and policies act as a key barrier as well [41]. This view is supported by many authors for example [31,38] who have written much about the training barriers faced by the SMEs in UK. On the other hand “some of the barriers are consistent with the difficulties of business ownership in general, the issue of technical and managerial skills is

changing, due to the changing work environment and the growth in technology in general business practice” [53].

2.0 METHODOLOGY

To date various methods have been developed and introduced to measure the relationship between training approaches and SME performance. For this study, previous research publications from across a number of disciplines in developed, developing and emerging economies from 1993 to 2012, have been examined to investigate the impact. The sample frame was constructed from 36 major studies, mainly based on various heterogeneous SMEs, as presented in Table 4 below.

Table 4: Relevant studies examining the relationship between training practices and SMEs performances.

No	Author	Sample size	Performance measure	Relationship between training and performance
1.	Aargon-Sanchez et al. [85]	457	Profitability and effectiveness	Obtain better results in terms of profitably and effectiveness in compare to firms who making lower investment in training
2.	Acton and golden [57]	200	Employee retention	Provision of training does not have any impact on staff retention rate
3.	Ahmad and Schroeder [61]	107	Commitment and turnover	Training has positive effects on employee’s commitment and turnover
4.	Ballot et al. [83]	350 archival data	Value added	Positive effects on value added per worker in France and Sweden
5.	Barrett [59]	9	Doing the job right	Positive attitudes held towards training and short term benefits
6.	Beaver and Hutchings [84]	Archival	Competitive position	Positive impact on effectiveness and competitive position of SMEs
7.	Bishop [30]	25	General performance	Positive impact on business performance
8.	Bryan [47]	114	Growth and size	Training has a positive impact of small enterprise growth and size.
9.	Cappelli and Neumark [69]	1304	Productivity and labour efficiency	Training has positive effects on labour efficiency
10.	Cosh et al. [81]	1640	Business survival	Impact of training on survival was positive but not significant
11.	Dumas and Hanchance [60]	322	General	Overall positive performance
12.	Olsen and Eikebrokk [60]	339	Efficiency, complementarities, lock in and novelty	Positive relationship between training and overall efficiency of human resource

13.	Faems et al. [62]	416	Turnover, profitability and productivity	Training has a positive impact of voluntary turnover
14.	Garcia [82]	420	Individual and organisational overall performance	Positive impact on individual performance which enhance overall organisational performance
15.	Ghebreorgis and Karsten [63]	82	Turnover and absenteeism	Positive effects on voluntary turnover
16.	Tan and Lim [64]	150	Commitment and performance	Formal and informal training approaches has a positive impact on the employees commitment and organisational performance
17.	Horgan and Muhlau [79]	392	Corporation and discipline	Positive effects on business performance
18.	Hunag [80]	568	Organisational performance	Positive impact on business performance
19.	Jayawarna et al. [43]	198	General performance	Formal and informal training has a positive impact on business performance
20.	Jones [40]	871	Business performance in growth	Positively correlated with organisational growth and leads to business performance.
21.	Kean and Hong [78]	150	General performance	Formal and informal training both have a positive impact on SMEs performance
22.	Longenecker and Fink [39]	278	Management performance	Positive impact on KSAs and turnover
23.	Macpherson and Jayawarna [43]	198	General performance	Formal training has positive impact of business performance in manufacturing SMEs.
24.	Panagiotakopoulos [7]	43	Errors/Employability/Skills	Informal training reduces employee errors, enhance workers employability and meet the skills shortage needs.
25.	Paul and Anantharaman [65]	34	Commitment /competence	Positive effects on commitment and competence of business
26.	Storey [38]	137	Managers performance	Formal Management training has a positive impact on managers' performance leads to overall business performance
27.	Sultan et al. [56]	26	KSAs. Employee's turnover	No concept of formal or informal training to increase performance in SMEs in the Pakistan.
28.	Thang et al. [75]	66	Firm performance	Training has a positive impact on employees knowledge and attitude
29.	Thang and Quang [67]	196	General performance	Sales and productivity increased significantly

30.	Thassanabanjong [25]	438	Performance	Training has a positive relationship with business performance
31.	Thang and Quang [67, 68]	137	General performance/ market share	Positive effects on performance and job satisfaction.
32.	Thang et al. [75]	196	Sales	1% increase in training lead to increase total firm sales.
33.	Tzafirir [74]	104	General firm performance	Positive association of training and firm performance.
34.	Webster et al. [22]	716	General	Positive association between training and performance.
35.	Wynarczyk et al. [58]	74	Over all business performance	An insignificant relationship is reported in the relationship between training provision and firm performance of SMEs in UK.
36.	Zhang et al. [66]	74	Turnover/co mmitment	Positive effects on turnover and commitment.

The paper systematically reviews and categorises the published literature in the field of education and training in the SMEs. For this purpose, major entrepreneurship, entrepreneurship education, business and management, sociology, managerial, psychological, and human resource management journals were scanned for research papers containing related information and data about training and SME performance in various countries. With respect to enterprise performance, the following online publications were searched:

- Birmingham City University Catalogue;
- Oxford and Brunel University Catalogue;
- Emerald (MCB) Full text;
- Proquest Electronic Database;
- Science Direct (Elsevier) Database;
- ABI/Inform Database;
- Google Scholar.

Furthermore, the above table differentiates between sample size and performance measurement techniques. To develop an integrated view, selective and descriptive analyses were used to identify the relationship between training and the subjective performance of the SMEs. Firm performance was categorised by non-financial performance measures (subjective) in terms of absenteeism, job satisfaction, motivation, knowledge, skills, abilities and employee's turnover rate.

3.0 RESULT AND DISCUSSION

In reviewing the literature, there is a consensus among social scientists and policy makers that training interventions in SMEs enhance business performance. With respect to performance measurement methods, the paper explores the subjective performance of SMEs for a combination of factors associated with the provision of training. A major criticism on the subjective measures

is that results are non-comparable in most cases and depend on many assumptions [52]. On the other hand, the advantages of the subjective approach can be discussed under two main assumptions. First, mostly SME owners/managers are reluctant to disclose actual performance data [54]. Secondly, subjective measures are more appropriate in the case of comparative study, when investigator examine performance in cross-country and cross industry events [55].

From detailed within and cross-study analyses of table 4, research found that the various internal and external factors influenced the training interventions in the SMEs in any economy. Malik and Nialkant [33] measured the components of training in three business process outsourcing SMEs in India and found that a number of organisations internal and external factors affect the training interventions. Surprisingly, Hussain and Matlay's [31] research regarding vocational education and training in the West Midlands, claims that numerous socio-economic factors affect the supply of training in SMEs, however in the case of micro businesses, training is much more formalised in comparison to the larger counterparts. In order to obtain relevant and comparable research results, the paper also analyses and presents the textured analysis of how firm contextual characteristics shaped the training approaches.

From this perspective, in the most recent study, Sultan [56] examined the impact of training approaches in the small business sector in Pakistan, and did not find any significant relationship between training and subjective business performance in terms of employee's turnover, knowledge, skills and abilities. This finding corroborates the idea of diverse previous research, for example, Acton and golden [57] who investigated the training-performance relationship in developing economies, and found that the provision of training does not have any impact on overall individual or business performance. However, in their major study, Wyncarczyke et al [58], concluded the insignificant relationship between training and business performance in the UK. In the same way, in emerging economies for example Vietnam, Thang and Quang [8] reported non-significant affect in non-manufacturing companies. However, in the case of the manufacturing sector, results show a significant improvement in business performance.

Therefore, it is not surprising that training has a positive and significant impact on business performance of SMEs in all sectors regardless of their geographic location, size, age, and ownership status. Recently, in Greece, Panagiotakopoulos [7,41] interviewed 43 SMEs owners/managers, and concluded that informal training reduces employee errors, enhances workers employability and meets the skills shortage needs. In the same way, in Australia, Barrett [59] showed the positive attitude held towards training and the short term benefits to SMEs. Similarly, Dumas and Hanchane [60], highlighted that job training increases the performance of businesses in the Moroccan manufacturing and service sector. In conclusion, a broader perspective has been adopted by Olsen and Eikebrokk [60] who conducted research in 339 firms in three European countries and found that empirical findings document a positive relationship between training and overall business performance, however, variances were also noticed.

Furthermore, the analysis reveals the impact of training on non-financial or subjective performance such as, knowledge, skills, ability, attitude, motivation, commitment, job satisfaction, and mainly employee's turnover rate. With respect to turnover, Ahmad and Schroeder [61] claim that formal or informal training practices lead to lower turnover rate, which shows human resource commitment to the organisation. Similarly, but slightly lower figures were recorded in the Belgian small business sector, which shows a positive impact on voluntary turnover [62]. This

interpretation is supported by [63], who claim that training has a positive impact on voluntary turnover and it also reduces absenteeism. On the other hand, [7] found that small businesses are reluctant to invest in the training market because of the fear of being poached. In this study, findings underscore that training provisions appear to play a minimum role in maintaining staff turnover in developing economies. Malik and Nikihant [33] point out current labour market dynamics, high industry growth rates, and work environment as key critical factors in an employee's decision to quit a current job.

In addition, previous studies have estimated the effect of training and business performance and found a positive relationship in terms of employee's commitment [61, 64-66], job satisfaction [67,68], knowledge, skills, abilities [52], and labor efficiency [69], as illustrated in Table 2. Cumulatively, all the studies reviewed so far, prove the importance of training approaches and performance of SMEs in any economy. A continuous changing work environment has made enterprise training necessary. Therefore, Manimala and Kumar [28] describe this as a practical activity to improve KSAs, reduce staff turnover, and engender a propensity for innovation.

4.0 CONCLUSION

Contextual characteristics, process complexity, political, economic, social, legal, technological organisational issues are key factors that shape the nature of the training in the developed, developing and emerging economies. The impact of training integration between formal and informal interventions and relationship with SMEs business performance is linked to all of the above mentioned factors. In assessing the relevance with the current training models, this study develops and proposes a framework in order to access the previous research design, measure of variables and SMEs performance to suggest direction for the owner's/manager's and policy makers for future research. From SMEs perspective, in developed economies training approaches deeply affected by subjective orientations, however, in the case of developing and emerging economies, there exist a weak relationship. Due to apparent importance of the socio-economic and infrastructural factors in developing countries, the findings of this study clearly provides that training approaches may vary in SMEs in terms of sector, industry, modes of delivery, owner's/managers perception and commitment. Precisely, future studies could employ objective approaches with particular consideration for broadening the strength of relationship uncovered in this research.

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