

## ABSTRACT

Seibert, III, Michael Jerrell, The Identification of Strategic Management Counseling Competencies Essential for the Small Business and Technology Development Center: A Modified Delphi Study (Under the direction of Dr. J. Conrad Glass, Jr.)

The purpose of this study was to identify competency items (knowledge, skills and attitudes) essential for business counselors of the North Carolina Small Business and Technology Development Center (SBTDC) program to provide strategic management counseling to Small and Medium-Sized Enterprises (SMEs). SBTDC business counselors' roles have changed as the organization developed and implemented strategies for serving existing business clients, or more specifically SMEs. Competency models may provide a framework for linking strategies to people and performance.

A "modified" Delphi technique was used with the initial round one questionnaire modified to solicit opinions of expert panelists on strategic management counseling competencies. The sample (N = 17) represented 32% of the available SBTDC counselor population at the time of the study. The sample or expert panel consisted of counselors who provided strategic management counseling to SMEs, received counseling evaluations of very good to excellent from those SMEs, completed professional development related to strategic management, and received performance evaluations of very good to outstanding from their supervisors.

The study featured a 5-point Likert scale used to rate competency items in terms of importance. A review panel employed statistical criteria (mean and median) in order to accept 34 (9 knowledge, 16 skills, and 9 attitudes) identified by the expert panel as competency items.

As a matter of interest, the Spearman rank correlation coefficient was employed in Round III to determine the association, if any between the Round III final rankings and Round II mean rankings. The study results indicated an association for the knowledge category and skills category respectively, but not for the attitudes category. Furthermore, the three highest rated and ranked competency items were 1) strategic management knowledge of the model, phases and process, 2) communication skills in listening, questioning and interviewing, and 3) integrity attitude toward establishing trust and credibility.

The Identification of Strategic Management Counseling Competencies Essential for the  
Small Business and Technology Development Center: A Modified Delphi Study

by

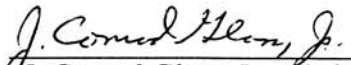
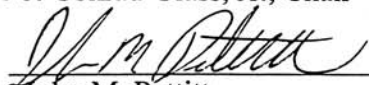
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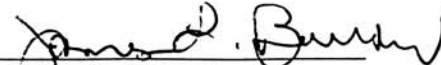
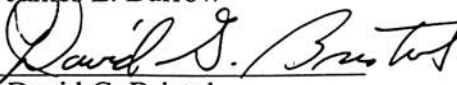
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Approved by:

  
\_\_\_\_\_  
J. Conrad Glass, Jr., Chair  
  
\_\_\_\_\_  
John M. Pettitt

  
\_\_\_\_\_  
James L. Burrow  
  
\_\_\_\_\_  
David G. Bristol

## BIOGRAPHY

Michael Jerrell Seibert, III was born in Vineland, New Jersey on February 11, 1959 and resided there until he graduated from Vineland Senior High School in 1977. He attended Widener University in Chester, Pennsylvania where he earned his Bachelor of Science in Business Administration, majoring in Accounting in 1981. In 1990 he enrolled in the Lundy-Fetterman School of Business at Campbell University in Buies Creek, North Carolina where he earned his Master of Business Administration in 1993. Several years later, he enrolled in the Adult and Community College Education program at North Carolina State University, where he completed his Education Doctorate in 2004.

While finishing his MBA, Mr. Seibert accepted a position with the North Carolina Small Business & Technology Development Center (SBTDC), a business development service of the University of North Carolina. He began his SBTDC career at the University of North Carolina at Pembroke and Fayetteville State University assisting entrepreneurs with establishing and operating their small and medium-sized businesses. He was subsequently transferred to the University of North Carolina at Chapel Hill as Regional Center Director, and then to North Carolina State University where he currently serves as Assistant State Director for the SBTDC.

He has been involved in a leadership capacity with many organizations including the Self-Help Credit Union Board of Directors, Pembroke Area Chamber of Commerce President, American Red Cross Board of Directors, and Quail Unlimited. His wife Rhonda and their two sons Zachary and Trenton make their home in Fuquay-Varina, North Carolina.

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## CHAPTER 1

### INTRODUCTION

#### Introduction

In meeting challenges of implementing its own strategic plan, the North Carolina Small Business and Technology Development Center (SBTDC) is faced with the problem of developing its counselors to meet changing job performance expectations. One of the major challenges facing organizations today involves alignments—that is, getting everyone committed to move in the same direction (Green, 1999). The SBTDC is an organization facing this challenge. In this era of rapid change, the nature of people’s jobs is often in flux, and new skills may increasingly be required to take on changing roles in the organization (Lucia & Lepsinger, 1999). SBTDC counselors’ roles have changed as the organization developed and implemented strategies for serving existing business clients, or more specifically, small and medium-sized enterprises (SMEs).

More recently, the SBTDC’s Continuing and Professional Education (CPE) committee identified strategic management as a “core competency” (or new technical skill) necessary for counselors to serve SMEs (PD Core Competency Handbook, 2002). “Strategic management is that set of managerial decisions and actions that determine the long-run performance of a corporation. It includes environmental scanning, strategy formulation, strategy implementation, and evaluation and control” (Hunger & Wheelen, 2000, p. 3). Burgelman (1991) states “adaptation to changing environments and survival and success of firms (SMEs) seems to be contingent on management’s capacities to adjust the structural and strategic context in organizations” (Postma & Zwart, 2001, p. 52). As a

result of these factors, counseling SMEs within the context of strategic management has become a principle part of the counselor's job for the SBTDC.

Recent literature (National Academy of Public Administration [NAPA], 1997; Green, Lucia & Lepsinger, 1999; Becker, Huselid & Ulrich, 2000; Stoof, Martens, Merrienboer & Bastioned, 2002) suggests that a competency-based approach (competency and competency models) is a means to linking strategy to people and performance. For the SBTDC, this means linking their strategic plan to their counselors and performance. Organizations may implement competency models for many reasons including downsizing and restructuring, preparing for the future, improving performance, and implementing corporate strategy. Competency models are most widely used in training and development programs to help current employees understand the need for and learn how to change (NAPA, 1997).

#### Small Business & Technology Development Center

The SBTDC was specifically established in 1984 to serve the burgeoning North Carolina small business community. Rooted in the historical foundations of the Cooperative Extension Service (CES) and agricultural extension model, the SBTDC is an inter-institutional program of The University of North Carolina (UNC) and is recognized as the state's business extension program. "The University of North Carolina system's Small Business and Technology Development Center, in partnership with the Small Business Administration, is the recognized organization through which the State of North Carolina provides business counseling, management education, and technology development services to the business community by helping them successfully meet challenges, manage change and plan for the future" (SBTDC 2003-2007 Strategic Plan,

2003, p. 4). Counseling has been a distinctive competency and hallmark of the SBTDC since its inception. Business extension agents or counselors provide confidential business counseling and technical assistance to prospective and existing small business owners.

As part of its ongoing strategic planning efforts, the SBTDC routinely performs thorough assessments of its client base in order to evaluate, segment and serve them effectively. “By segmenting its client base, the SBTDC developed a better understanding of the varied needs of clients in different segments, how it historically allocated its resources, and how it will need to commit its resources in the future to accomplish its goals and strategic objectives...”(SBTDC 1998-2002 Strategic Plan, 1997, p. 4).

#### Small and Medium-Sized Enterprises

Small and medium-sized enterprises were identified as one of the target client segments to be served by the SBTDC because of their importance to the state’s economy. SMEs play an important role as a job creator and innovative engine in the economy (Postma & Zwart, 2001). According to the Association of Small Business Development Centers (ASBDC), small business accounts for 99% of all United States (US) business, employs 53% of the private work force, and contributes over half of the nation’s private gross domestic product (ASBDC, 2002). SMEs are currently defined by the SBTDC as “small and mid-sized enterprises that have sales over \$1,000,000 and have been in business for over 3 years ” (SBTDC 2003-2007 Strategic Plan, 2003, p. 7).

#### Competence

A review of the literature on competence reveals a variety of definitions for competency and competency models. For example, Klemp (1980) states that a competency is “an underlying characteristic of a person which results in effective and/or

superior performance on the job” (Boyatzis, 1982, p. 21; Lucia and Lepsinger, 1999, p. 5). According to Spencer and Spencer (1993, p.9), “a competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation.” The National Academy of Public Administration defines competency as “the capabilities or traits that allow an employee to achieve superior job performance” (New Times, New Competencies, New Professionals, 1997, p. 1). The NAPA definition was adapted from competency definitions of Richard E. Boyatzis, an oft-cited source of competency research and author of The Competent Manager (1982). More recently, several hundred experts in human resources development who attended a conference on the subject of competencies in Johannesburg, South Africa in 1995 generated a synthesized definition of competency, which was recorded as “a cluster of related knowledge, skills and attitudes that affects a major part of one’s job (a role or responsibility), that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development” (Parry, 1996, p. 50).

The SBTDC’s Continuing and Professional Education committee adopted the “Johannesburg” definition in 1997 as they began to implement the Professional Development (PD) strategic objective as part of the SBTDC’s strategic plan. The PD strategic objective was “to provide the opportunity for the SBTDC’s staff to acquire the knowledge, skills, and abilities necessary to provide consistent, high quality services to all market segments of the SBTDC’s client base” (SBTDC 1998-2002 Strategic Plan, 1997, p. 10). Boyatzis (1982) states that because competencies are related to effective performance of a particular job within a specific organizational environment, models must

be developed and tested on many, and eventually all, of the jobs and job families within an organization.

In keeping with current organization development trends, the CPE committee developed a competency model that identified seven “core competencies” that reflected knowledge and skill areas critical to counselors and the SBTDC’s effectiveness. The core competencies were separated into three major classifications, which were (a) organizational knowledge, (b) counseling skills and (c) technical skills. Within technical skills there were 5 core competencies identified, which were finance, marketing, human resources, business formation, and strategic management (SBTDC Core Competency Handbook, 2002). The competency model depicts the cluster of competency items by categories of knowledge and skills.

It is interesting that the SBTDC’s current core competency model focuses on knowledge and skills, while the “attitudes” component is not explicitly addressed. This appears inconsistent with the SBTDC’s adopted definition of competency, in which attitudes are a stated part of the definition “a cluster of related knowledge, skills and attitudes.” According to Boyatzis (1982), competency models identify and group the competencies needed to perform in the context of a person’s job roles, responsibilities and relationships in an organization and its internal and external environments (NAPA, 1997). A competency model describes the particular combination of knowledge, skills and characteristics needed to effectively perform a role in an organization and is used as a human resource tool for selection, training and development, appraisal, and succession planning (Lucia & Lepsinger, 1999). Competency models provide a framework for linking strategies to people and performance.

The body of knowledge that represents competency and competency models is relatively new—about three decades. In the early 1970s, David C. McClelland, a distinguished psychologist with particular interests in motivation and achievement, began developing and testing competency models (Spencer & Spencer, 1993; Lucia & Lepsinger, 1999). Richard E. Boyatzis' 1982 The Competent Manager applied much of the competency-based research of the day to effective job performance (NAPA, 1997; Green, 1999). In the early 1990s, Lyle and Singe Spencer published Competence at Work (1993), which summarized 20 years of competency research, history, applications and future applications (Green, 1999; Lucia & Lepsinger, 1999). The literature indicates that many professionals continue contributing to the field of competence research, linking competency-based human resource systems to business strategy and change management (Brotherton & Watson, 2001; Zidan, 2001; Iles & Yolles, 2002; Stoof, Martens, Merrienboer & Bastiaens, 2002).

Competency models describe how successful people carry out their work. When developing a model, therefore, you must first determine what successful performance looks like and then differentiate the behavior of successful performers from that of those who are less effective (Lucia & Lepsinger, 1999). This modified Delphi study began the process of identifying the strategic management counseling competencies essential for a counselor to perform strategic management counseling with SMEs. The literature suggests the Delphi method is a valid and reliable approach to this task, which is a prerequisite to developing a competency model (Dalkey, 1969; Delbecq, Van de Ven & Gustafson, 1975; Weaver, 1988; Ruhland, 1993).

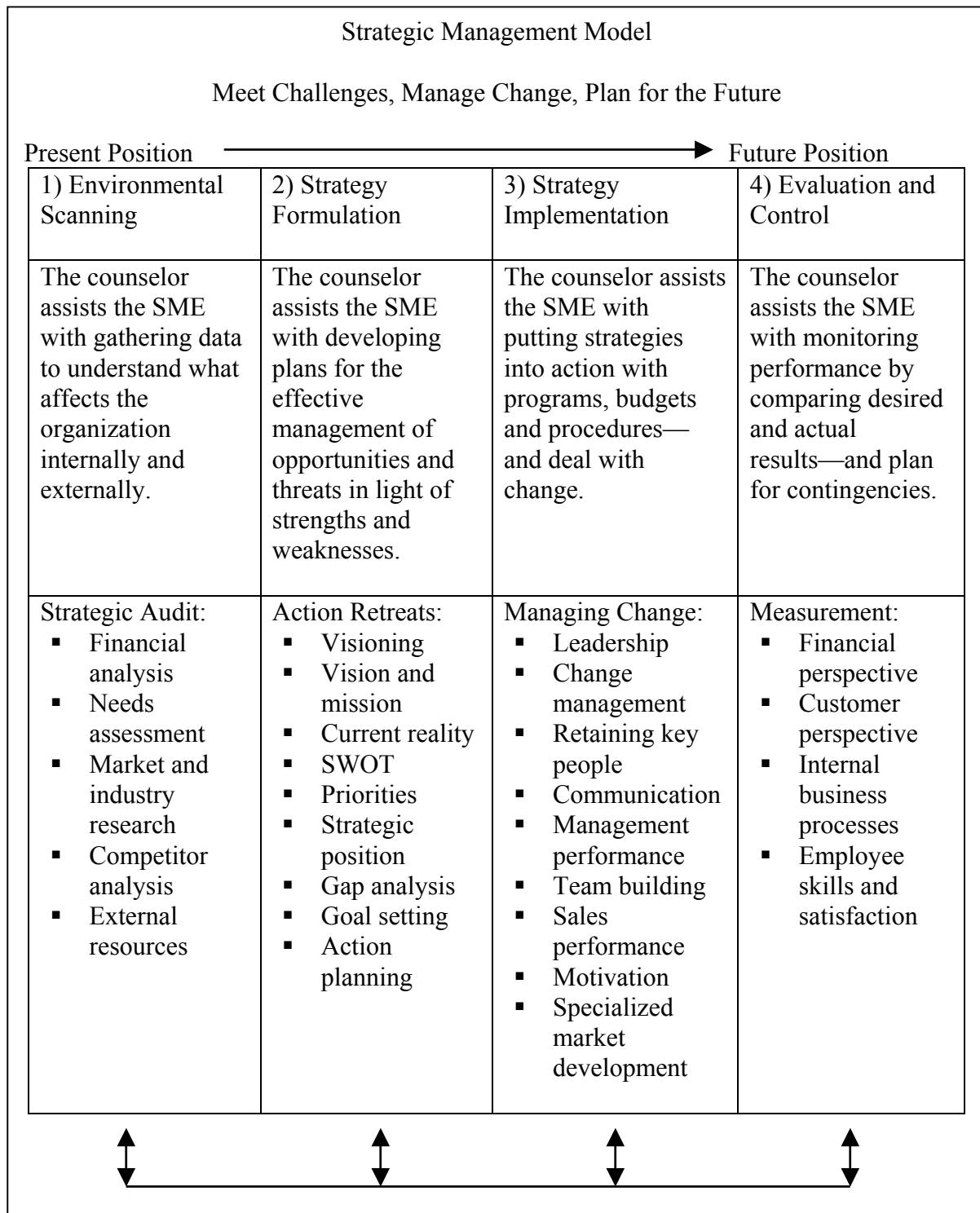
### Statement of the Problem

A review of the literature suggests that SBTDC counselors receive continuing and professional education, or training and development in the areas of “core competencies”, which include (a) organizational knowledge, (b) counseling skills and (c) technical skills (PD Core Competency Handbook, 2002). Within all technical skills of finance, marketing, human resources, business formation and strategic management only finance has been developed and implemented.

Counselors receive supplemental training and development in core competencies while attending compulsory continuing and professional development conferences. These conferences typically last three days and provide training and development opportunities for counselors on topics such as counseling skills, needs assessment, business valuation, cash flow preparation, loan packaging, financial analysis, market planning, time management, presentation skills, office management and other general business technical skills. On a limited basis, counselors also are encouraged to consider training and development opportunities outside the SBTDC commensurate with their individual continuing and professional education development plans.

Furthermore, a select and limited number of counselors receive training and development in “advanced competencies”, which are typically product-specific. This training is designed to enhance counselors’ abilities to deliver the products and services typically associated with Management Education Services (MES), which are listed in the lower half of the SBTDC Strategic Management Model (Figure 1).

Figure 1: Strategic Management Model



However, none of the counselors receive training and development in the technical skills area of strategic management. More importantly, a competency model for strategic management counseling, which could enhance training and development, has not been developed. The absence of effective training and development for strategic management and strategic management counseling as a core competency, advanced competency or supplemented learning is critical to the SBTDC for the following reasons:

1. **Strategic Plan:** The SBTDC's previous and current strategic plans each contain strategic objectives for counselors to serve increasing numbers of SMEs. A strategic objective in the current plan is to "evaluate and make recommendations to enhance the Management Education Services (MES) advanced competency qualification process, with special attention to accelerating outcomes while maintaining quality standards" (SBTDC 2003-2007 Strategic Plan, 2003, p. 15).
2. **Job Performance:** The establishment of "advanced competencies" further supports the strategic objectives for counselors to serve increasing numbers of SMEs. A strategic objective of the SBTDC is to "identify and develop advanced competencies needed to support an advanced level of service delivery (SBTDC 2003-2007 Strategic Plan, 2003, p. 15).
3. **Strategic Management Model:** A strategic management model job aid was created for counselors to use as a framework for communicating strategic management in applied terms to SMEs. The expressed expectation that counselors use the model routinely with SMEs supports the argument that strategic management counseling is seen by the SBTDC as either a core or advanced competency.

4. Needs Assessment: The SBTDC has determined through needs assessments of SMEs that strategic management is a critical success factor for achieving enhanced viability. The needs assessments, conducted annually since 1988, reflect a combination of both expressed needs of SMEs and ascribed needs of experienced business counselors (SBTDC Self-Study, 2000, p. 10). The SBTDC literature cites “recent efforts made by the SBTDC to strengthen its strategic planning and human resource advisory capabilities as a result of study findings” (SBTDC Self-Study, 2000, p. 10).
5. Management Education Services: As a result of its SME needs assessments, the SBTDC developed a portfolio of products and services known as Management Education Services (MES), which are intended as a “higher level of service” to be delivered to SMEs (SBTDC 1998-2002 Strategic Plan, 1997). The MES products and services are framed in the context of strategic management and depicted as such in the SBTDC’s Strategic Management Model. Therefore, counselors must become competent with MES as it relates to providing strategic management counseling to SMEs.

The problem facing the SBTDC is how to prepare counselors to provide strategic management counseling to SMEs, thereby achieving several SBTDC strategic objectives and linking strategy to people and performance.

### Research Question

The research question is stated as follows: What competencies are essential for a counselor to provide strategic management counseling to small and medium-size enterprises?

### Significance of the Study

In 1993 the North Carolina General Assembly reorganized the Economic Development Board to research and recommend economic development policy, forging the direction for North Carolina's economic development efforts. A key component of the General Assembly's mandate was the creation and regular update of a strategic economic development plan for North Carolina. The Board prepared the first Comprehensive Strategic Economic Development Plan (state plan) in April 1994. In late 1998, the Economic Development Board revisited the plan and chose to maintain the six key goals of the 1994 state plan, which are (1) widely shared prosperity, (2) high quality jobs, (3) high performance enterprises, (4) an entrepreneurial center, (5) sustainable growth and development, and (6) an accountable economic development system.

Goal number 4, an entrepreneurial center, specifically states, "Create an economic climate that is conducive to the birth, attraction, and retention of innovative entrepreneurial firms that create new products and services and expand into new markets" (Comprehensive Strategic Economic Development Plan, 1999, p. 87). The state plan also lists 3 objectives for goal number 4: 1) "improve the formation of new firms, and the growth rates of existing entrepreneurial firms in targeted growth industries," 2) "increase access to equity capital by North Carolina's entrepreneurial growth companies," and 3) "assure that management and technical assistance, capital and education services are

accessible in minority communities and rural areas” (Comprehensive Strategic Economic Development Plan, 1999, p. 89-93).

The state plan greatly influenced the SBTDC’s strategic plan, most notably in the strategic objective for serving SMEs. In addition, the SBTDC’s current strategic planning efforts continue to refine the strategic objective for serving SMEs (SBTDC Strategic Plan, 2002). This study is significant in that it begins the process of linking the SBTDC’s strategic objective for serving SMEs to counselors’ competencies of strategic management counseling and their counseling performance improvement.

From a national and peer perspective, the Association of Small Business Development Centers (ASBDC) serves as the national trade association for the SBDC network. The ASBDC Professional Development Standards committee was established in 1997 by its board of directors to advance the strategic plan of the ASBDC in the specific area of professional development (ASBDC, 2002 [On-line]). The committee completed a national fax-back survey of SBDCs that identified core competencies from the business counselor’s point of view. “Core competencies refer to the skills deemed necessary for an SBDC counselor to be effective” (ASBDC Professional Development Report, 1999, p.10). The survey asked counselors to rate topics they felt were critical for a new counselor to understand in order to successfully serve clients’ needs. The top 12 topics identified in the survey in order of ranking were (1) listening/communication, (2) cash flow, (3) business planning, (4) financial statements, (5) starting a new business, (6) requirements for financing, (7) sources of financing, (8) market planning, (9) budgeting, (10) record keeping, (11) break-even analysis, and (12) need for capital (ASBDC Professional Development Report, 1999).

Significantly, in the national ASBDC study neither strategic management nor strategic management counseling was listed as a core competency. Therefore, the ASBDC is not in a strong position to guide the SBTDC in the pursuit of competency development for strategic management counseling. Many of the 58 SBDCs resemble a social service model, which greatly influences the targeted clients they serve and how they serve them. However, as more SBDCs shift from a social service model to an economic development model, newly targeted SME clients and their needs will influence a change in core competencies. Hence, this study has significance in its potential influence on future competency development of strategic management counseling by the SBTDC and other SBDCs.

Furthermore, this study has potential significance for the SBTDC because there is no clear understanding of the competency areas essential for counselors to perform strategic management counseling with SMEs, and there is a need to identify them. Competency-based performance systems are a means to link strategy to people and performance. Once competencies are identified, a competency model can be developed that will have a direct bearing on selection, training and development, evaluation and promotion of employees.

Finally, this study is potentially significant to the field of strategic management as it applies to SMEs. While there is an impressive amount of research to support the need for strategic management counseling and assistance to SMEs (Ibrahim, Dumas & McGuire, 2001; Postma & Zwart, 2001; Dunn & Liang, 2002), there is a dearth of research on strategic management competencies or competency models for counselors of SBDCs or other business extension services.

### Limitations of the Study

This study was limited to:

1. The ability of the review panel to select and recruit qualified counselors to serve as members of the expert panel.
2. The ability of expert panelists to identify strategic management counseling competency and competency items.
3. The validity and reliability of the modified Delphi technique as a means to solicit and collect data from the expert panelists.
4. The validity and reliability of the qualitative and quantitative techniques employed by the review panel.
5. The ability of the review panel to synthesize and analyzed data accurately and objectively without bias.

### Definition of Terms

Competency: A cluster of related knowledge, skills and attitudes that affects a major part of one's job (a role or responsibility), that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development (Parry, 1996; Lucia & Lepsinger, 1999).

Competency Item: An individual knowledge, skills or attitudes item within a cluster that represents a competency.

Competency Model: Competency models identify and group the competencies needed to perform in the context of a person's job roles, responsibilities and relationships in an organization and its internal and external environments (Boyatzis, 1982).

Counselor: An SBTDC business counselor who provides management counseling to business owners and prospective business owners in one-on-one and/or group settings.

Small and Medium-Sized Enterprise (SME): A firm with sales over \$1,000,000 and in business for over three years (SBTDC 2003-2007 Strategic Plan, 2003).

Strategic Management: That set of managerial decisions and actions that determine the long-run performance of a corporation. According to Hunger & Wheelen (2002), it includes environmental scanning, strategy formulation, strategy implementation, and evaluation and control.

## CHAPTER 2

### REVIEW OF THE LITERATURE

This chapter reviews literature from several topics supportive of the need for identification of counseling competency areas essential for counselors of the SBTDC to provide strategic management counseling to small and medium-sized enterprises.

#### Cooperative Extension Service

The historical foundations of the SBTDC as a small business extension service are rooted in agricultural extension, or more specifically the Cooperative Extension Service (CES). Piloted in 1977 as a business extension service, the national SBDC program was modeled after the CES, so a brief history of the CES serves as background to more fully understand the SBTDC as a business extension service.

The seeds of the CES may have been planted by our founding fathers in the 1700s. As colonists settled in the New America, they sought to establish a new society built upon their heritage, yet open to previously denied freedoms. These freedoms centered on religious and governance conflicts with England, but also influenced the eventual emancipation of individuals' rights to learn. This was reflected in the way our government was established and embodied by the writers of the Declaration of Independence and framers of our Constitution.

In the aftermath of the colonial revolution, the Philadelphia Society was formed in 1785 and the Massachusetts Society, in 1792. Those societies served as foundations for later county and state agricultural societies such as the Albemarle Society, organized by Thomas Jefferson, which in turn, sponsored the state and local county fairs for competition, sales, and agricultural education (Forest, 1989). The society movement

continued to flourish as colonies grew into states and the agricultural economy of America developed in the early 1800s.

By the mid 1800s, agricultural development led to the emergence of several key pieces of legislation that formed the foundation of the CES. The first was the Morrill Act of 1862, which authorized land-grant universities for the states. The Hatch Act of 1887 next established agricultural experiment stations in conjunction with each of the land-grant universities and colleges, and it provides federal funds to match state and local funds to encourage increased practical agricultural research. The third key piece of legislation was the second Morrill Act, of 1890, which established agricultural colleges throughout the southern United States (US) for the black population. But not until the 1914 Smith-Lever Act, creating the CES, did a formal system of adult education for the agricultural community appear (Stubblefield and Keane, 1989).

The word “cooperative” in the CES name was derived from the unique three-way partnership among federal, state and local governments. The basic mandate of the CES program from its beginning, has been to provide practical, research-based information to people who will apply that information to their problems. Its role is to leverage the technology of the university for the benefit of the people.

The CES in North Carolina is an education-focused program supported by its two land-grant universities, North Carolina State University (NCSU) and North Carolina Agricultural & Technical State University (NCA& T). The CES program has served the state for more than 70 years by providing its citizens with research-based knowledge they need to meet the challenges of life. Specific strategic plans include sustaining agriculture and forestry, protecting the environment, maintaining viable communities, developing

responsible youth, and developing strong, healthy and safe families. The CES program mission is “Working to Improve the Quality of People's Lives” (NCCES, 2000). The CES program fostered a highly successful partnership between universities, government, and the private sector in meeting the needs of agriculture, and more than 60 years later, served as a model for a similar program designed to meet the needs of small business.

### Small Business Extension

In 1977, the US Small Business Administration (SBA) funded a pilot program at eight universities across the country: University of Georgia, California State Polytechnic University, California State University, University of Southern Maine, University of Missouri, University of Nebraska, Rutgers University, and University of West Florida. These eight schools were chosen because they already had in place business assistance services or programs (SBTDC Administration and Operations Manual, 2002).

Between the spring of 1977 and the summer of 1980, several efforts were initiated to enact federal legislation, which aimed to expand the university business center model into a national program. In July of 1980 the Small Business Development Center Act established the national SBDC program and provided funding for the program.

The Small Business Development Center Act did not insist on a formal program tied to institutions of higher learning, but was built substantially upon the expedience and lessons of the pilot program (SBTDC Self-Study, 2000). While an academic tie was assumed, it was not always the case. Competing economic development organizations, such as departments of commerce, chambers of commerce, and community colleges, became lead organizations for SBDC programs. Thus in the early 1990s an amendment to the Small Business Development Act required that lead organizations be based in

institutions of higher education. Key elements carried forward into the SBDC program were the concept that the program represented a partnership between the SBA and the SBDC in the state or district served and that program priorities and operations were to be uniquely determined to best meet local needs and conditions.

#### North Carolina Small Business Extension

In 1984, a proposal was submitted to the SBA for the establishment of the SBDC program in North Carolina under the auspices of The University of North Carolina. The name was modified to the North Carolina Small Business and Technology Development Center, with a “T” in SBTDC to represent the commitment to technology development and commercialization (SBTDC Administration and Operations Manual, 2002). The SBTDC program was subsequently organized as an inter-institutional activity of The University of North Carolina system in order to assure that the program would be highly visible and free to establish program relationships across the state on multiple campuses.

The SBTDC’s mission statement from its strategic plan states “The University of North Carolina system’s Small Business and Technology Development Center, in partnership with the Small Business Administration, is the recognized organization through which the state of North Carolina provides business counseling, management education, and technology development services to the business community by helping them successfully meet challenges, manage change and plan for the future” (SBTDC 2003-2007 Strategic Plan, 2003, p. 4).

The SBTDC maintains 11 regional service centers statewide. They are hosted by Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina A&T State University, University of North

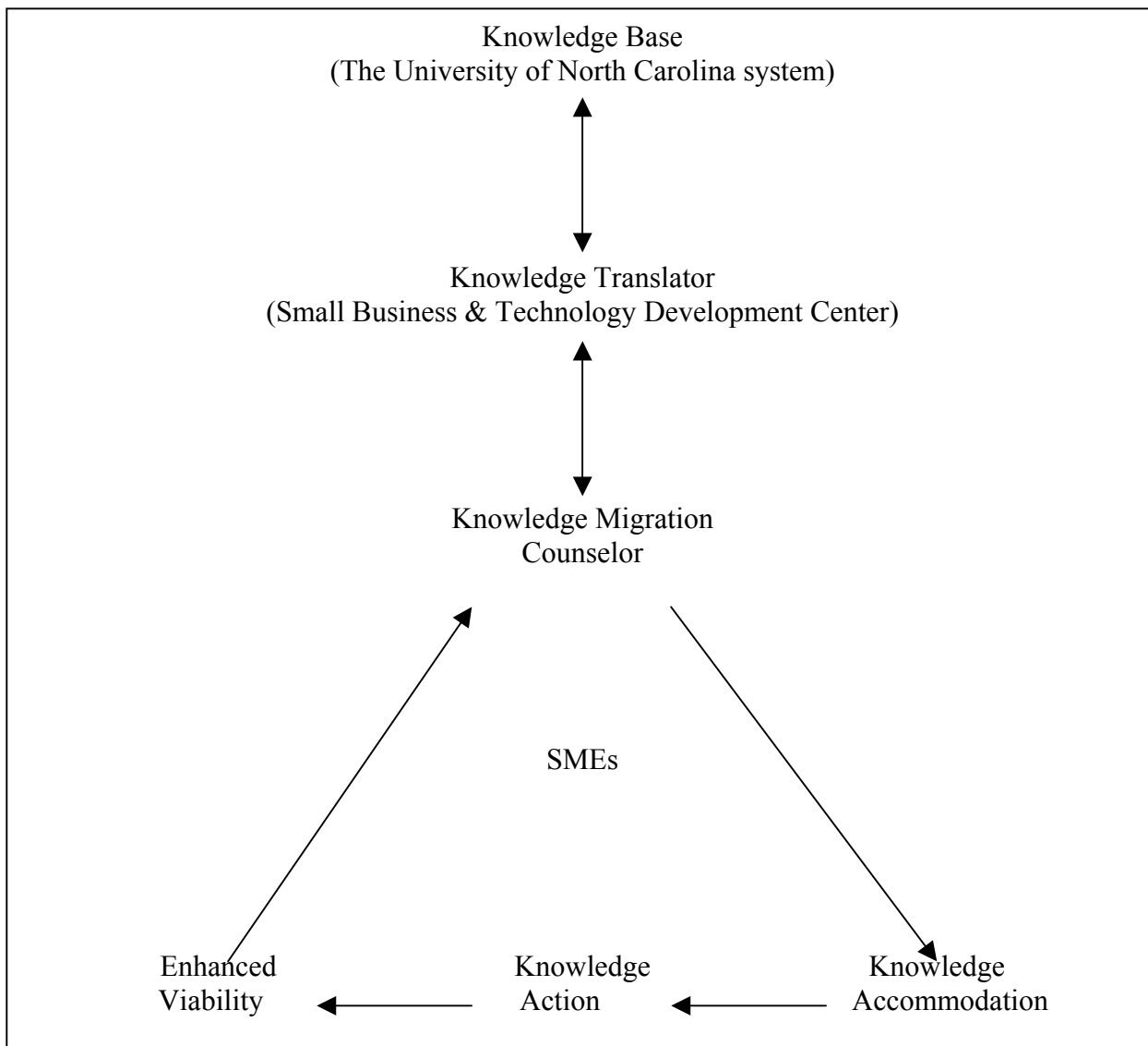
Carolina at Charlotte, University of North Carolina at Wilmington, Western Carolina University, Winston-Salem State University and the University of North Carolina at Chapel Hill, which hosts two regional service centers, one in Chapel Hill and another in Raleigh.

The SBTDC also maintains relationships with a consortium of universities and colleges including Methodist College, North Carolina State University, North Carolina Central University, St. Andrews College, University of North Carolina at Asheville, University of North Carolina at Greensboro, University of North Carolina at Pembroke, Campbell University, Elon University, Meredith College, Montreat College, and Wake Forest University.

For the majority of organizations that strategically manage themselves, planning begins with environmental scanning, or consideration of the strategic factors that impact the organization's future. In many cases, environmental scanning is the prelude to strategy formulation, which typically results in a strategic plan. Moving an organization from formulating strategy to implementing strategy generally becomes the human resource challenge—linking strategy to people. Some of the more critical success factors for the SBTDC include ASBDC accreditation, National SBDC dichotomy, and the SBTDC strategic plan.

The SBTDC's role as a business extension service of the University of North Carolina system is to facilitate education, research and public service in the context of economic development, emphasizing assistance to SMEs (Figure 2).

Figure 2: SBTDC Business Extension Model



### National Accreditation

The Association of Small Business Development Centers is a partnership program of private enterprise, government, higher education and local nonprofit economic development organizations (ASBDC, 2002, [www.asbdc-us.org](http://www.asbdc-us.org)). Founded in 1979, it is recognized as the trade association for all SBDC member organizations. One of the primary functions performed by the ASBDC is that of accreditation, because the Small

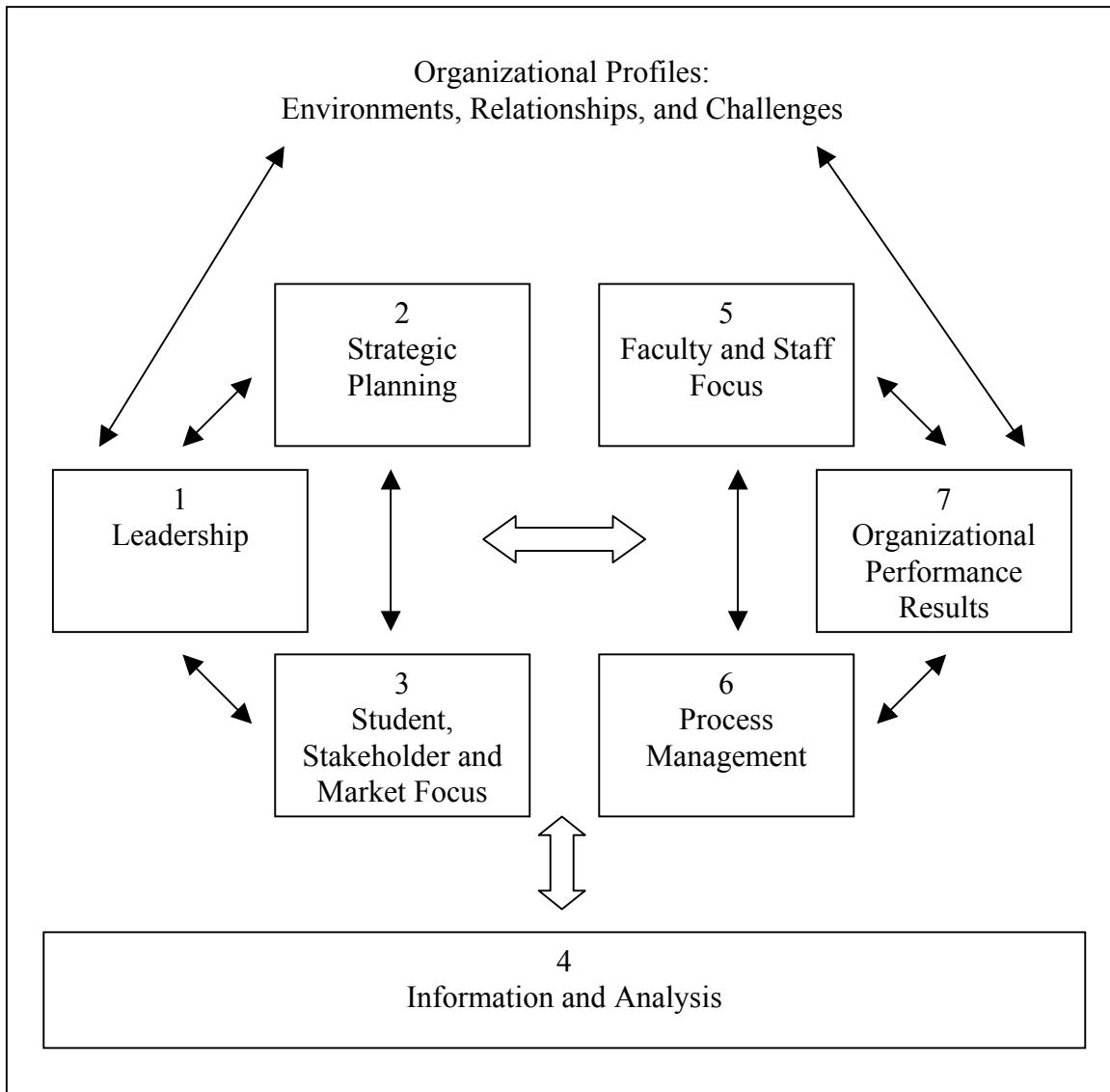
Business Administration will not fund an SBDC unless it is ASBDC accredited. SBA funding of SBDC programs is based on a matching grant award, essentially matching dollar for dollar the state and local funding level; without SBA funding, most SBDCs would cease operating.

During their annual conference in September 2002, the ASBDC presented the current version of accreditation standards for SBDCs. These standards were adapted from the Baldrige National Quality Program 2002 education criteria for performance excellence (Figure 3). The Baldrige criteria are designed to help organizations use an integrated approach to organizational performance management that results in (a) delivery of ever-improving value to students and stakeholders, contributing to improved education quality, (b) improvement of overall organizational effectiveness and capabilities, and (c) organizational and personal learning (Baldrige National Quality Program, 2002).

As one of the first statewide programs to be accredited, the SBTDC has demonstrated a leadership role in program development on a national level through its affiliation with the ASBDC. The ASBDC Accreditation Standards proposed for 2003 also are adapted from the Baldrige criteria and are comprised of six specific criteria and objectives stated as follows:

1. Leadership and organizational issues: Create an environment in which state directors and other program leaders routinely address organizational values and performance expectations; focus clearly on customers and other stakeholders; empower; stimulate learning and innovation; and set organizational directions.

Figure 3: Baldrige Education Criteria



2. Strategic planning: Implement a well-defined method to establish long-term strategy and short-term action plans to achieve that strategy; align the organization in pursuit of its long-term strategy.

3. Client and stakeholder focus: Identify and segment customers, markets and key stakeholders; determine requirements, expectations and preferences for each; build relationships; and determine satisfaction.
4. Program performance standards: create a performance management system to permit an understanding of overall organizational performance and performance in daily operations.
5. Staff qualification and resource utilization: Enable employees to develop and use their full potential to support the organization's objectives; create a work climate that is conducive to performance excellence, full participation and organization growth.
6. Process management: Establish a focus on work processes; establish methods to design, manage and improve work processes on a continuous basis, including supplier relationships (ASBDC Accreditation Standards, 2002).

The modified Delphi study conducted as part of this competency and competency model research represents a competency-based approach to linking organizational strategy to people and performance. It reflects a practical application of four of the six accreditation criteria: (a) strategic planning, (b) client and stakeholder focus, (c) program performance standards, and (d) staff qualification and resource utilization.

#### National Dichotomy

Nationally, SBDC programs approach programming through the ASBDC accreditation framework. However, each state is unique insofar as their internal and external environments, which can result in slightly different SBDCs. In 1998 Robert E. Bernier, the State Director of the Nebraska Business Development Center, authored a

paper suggesting that SBDCs predominantly function under one of two dominate models he calls the “social service model” and the “economic development model.”

The “social service model” is characterized by a belief that small businesses are fragile. They are subject to an unforgiving economy. Failure rates are high. While small business owners are generally knowledgeable in their craft or service, they are usually ignorant of business practices. The approach is a counseling approach. There is an effort to help clients understand the fragility of enterprise, since clients are presumed to be ignorant of basic business concepts and this ignorance is a primary cause of the fragility of their business. The SBDC counselor never tries to do anything for clients. Clients must be taught how to do things for themselves. Typical services include teaching of bookkeeping systems, guiding clients in their own preparation of business plans, and helping clients think through their own operating systems. Success in the social services model is measured by the prevention of failure. If, through counseling, a client learns that an employee must be terminated to achieve break-even, that is a success. If a client who wants to start a business is taught that the prospects for success are low and thus decides against starting the business, that is a success. Failure and its attendant pains are prevented” (The SBDC Dichotomy, 1997, p. 2-3).

From its inception in 1984 through 1997, the SBTDC operations more closely resembled a social service model as evidenced by (a) the types of clients served, (b) the nature of counseling provided, (c) the professional development provided, and (d) the client impact or outcomes achieved. “In the early years, 95 percent of the SBTDC’s clients were early stage start-up companies. While several clients became successful high-growth companies, SBTDC assistance usually focused on financing and business plan development” (SBTDC 2003-2007 Strategic Plan, 2003, p. 6). Within the social service strategy, SBTDC counselors were selected, hired, trained, developed, evaluated, and promoted based on the competencies deemed essential for counselors to serve pre-venture and start-up client segments. In contrast, the economic development model described by Bernier represents a very different approach to programming.

The “economic development model” is characterized by a belief that small businesses are dynamic. The capitalistic economy is surprisingly forgiving. Failure rates are exaggerated. Small business owners are viewed as smart. If they know more about their craft or their service than they do about business principles, they are presumed to be able to pick up those principles easily. The small business owner isn’t expected to know the technical details of business any more than a corporate chief who hires a consultant. The approach is a consulting approach. It is presumed that clients are unable to pay for private sector consulting services because of their size. However, it is also believed that they deserve consulting services similar to those larger companies can afford because they have the potential for growth which contributes to a growing economy. In this model, SBDC consultants are less concerned with educating clients, though education occurs, than with providing specialized technical services. Typical services include market research, loan packaging, strategic planning, inventory control systems, and even complete business plans. Success is measured by new dollars invested and new jobs created” (The SBDC Dichotomy, 1997, p. 3).

If one considers the social service and economic development models at opposite ends of a continuum, the SBTDC began effectively shifting from a social service to an economic development model in 1997 with the development of its Strategic Plan 1998-2002 (Strategic Plan 2003-2007, 2003). Influenced by Bernier’s article in 1997 and by the North Carolina Comprehensive Strategic Economic Development Plan, the SBTDC in 1998 developed its third strategic plan, in which a significant programmatic shift effectively positioned the SBTDC more closely as an economic development model.

#### SBTDC Strategic Plan

Since its inception in 1984, the SBTDC’s operations have been carried out within the framework of a strategic plan (SBDC Self-Study, 2000). The first strategic plan was developed in 1984 by Dr. E. Walton Jones, the Vice President for Research and Public Service for The UNC system (SBTDC 1998-2002 Strategic Plan, 1997). The second strategic plan was developed and implemented for the period 1993-1997. The third strategic plan, which represents the major shift by the SBTDC from a social service model to an economic development model, was developed and implemented for the period 1998-

2002. The current strategic plan for the period 2003-2007 establishes goals and objectives that perpetuate the major shift achieved through the prior plan, with more emphasis on strategy implementation (SBTDC 2003-2007 Strategic Plan, 2003).

The third and current strategic plans each contain strategic objectives for counselors to serve increasing numbers of SMEs. “The SBTDC’s objective is to take a more relationship-oriented approach with high-growth, high-impact (SMEs) clients because of their importance to the economy of North Carolina in terms of job creation and increased tax revenues” (SBTDC 1998-2002 Strategic Plan, 1997, p. 6).

The SBTDC developed its strategic plan around a portfolio strategy, which means it identified major client market segments or publics and then focused on needs-based ways to serve them. Very formal, large-scale needs assessments have been undertaken annually since 1988. The results of these assessments are used to refine existing services and develop new products and services to better serve client needs. They also provide direction as to staff training and development needs in the form of professional development. Under the 2003-2007 strategic plan the SBTDC will focus 26% of its resources on service to SMEs (SBTDC 2003-2007 Strategic Plan, 2003).

The strategic planning history of the SBTDC is evidence of the organization’s commitment to the strategic management process of environmental scanning, strategy formulation, strategy implementation, and evaluation and control. A major challenge facing the SBTDC is one of transferring its organizational competency to a “core competency,” which would be reflected in its counselors’ ability to provide strategic management counseling to the growing number of SMEs they serve.

Small and Medium-Sized Enterprises

Small and medium-sized enterprises (SMEs) play an important role as job creators and innovative engines in the economy (Postma & Zwart, 2001). The most commonly accepted definition of a small business firm is one that employs fewer than 500 people and that generates sales of less than \$20 million annually (Hunger & Wheelen, 2000). The SBA lists its definition of small business within guidelines from the Office of Size Standards. A small business defined by the SBA is determined by a combination of factors including, but not limited to, industry type, number of employees, three-year average of gross revenues, and type of SBA service requested. The general SBA definition of a small business is one that employs fewer than 500 people and generates sales of less than \$6 million annually.

The SBTDC's current definition of SMEs resulted from a refinement of its existing client segmentation approach. It states "this segment consists of small and mid-sized enterprises that have sales over \$1,000,000 and have been in business for over 3 years. Small and mid-sized enterprises tend to have moderate growth to high growth potential. Companies in this group have, or may be in the process of forming, management teams. Characteristics of small and mid-sized companies often include: a centralized organization structure; budgets, policies and procedures being initiated; medium range planning is beginning to evolve; and management group decision-making is emerging. One-to-one management counseling, training, Management Education Services (MES) and technical assistance are valuable services and programs that the SBTDC provides to the small and mid-sized (SME) segment" (SBTDC 2003-2007 Strategic Plan, 2003, p. 7).

## Family Business

Another important characteristic of SMEs is that many of them are family businesses (Hunger & Wheelen, 2000). Family businesses are the most prevalent type of business in both Canada and the US (Ibrahim, Dumas & McGuire, 2001). While the SBTDC does not track family businesses as a subcategory of SMEs, it does relegate counseling services to privately held, domestic (North Carolina) businesses, which are often family owned and operated.

The characteristics unique to family businesses have been well documented in the literature. Litz (1997) and Hollander and Ellman (1998) suggest that the overlap between both the family and the business systems and the simultaneous interactions between them account for the unique behavior of these firms. According to Churchill and Hatten (1987), family businesses go through four sequential phases from the time the venture is strictly managed by the founder to the time when the next generation takes charge. Some of the reasons why family businesses may fail to transfer ownership successfully to the next generation are that (1) inherited wealth destroys entrepreneurial drive, (2) the entrepreneur doesn't allow for a changing firm, (3) emphasis on business means the family is neglected, (4) the financial growth of the business can't keep up with rising family lifestyles, (5) members are not prepared to run a business, and (6) the business becomes an arena for family conflicts (Ward & Aronoff, 1992). The relevance of these characteristics, which are unique to family business, is that they become critical success factors in the strategic decision-making and strategic management process.

### Economic Impact

The state of small business is a major economic development factor for the SBTDC. Small business is omnipresent in our economy, accounting for a significant share of job creation, innovation, and gross domestic product. There are 22 million small businesses—over 95% of all businesses in the US (Hunger & Wheelen, 2000).

According to the ASBDC (2002), small business accounts for 99% of all US business, employs 53% of the private work force, and contributes over half of the nation's private gross domestic product. Furthermore, according to the SBA, in 2000 there were 5,812,100 employer businesses, and nearly 99.7% were small (with fewer than 500 employees), while self-employed persons were estimated at 9,907,000 (2001 Small Business Profile: United States, 2002).

In North Carolina, small business has become a major contributor to the economic success of the state to date. In 2000, the SBA reported that the number of employer businesses had increased by 2.0%, and estimated that the number of self-employed individuals had increased by 0.2%. Furthermore, the SBA suggested that there were 172,661 employer businesses, and nearly 98.0% were small in 2000. Self-employed persons were estimated at 290,640 in 2000 (2001 Small Business Profile: North Carolina, 2002).

In light of the economic data on small business, the impact of SBTDC counseling service appears impressive. According to an independent study of the SMEs who receive 5 or more hours of counseling from the SBTDC, they tend to perform significantly better than North Carolina averages. For example, the survival rate of SMEs counseled 5 or more hours exceed 85%. Counseled SMEs also average 14.5% job growth and 41.8%

sales growth versus the North Carolina average of 2.6% job growth and 3.8% sales growth (SBTDC 2001 Annual Report, 2002).

### Strategic Management

Most of the research and theory building in strategic management is associated with studies of large organizations (Fry et al., Hunger & Wheelen, 2000; Iles & Yolles, 2002). However, research on the link between strategic management and performance of SMEs supports the value of strategic management. In an article that distills 40 years of experience counseling thousands of entrepreneurs and small business owners (SMEs), Dunn & Liang (2002, p. 96) state, “a good business plan lays a proper foundation for a successful business.” According to Postma and Zwart (2001), entrepreneurial strategy making was most strongly associated with performance when the appropriate strategy was linked to environmental conditions. Furthermore, the SBTDC has recognized the need to embrace strategic management as a competency based on the result of their needs assessments for SMEs. This specific type of counseling service is proposed in the SBTDC 2003-2007 Strategic Plan (2003, p. 6) and is stated as “a broader, more holistic approach to existing business clients (SMEs) included a focus on strategic management, greater engagement...and the development of executive and management education products.”

A review of the literature on strategic management reveals a variety of definitions and models. For example, Fry, Stoner, & Weinzimmer (1999, p. 12) define strategic management by stating, “the strategic planning process provides an overview and analysis of a business and its relevant environment. It describes the firm’s current condition and recognizes the key external factors affecting its success. The process then prescribes an

outline, or action plan, of how the business will proceed to capitalize on its strengths and minimize its weaknesses and threats.”

Thompson and Strickland (2001, p. 6) define strategic management as “the managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy, and then over time initiating whatever corrective adjustments in the vision, objectives, strategy and execution are deemed appropriate.”

According to Pearce and Robinson (2000, p. 3) strategic management is defined as “the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company’s objectives.”

Hunger and Wheelen (2000, p. 3) state “strategic management is that set of managerial decisions and actions that determines the long-run performance of a corporation. It includes environmental scanning, strategy formulation, strategy implementation, and evaluation and control.”

### Strategic Management Model

The SBTDC adopted a working definition of strategic management from Hunger and Wheelen (2000), and created a job aid to be used by counselors as they engage SMEs in strategic management counseling (Figure 1). The four basic elements of the strategic management model are displayed at the top of the job aid and are defined in more detail as follows.

1. Environmental scanning: It is the monitoring, evaluating, and disseminating of information from the external and internal environments to key people within the

corporation. Its purpose is to identify strategic factors—those external and internal elements that will determine the future of the corporation.

2. Strategy formulation: It is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses. It includes defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines.
3. Strategy implementation: It is the process by which strategies and policies are put into action through the development of programs, budgets, and procedures. This process might involve changes within the overall culture, structure and/or management system of the entire organization.
4. Evaluation and control: It is the process in which corporate activities and performance results are monitored so that actual performance can be compared with desired performance. Managers at all levels use the resulting information to take corrective action and resolve problems (Hunger & Wheelen, 2000, p. 9-15).

Beneath each of the four basic elements at the top of the model are recommended counseling approaches and counselors' roles for assisting SMEs. The lower portion of the model lists methods, techniques, tools and resources to be employed by the counselor as appropriate for individual, group, and organizational interventions. The four primary categories of interventions are (1) strategic audit, (2) action retreats, (3) managing change, and (4) measurement.

## Human Resource Development

In the 1980s, the American Society for Training and Development (ASTD) commissioned two major studies in an attempt to define the field of human resource development (HRD). The first study was conducted in 1983 and the second study, conducted in 1989, sought to update the first. According to McLagan (1989), HRD is the integrated use of training and development, organization development, and career development to improve individual, group, and organizational effectiveness. Rothwell (1996) acknowledges McLagan's definition of HRD, but suggests the field is continuing to emerge—further defining itself. Zidan (2001) suggests the field of HRD is one that views humans as resources to be trained, educated, and developed within the system of an organization through the expertise of its workforce. More recently, Elwood F. Holton, III offered his perspective on the debate over a single definition of HRD. As editor of Human Resource Development Review, he wrote “Not since World War II has our profession been more in demand by organizations that need HRD to stay competitive... Will the fact that we have 1 definition or 20 definitions make any difference in how well we serve them?” (Holton, 2002, p. 275).

Ultimately, the challenge for the SBTDC is to incorporate human resources in their strategic planning activities and to develop an HRD program that supports their mission, goals, and objectives while providing a means to optimally develop their human capital. Todaro (1994) defines human capital as the productive investments in humans, including their skills and health, that are the outcomes of education, health care, and on-the-job training.

The SBTDC develops the human capital within SMEs through the strategic management counseling process. Their Management Education Services are intended to facilitate individual, group and organizational learning in the context of strategic management. Because much of the literature on HRD and strategic management is generated from research from large organizations (Spencer & Spencer, 1993; Green, 1999; ASTD, 2001), the needs assessments performed by the SBTDC since 1988 are critical to program effectiveness. As suggested by Iles and Yolles (2002), in order to analyze the nature and role of HRD in SMEs, it is necessary to analyze SMEs and their similarities to and differences from large organizations. In many cases, the strategic management process is scaled down to the capacity of the SME and its ability to implement recommendations, action plans, and ultimately, strategy (SBTDC Management Education Handbook, 2002).

#### Training and Development

In 1983 the ASTD sought to build upon 25 previous years of fieldwork surrounding training and development (TD) with the publication of their competency study, Models for Excellence: The Conclusions and Recommendations of the ASTD Training and Development Competency Study (1983). This work was updated in 1989 with the second ASTD study in which McLagan (1989) defined TD as identifying, assuring, and helping develop, through planned learning, the key competencies that enable individuals to perform current or future jobs. Indeed, much of the literature on TD tends to be more narrowly focused than HRD on nurturing and strengthening competencies of the individual and the organization (Spencer & Spencer, 1993; Rothwell, 1996; Green, 1999; Lucia & Lepsinger, 1999; Sumerall, Lopez & Oehlert, 2000). “ Many experts make

a distinction between training, which tends to be more narrowly focused and oriented toward short-term performance concerns, and development, which tends to be oriented more toward broadening an individual's skills for the future responsibilities," according to Bohlander, Snell & Sherman (2001).

An effective training and development system must take a long-term view of organizational needs, and it must focus on developing the talent currently available in the work force in order to meet these needs (Lucia and Lepsinger, 1999). For the ASBDC and SBTDC, the TD system for developing the talent within the SBDC network has fallen squarely on the shoulders of their respective continuing professional education managers. CPE has been a burgeoning industry since the 1980's. As stated by Cervero (1989, p. 515) "in building their continuing education systems, most professions have relied for guidance and models on the distinctive knowledge base and structures of their own professions."

#### Continuing Professional Education

From a national peer perspective, the ASBDC Professional Development Standards committee was established in 1997 by its board of directors to advance the strategic plan of the ASBDC in the specific area of professional development (ASBDC, 2002 [On-line]). In its national fax-back survey of SBDCs, which identified core competencies from the business counselor's point of view, the committee referred to core competencies as "skills deemed necessary for an SBDC counselor to be effective" (ASBDC Professional Development Report, 1999, p. 10). The survey asked counselors to rate topics they felt were critical for a new counselor to understand in order to successfully serve clients needs. The top 12 topics identified in the survey in order of

ranking were (1) listening/communication, (2) cash flow, (3) business planning, (4) financial statements, (5) starting a new business, (6) requirements for financing, (7) sources of financing, (8) market planning, (9) budgeting, (10) record keeping, (11) break-even analysis, and (12) need for capital (ASBDC Professional Development Report, 1999).

It is significant that in the national study strategic management and strategic management counseling were not listed as core competencies. Therefore, the ASBDC is currently not in a strong position to offer guidelines on strategic management competencies. As more SBDCs shift from a social service model to an economic development model, however, newly targeted SME clients and their needs will influence a change in core competencies nationally.

In recognition of the importance of professional development to the organization, the SBTDC committed substantial efforts and resources to establish a continuing and professional education program in 1993. Since then, the goal has been to ensure that both professional and administrative staff continually improves their knowledge, skills and attitudes. The two primary objectives of the CPE program are (1) to provide equitable distribution of professional development opportunities for all personnel, and (2) to provide effective use of SBTDC resources (SBTDC Administrative and Operations Manual, 2002).

In 1994 the CPE committee implemented individual career development plans, continuing education requirements for all personnel, and a budget to fund professional development. Then, from 1995 to 1996 the CPE committee defined, identified and began to develop their core competency program. These core competencies were separated into

3 classifications, which are (a) organizational knowledge, (b) counseling skills and (c) technical skills. Within technical skills, 5 core competencies were identified, including finance, marketing, human resources, business formation, and strategic management (PD Core Competency Handbook, 2002). Of these, only finance has been developed and implemented.

### Competence

A review of the literature on competence reveals a variety of definitions for competency and competency models. For example, Klemp (1980) states that a competency is “an underlying characteristic of a person which results in effective and/or superior performance on the job” (Boyatzis, 1982, p. 21; Lucia and Lepsinger, 1999, p. 5). According to Spencer and Spencer (1993, p.9) “a competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation.”

Several hundred experts in human resources development who attended a conference on the subject of competencies in Johannesburg, South Africa in 1995 generated a synthesized definition of competency, which states “a cluster of related knowledge, skills and attitudes that affects a major part of one’s job (a role or responsibility), that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development” (Parry, 1996, p. 50).

Rothwell (1996, p. 263) defines a competency as “the underlying characteristics of successful performers, which can include bodies of knowledge, skills, traits, abilities, attitudes, or beliefs.” And The National Academy of Public Administration defines

competency as “the capabilities or traits that allow an employee to achieve superior job performance” (New Times, New Competencies, New Professionals, 1997, p. 1). The NAPA definition was adapted from competency definitions of Richard E. Boyatzis, the frequently cited source of competency research and author of The Competent Manager (1982).

The SBTDC’s continuing and professional education committee adopted the “Johannesburg” definition in 1997 as they began to implement the professional development strategic objective outlined in their strategic plan. The professional development objective is “to provide the opportunity for the SBTDC’s staff to acquire the knowledge, skills, and abilities necessary to provide consistent, high quality services to all market segments of the SBTDC’s client base” (SBTDC 1998-2002 Strategic Plan, 1997, p. 10).

In a pragmatic approach, competencies are the building blocks of competency models. For example, Boyatzis (1982) states that because the competencies are related to effective performance of a particular job within a specific organizational environment, models must be developed and tested on many, and eventually all of the jobs and job families within an organization.

### Competency Models

Organizations may implement competency models for many reasons, including downsizing and restructuring, preparing for the future, improving performance, and implementing corporate strategy. Competency models are most widely used in training and development programs to help current employees understand the need for and learn how to change (NAPA, 1997). According to Boyatzis (1982), competency models

identify and group the competencies needed to perform in the context of a person's job roles, responsibilities and relationships in an organization and its internal and external environments. A competency model describes the particular combination of knowledge, skills and characteristics needed to effectively perform a role in an organization and is used as a human resource tool for selection, training and development, appraisal, and succession planning (Lucia & Lepsinger, 1999). Competency models provide a framework for linking strategies to people and performance.

The body of knowledge that represents competence and competency models is relatively new—about three decades. In the early 1970s, David C. McClelland, a distinguished psychologist with particular interests in motivation and achievement, began developing and testing competency models (Spencer & Spencer, 1993; Lucia & Lepsinger, 1999). In 1982 Richard E. Boyatzis published The Competent Manager, which applied much of the competency-based research of the day to effective job performance (NAPA, 1997; Green, 1999). In the early 1990s, Lyle and Singe Spencer published Competence at Work (1993), which summarized the findings of 286 studies conducted in various types of organizations, resulting in a competence dictionary for 21 competencies that distinguish superior from average performers in middle-to upper-level jobs (Green, 1999; Lucia & Lepsinger, 1999; Stoof et al., 2002). Both McClelland (1973) and Spencer and Spencer (1993) can be considered as representatives of the competence movement in the field of HRD (Stoof et al., 2002).

The literature indicates that many professionals continue contributing to the field of competence research, linking competency-based human resource systems to business

strategy and change management (Brotherton & Watson, 2001; Zidan, 2001; Iles & Yolles, 2002; Stoof et al., 2002).

Research by the NAPA (1997) indicates several common characteristics among competency models:

1. Competency models stimulate response to change.
2. Models facilitate defining new roles and responsibilities as well as competencies.
3. Models can be future-focused.
4. Modeling helps identify the changes needed.
5. Models need to be customized so that the level and importance of some competencies can be prioritized for the specific organization.

For the purpose of example, I have adapted a generic competency model (Figure 4) to reflect the SBTDC core competencies of (a) organizational knowledge, (b) counseling skills, and (c) technical skills. The competency items represent the individual competency items that represent the cluster of related knowledge, skills and attitudes for each core competency in the model. Significantly, there are no attitudes competency items listed within the competency model, which appears inconsistent with the SBTDC's adopted definition of competency. Finance is the only technical skill developed and implemented at the time of this study.

Figure 4: SBTDC Core Competency Model

Competency Items		SBTDC Position				
		Administrative Assistant	Case Mgmt. Specialist	Business Counselor	Assistant Director	Regional Director
Organizational Knowledge	<ul style="list-style-type: none"> <li>▪ History: National, State &amp; Regional</li> <li>▪ Organizational Mission</li> <li>▪ Strategic Plan</li> <li>▪ Client Segments</li> <li>▪ Client Volume &amp; Demographics</li> <li>▪ Products &amp; Services</li> <li>▪ Organizational Structure</li> <li>▪ Funding &amp; Key Partners</li> <li>▪ Standards of Conduct</li> <li>▪ Professional Development</li> </ul>	Applicable	Applicable	Applicable	Applicable	Applicable
Counseling Skills	<ul style="list-style-type: none"> <li>▪ Elements of a Counseling Session</li> <li>▪ Counseling Approaches</li> <li>▪ Roles of a Counselor</li> <li>▪ Active Communication</li> </ul>			Applicable	Applicable	Applicable
Technical Skills Finance	<ul style="list-style-type: none"> <li>▪ Capital Sources</li> <li>▪ Financial Proposal Preparation</li> <li>▪ Lending Processes &amp; Practices</li> <li>▪ Capital Structure</li> </ul>		Applicable	Applicable	Applicable	Applicable

### Competency Model Development

The literature suggests a number of methods and techniques for developing competency models. While some processes are more elaborate than others, they all tend to follow an intuitive and sequential process of (1) job task analysis within the context of the organization, (2) identification of key competencies, knowledge, skills, abilities and other attributes, (3) analysis of data and develop of an interim competency model, and (4)

validation of the competency model (Spencer & Spencer, 1993; NAPA, 1997; Green, 1999; Lucia & Lepsinger, 1999). Central to this modified Delphi study was the “expert panel” from which opinions of competency items were solicited. Therefore, to further illustrate the competency model development process, I selected a short job competency assessment (JCA) model process recommended by Spencer & Spencer (1993, p. 107). The model features data primarily from an expert panel such as in a Delphi study.

Step 1. Convene an expert panel.

- a. Complete a Delphi survey that assesses competencies required for threshold performance in the job (core competencies).

Step 2. [Optional] Conduct Behavioral Event Interviews (BEIs).

- a. If possible, a few superior incumbents are interviewed to confirm and provide narrative examples of competencies identified by the expert panel.

Step 3. Analyze data and develop a competency model.

- a. Data from the expert panel and superior incumbents are content analyzed to identify behaviors and personality characteristics that (1) distinguish superior from average job incumbents, or (2) are demonstrated by all incumbents adequately performing the job.

Step 4. Validate the competency model.

- a. A competency model can be quickly validated by rating or ranking a criterion sample of superior and average performers on the competencies identified in Step 3 and confirming that superior performers are ranked higher than average on the competencies.

## Conceptual Framework

A review of the literature suggested the SBTDC is an organization that is shifting its strategic position from a social service model to an economic development model. In doing so, the organization has elected to develop a competency-based HRD system as a means to implement that shift. This is outlined in the SBTDC strategic plan, most notably within their strategic objective for professional development. The major aspects of this initiative include the creation of a standing CPE committee and the implementation of a core competency program for all their employees.

The literature further indicated the SBTDC developed its strategic plan around a portfolio strategy, which means it identified major client market segments or publics, and then focused on needs-based ways to serve them. Very formal, large-scale needs assessments have been undertaken annually since 1988. The results of these assessments were used to refine existing services and develop new products and services to better serve client needs. The assessments also have influenced the development of their core competency initiative.

The literature further indicated that SMEs are a major client market segment served by the SBTDC, and that SMEs receive a significant portion of the SBTDC's counseling services. Furthermore, the SBTDC has recognized the need to embrace strategic management and strategic management counseling as a competency based on the result of their needs assessments for SMEs. This specific type of counseling service was proposed in the SBTDC 2003-2007 Strategic Plan (2003, p. 6) and the statement "a broader, more holistic approach to existing business clients (SMEs) included a focus on

strategic management...and the development of executive and management education products.”

A review of the literature confirmed the absence of identified strategic management counseling competencies essential for counselors of the SBTDC to provide strategic management counseling to SMEs; it also suggested that there is no clear understanding or consensus of the competency areas essential for counselors to perform strategic management counseling with SMEs. Competency-based HRD systems may be helpful to organizations as they link strategy to people and performance. Once competencies are identified, a competency model can be developed that would have a direct bearing on selection, training and development, evaluation and promotion of employees.

This modified Delphi study began the process of developing a strategic management counseling competency model by identifying the competency items essential for a counselor to provide strategic management counseling to SMEs. The initial round questionnaire was “modified” to solicit opinions of the expert panel on strategic management counseling competencies in the areas of environmental scanning, strategy formulation, strategy implementation, evaluation and control, and other competencies. The literature suggested the Delphi method is a valid and reliable approach to this task and a recommended “first step” in developing a competency model (Dalkey, 1969; Delbecq, Van de Ven & Gustafson, 1975; Weaver, 1988; Ruhland, 1993; Spencer & Spencer, 1993; Lucia & Lepsinger, 1999).

For the purpose of example, I adapted a generic competency model to depict the SBTDC strategic management counseling competency model (Figure 5). The model also

depicts the competency items by categories of knowledge, skills, and attitudes. This was done to more accurately reflect the SBTDC's adopted definition of competency. The review panel took steps to minimize confusion on the definitions for competency, competency items, and competency model. To accomplish this, the SBTDC's adopted definition of competency was listed in the survey questionnaires because it was familiar to the expert panel members. The model below features knowledge, skills and attitudes competency items that represent a strategic management counseling competency.

Figure 5: Strategic Management Counseling Competency Model

		SBTDC Positions				
		Administrative Assistant	Case Mgmt. Specialist	Business Counselor	Assistant Director	Regional Director
Strategic Management Counseling	Competency Items			Applicable	Applicable	Applicable
	<ul style="list-style-type: none"> <li>▪ Knowledge</li> <li>▪ Skills</li> <li>▪ Attitudes</li> </ul>					

## CHAPTER 3

### METHODOLOGY

#### Delphi Technique

A modified Delphi technique was selected to identify the competency items essential for a counselor to provide strategic management counseling to SMEs. The Delphi technique is a method for the systematic solicitation and collation of judgments on a particular topic through a set of carefully designed sequential questionnaires interspersed with summarized information and feedback of opinions derived from earlier responses (Delbecq, Van de Ven, & Gustafson, 1975). Norman Dalkey and Olaf Helmer are generally credited with developing this research method for the Rand Corporation during the 1950s as a tool for forecasting military priorities (Murry & Hammons, 1995).

The process of Delphi consists of a series of rounds of survey questionnaires. In a traditional Delphi study, the first round would consist of participants responding to a broad question, while each additional round would build upon the responses gleaned from earlier rounds. The process is terminated when consensus is reached (Delbecq et al., 1975), and literature indicates that consensus can be reached in three rounds (Ruhland, 1993). According to Linstone and Turoff (1975), most commonly, three rounds proved sufficient to attain stability in the responses; further rounds tended to show very little change and excessive repetition was unacceptable to participants.

The true Delphi technique starts with an open-ended question that is given to participants to solicit opinions about one or several aspects of the topic (Ruhland, 1993). A “modified” version of Delphi dispenses with the traditional open-ended questionnaire and begins with a structured questionnaire (Murry & Hammons, 1995).

### Delphi Technique Advantages

According to the literature, the Delphi technique has several advantageous features, which include (1) anonymity, (2) written responses, (3) controlled feedback, and (4) statistical group responses (Dalkey, 1969; Delbecq et al., 1975). Among its advantages is the fact that participants do not have to meet face to face, respondents may remain anonymous, domination by individuals is prevented, adequate time is provided for thinking and reflection, participants are granted flexibility in responding, and conformity issues are avoided (Linstone & Turoff, 1975; Weaver, 1988; Ruhland, 1993). According to Sackman (1975), the Delphi method is generally fast, inexpensive, easy to understand, and versatile in the sense that it can be applied wherever expert opinion is believed to exist.

### Delphi Technique Disadvantages

According to Sackman (1974) in the absence of a comprehensive survey of the extensive applications literature, it is suggested, but not proven, that the results of most Delphi experiments are probably unreliable and invalid. The literature suggests that Delphi study reliability depends greatly on the abilities of the respondent group or experts to “perform” by completing the necessary rounds and communicating accurately (Dalkey, 1969; Delbecq et al., 1975; Linstone & Turoff, 1975; Sackman, 1975 Murry & Hammons, 1995). Furthermore, the literature suggests that questions formulated by the researcher (Appendix C) may influence the panel responses (Dalkey, 1969; Sackman, 1975 Murry & Hammons, 1995).

## Research Design

This modified Delphi technique followed a research design process outlined by Delbecq et al., (1975, p. 87), and featured questions in Round I based on the SBTDC's strategic management model. The review panel elected to solicit competency items from the expert panel members using the SBTDC's adopted definition for competency. The process outlined below took 122 days to complete, which included the selection of the review panel, expert panel, pilot tests, email transmissions and final report:

1. Select the review panel and pilot test group members.
2. Develop and test the Round I, II and III Letters and Survey Questionnaires.
3. Select and contact the expert panel by phone.
4. Email the Round I Letter and Survey Questionnaire to the expert panel.
5. Analyze the expert panel responses to the Round I Survey Questionnaire.
6. Email the Round II Letter and Survey Questionnaire to the expert panel.
7. Analyze the expert panel responses to the Round II Survey Questionnaire.
8. Email the Round III Letter and Survey Questionnaire to the expert panel.
9. Analyze the expert panel responses to the Round III Survey Questionnaire.
10. Prepare the final report.

The literature supports the validity and reliability of the Delphi technique for technological forecasting of future events, problem solving, decision making, assisting with strategic planning, developing goals and objectives, curriculum improvement, and group consensus reaching in a wide variety of areas (Delbecq et al., 1975; Linstone & Turoff, 1975; Murry & Hammons, 1995). It is particularly appropriate when the purpose of the study is to elicit subjective opinions and responses from a group of individuals who

are geographically separated from one another and when precise statistical analysis cannot be utilized because of the nature of the study (Murry & Hammons, 1995).

To conduct the Delphi process, Turoff (1970) suggests at least three separate groups of individuals that perform three different roles:

1. Decision maker(s): The individual or individuals expecting some sort of product from the exercise, which is used for their purposes.
2. A staff group: The group that designs the initial questionnaire, summarizes the returns, and redesigns the follow-up questionnaires.
3. A respondent group: The group whose judgments are being sought and who are asked to respond to the questionnaires (Delbecq et al. 1975).

#### Review Panel

The first of two panels I assembled was the review panel. The review panel was comprised of four members: one researcher (myself), one decision maker, one academician and one SME client (Appendix B). As researcher, it was my responsibility to select the review panel, test group and expert panel for this modified Delphi study. I was also responsible for documenting and sharing the research activities of the Delphi study with the review panel. The review panel was modified to satisfy all the recommendations made by my dissertation committee, which enhanced this study. The review panel was a heterogeneous group that included members internal and external to the SBTDC who were experienced with delivering or receiving strategic management counseling, and who were credentialed academicians or experienced SME clients.

The first member selected to the review panel was Marc King, a decision maker. Mr. King is Deputy State Director for the SBTDC, a member of the SBTDC's Continuing

and Professional Education committee, and has Management Education Services responsibility. He holds an undergraduate degree in Industrial Engineering from North Carolina State University, and a graduate degree in Christian Counseling. He also owned and operated an SME.

The second member selected to the review panel was Dr. Shahriar Mostashari, Dean of the Lundy-Fetterman School of Business at Campbell University and Acting Director of Campbell's Center for Entrepreneurship. Dr. Mostashari's academic background includes entrepreneurship, strategic management and decision science. He holds an undergraduate degree in mathematics from Golden Gate University and a PhD in Economics from North Carolina State University.

The third member selected to the review panel was Dr. Kevin Concannon, a managing partner of Veterinary Specialty Hospital, Inc., an SME. He minored in biochemistry before completing his Doctor of Veterinary Medicine degree at the University of Missouri. Dr. Concannon is primarily responsible for managing the business side of the practice where he gained direct experience with strategic management counseling from SBTDC counselors.

The review panel constituted the work group, or those who were used throughout the study to help refine the survey instruments and to provide an external source of checks and balances. Members of the review panel were informed that they would be tasked with assisting in the development and administration of the surveys, and each agreed to serve as requested for this Delphi study.

### Pilot Study

A test group of three professional researchers was assembled to serve as a pilot study group to help the review panel develop the modified Delphi survey instruments. The members of the test group were Carol McLaurin, Jeff DeBellis and Shawn Mastro. Ms. McLaurin is the Director of Business and Research Services for the SBTDC. Mr. DeBellis and Mr. Mastro both work as research specialists in the SBTDC Business and Research Services department. While their strategic management counseling experience was limited, they had provided direct support to counselors engaged in strategic management counseling with SMEs. All three members of the test group were considered professional researchers who brought extensive qualitative and quantitative research expertise to this Delphi study.

The test group was used to help refine the survey instruments and to provide technical expertise with respect to instrument design. Members of the test group were informed that they would be tasked with assisting in the development of the survey questionnaires, and each agreed to serve as requested for this Delphi study.

### Expert Panel

The second of two panels assembled by the researcher was the expert panel or respondent group. Expert panel members included all SBTDC counselors who provided strategic management counseling to SMEs and received counseling evaluations of very good to excellent from those SMEs. Furthermore, all of the expert panel members successfully completed continuing and professional development activities focused on Management Education Services and received performance evaluations of very good to outstanding from their supervisors (Appendix A). Expertise implies that the individual

panelists have more knowledge about the subject matter than most people, or that they possess certain work experience, or are members in a relevant professional association (Hill & Fowles, 1975; Whitman, 1990, cited by Murry & Hammons, 1995). The expert panel constituted the respondent group, or those whose judgments were sought by responding to the survey questionnaires.

The expert panel (Table 1) selected for this study was comprised of 17 SBTDC counselors who qualified as “experts” because they all had delivered strategic management counseling to SMEs; they all had been evaluated as very good to excellent by the SMEs they assisted; they all had completed continuing and professional development activities for MES; and they all had been evaluated as very good to outstanding by their supervisors. As noted by Dalkey (1969), the “Delphi” experiments suggest that it is not a great loss to include less knowledgeable individuals, since they are more likely to improve on iteration than the more informed (or at least the more accurate) individuals. The expert panel for this study was homogeneous and consisted of SBTDC counselors who shared a common organizational knowledge. All the expert panelists met the established selection criteria. The literature was mixed about the optimal size for a Delphi panel (Murry & Hammons, 1995). However, according to Delbecq et al., (1975), with a homogeneous group of people, ten to fifteen participants might be enough.

It should be noted that homogeneity within the expert panel includes factors such as shared organizational culture, common organizational knowledge and similar professional development background. The review panel took no specific steps in the research design to eliminate or minimize these potentially influential factors, however, they should be considered in light of the competency findings.

Table 1: Study Population

Number	Title	Definitions
53	Total Counselor Population	Total SBTDC counselor population from which the expert panel was selected.
17	Expert Panel	Sample SBTDC counselor population who completed the commitment form and Round I.
0	Non-Continuing Expert Panel	Sample SBTDC counselor population who did not complete the commitment form and Round I.
17	Continuing Expert Panel	Sample SBTDC counselor population who completed Round II.
0	Non-Continuing Expert Panel	Sample SBTDC counselor population who did not complete Round II.
17	Completer Expert Panel	Sample SBTDC counselor population who completed Round III.

### Instrument Design

After completing the literature review and selecting the modified Delphi technique, the review panel, test group, and expert panel were assembled. The expert panel and test group provided assistance with instrument design. This was primarily a competency study, so the review panel selected the SBTDC's adopted definition of competency for use in the survey questionnaire because the expert panel members were familiar with it. In actuality, the expert panel identified a cluster of competency items (knowledge, skills and attitudes) that represents a strategic management counseling competency.

The review panel and test group incorporated the strategic management model into the instrument design because it provided an ideal framework for the following reasons:

1. It communicated the counselor's role as a change agent in the process of providing strategic management counseling to SMEs.
2. It listed the products and services provided by the counselor, including individual, group and organizational interventions.
3. It depicted strategic management in terms of environmental scanning, strategy formulation, strategy implementation, and evaluation and control.
4. It implied that strategic management is how successful organizations (SMEs) move from their present position to a desired future position.

The Round I survey questionnaire featured 5 questions focused on strategic management counseling competencies. The first 4 questions represented each area of the strategic management model plus a fifth question for "other" competencies to accommodate broad responses and strengthen the instrument design (Appendix C).

The Round II survey questionnaire featured a 5-point Likert scale focused on competency items identified by the expert panel in Round I. The competency items were listed within categories of knowledge, skills, and attitudes to be consistent with the SBTDC's adopted definition of competency and to enhance the instrument design (Appendix D).

The expert panel successfully identified the strategic management counseling competency at the conclusion of Round II, so as a matter of interest, the review panel wanted to determine a final rank order of the competency items. The Round III survey questionnaire featured the competency items identified by the expert panel in Round II. The expert panelists were instructed to assign a final rank order to the competency items.

In addition, the expert panelists were asked to provide suggestions for professional development within the SBTDC (Appendix E).

## Data Gathering

The entire data gathering process was accomplished primarily by email with minimal telephone contact. I documented and disclosed the data gathering activities throughout the study to maintain respondent anonymity and minimize review panel bias.

The Round I cover letter and survey questionnaire was emailed to the entire expert panel with instructions to complete it and return it by email to the researcher within three working days. A simple coding system enabled the researcher to determine which survey questionnaires had not been returned by the due date, and follow-up reminders were made the next day. All 17 members of the expert panel completed Round I.

The Round II cover letter and survey questionnaire was emailed to the entire expert panel with instructions to complete it and return it by email to the researcher within three working days. A simple coding system enabled the researcher to determine which survey questionnaires had not been returned by the due date, and follow-up reminders were made the next day. All 17 members of the expert panel completed Round II.

The Round III cover letter and survey questionnaire was emailed to the entire expert panel with instructions to complete it and return it by email to the researcher within three working days. A simple coding system enabled the researcher to determine which surveys had not been returned by the due date, and follow-up reminders were made the next day. All 17 members of the expert panel completed Round III.

## Data Analysis

The review panel employed a combination of qualitative and quantitative techniques to design and implement the survey questionnaires and to analyze the data generated by the expert panel responses.

### Round I Analysis

The Round I survey questionnaire focused on having the expert panel identify strategic management counseling competency items. Upon receipt of the entire Round I survey questionnaires, the review panel prepared a comprehensive summary of all the data. Then the review panel analyzed the data in order to consolidate duplicate responses, eliminate redundancy and generate identified competencies items. The results of this activity produced 52 competency items identified by the expert panel in Round I (Tables 2, 3 and 4). The items were categorized by knowledge, skills and attitudes in order to remain consistent with the SBTDC's adopted definition of competency, enhanced the Round II survey questionnaire and improve modified Delphi study in general.

### Round II Analysis

The Round II survey questionnaire focused on having the expert panel rate, in terms of importance, all 52 of the competency items identified in Round I. Upon receipt of the entire Round II survey questionnaires, the review panel calculated the mean, median, and standard deviation for each competency item (Tables 5, 6 and 7). The mean and median were calculated based on the Likert scale of 0 = not important, 1 = slightly important, 2 = moderately important, 3 = important, and 4 = critical. Using this Likert scale, the review panel determined that a mean of 3 or greater and a median of 3 or greater suggested that the expert panel rated the competency item as important. The review panel initially accepted 32 competency items to be "essential" for providing strategic management counseling to SMEs.

The review panel calculated the standard deviation for each competency item based on the same Likert scale. A competency item with a standard deviation of 1.00 or

less would have indicated that 66% of the expert panel members were in consensus on a given competency item rating. However, the sample size of the expert panel was too small (17 members), which made the use of the standard deviation invalid for the purpose of determining consensus. The sample would have to have been larger (35 members or greater) to represent a normal distribution and make the standard deviation valid.

The review panel erroneously included the standard deviation criteria in accepting or rejecting Round II competency items. As a result, the Round III survey questionnaire should have included two additional skills competency items, one for strategic thinking (conceptual, analytical and action phases) skills and one for action planning skills for strength, weakness, opportunity, threat (SWOT) analysis and prioritizing skills. The review panel subsequently accepted 34 competency items rated as important to be “essential” for providing strategic management counseling to SMEs. (Tables 8, 9 and 10).

### Round III Analysis

Upon the conclusion of Round II, the review panel had initially accepted 32 competency items representing a strategic management counseling competency. As a matter of interest, the review panel wanted to obtain a final ranking of the competency items and determine the association between Round III and Round II rankings for similar competency categories. In order to accomplish this, the review panel initially ranked (using the statistical mean from Round II) the competency items within each category of knowledge, skills and attitudes.

The Round III survey questionnaire was designed and implemented prior to discovering the standard deviation error in Round II. Ideally, the Round III survey questionnaire would have listed all 34 of the competency items including the two

competency items erroneously eliminated by the standard deviation criteria. Regardless, the Round III survey questionnaire focused on having the expert panel members assign a final rank to the initial 32 competency items identified in Round II.

The review panel's research hypothesis was that a Round III final ranking was related to its corresponding Round II mean ranking for similar competency categories. The rank correlation coefficient, a statistic developed by C. Spearman in 1904, was used to accomplish this. It is so named because it is the correlation coefficient between two variables where the variables are expressed as ranks (Khazanie, 1997). It was most useful to the review panel for analyzing the relationship between Round III and Round II rankings; two variables that could not be expressed by exact measurement, but from which ranked data were obtained. The review panel conceded that rank correlation coefficient would have been more valid and reliable if the Round II survey questionnaire featured a rank instruction similar to Round III.

Once the rank correlation coefficient was calculated for the knowledge, skills and attitudes categories, a test statistic was employed to verify the research hypothesis that the Round III and Round II rankings were related. The review panel selected a test statistic value of 1.960 or greater, which represents a 5% level of significance. The level of significance is the probability of erroneously accepting the research hypothesis as true, when in fact it is not true.

In addition, the review panel prepared a summary of the suggestions for professional development within the SBTDC. The findings, reported in Chapter Four, include an interim strategic management counseling competency model (Figure 6) that

includes 34 essential strategic management counseling competencies listed within categories of knowledge, skills and attitudes.

#### Modified Delphi Study Discussion

The review panel modified the Round I survey questionnaire to feature the SBTDC's strategic management model in an open-ended format to elicit individual judgments and opinions from the expert panel members on strategic management counseling competencies. In essence, Round I was a brainstorming or divergent thinking session. The modified process assured that important statements, which otherwise might have been omitted, were included by the researcher (Ruhland, 1993). After the entire Round I survey questionnaires were returned, the review panel compiled and synthesized the responses, and then prepare the Round II survey questionnaire.

The Round II survey questionnaire featured a more traditional Delphi approach by having the expert panelists rate, in terms of importance, the responses developed during Round I. Typically the ranking and/or rating are done on a Likert scale (Linstone & Turoff, 1975; Murry & Hammons, 1995). When the entire Round II survey questionnaires were returned, the review panel tabulated the results, and then calculated the mean, median and standard deviations for each competency item. Although the standard deviation was invalid because of the small sample population ( $N = 17$ ), the review panel concluded that the expert panel had identified a cluster of competency items that represented a strategic management counseling competency. Unfortunately, the literature offers little guidance, since there is no agreement concerning the minimum percentage necessary to declare consensus (Murry & Hammons, 1995).

Since the primary objective of a Delphi study is the achievement of consensus, the review panel was satisfied that the modified Delphi study accomplished its purpose during Round II. The expert panel members successfully identified a strategic management counseling competency essential for counselors to provide strategic management counseling to SMEs. Therefore, the review panel modified the Round III survey questionnaire to solicit the judgments and opinions of the expert panel members as to final rankings of the competency items within each category of knowledge, skills and attitudes. The results of Round III provided the review panel with additional information regarding the final rankings and their association to the Round II results. The review panel was not particularly concerned with the validity and reliability of the Round III research methods.

## CHAPTER 4

### FINDINGS

The problem facing the SBTDC is how to prepare counselors to provide strategic management counseling to SMEs, thereby achieving several of their strategic objectives. This chapter presents the findings of a modified Delphi study designed to identify the competencies (competency items within knowledge, skills, and attitudes) that are essential for counselors to provide strategic management counseling to SMEs. The competency study was accomplished using three rounds of email survey questionnaires to seventeen expert panelists as outlined in chapter three.

#### Restatement of the Research Question

The research question was stated as follows: What competencies are essential for a counselor to provide strategic management counseling to small and medium-sized enterprises?

#### Delphi Panel Profile

The sample ( $N = 17$ ) for this modified Delphi study included all SBTDC counselors who provided strategic management counseling to SMEs and received counseling evaluations of very good to excellent from those SMEs. Furthermore, all of the expert panel members had successfully completed continuing and professional development activities focused on strategic management and received performance evaluations of very good to outstanding from their supervisors (Appendix A).

Analysis of the demographic data for the expert panel members completing this study showed the following profile:

1. The expert panel contained 17 counselors out of a total population of 53 counselors statewide or 32%.
2. The expert panel contained 14 male counselors out of a total population of 38 male counselors statewide or 37%.
3. The expert panel contained 3 female counselors out of a total population of 15 female counselors statewide or 20%.
4. The expert panel contained 82% male and 18% female out of a total population of 72% male and 28% female statewide.
5. The expert panel contained 0 minority counselors out of a total population of 5 minority counselors statewide or 0%.
6. The expert panel contained representatives from 9 out of a total population of 11 regions statewide or 82%.

Seventeen survey questionnaires were emailed in Round I to the expert panel. Response data were collected during the month of May 2003. Thirteen responses were collected within five working days. Follow-up reminders were made to the remaining four expert panelists who completed their survey questionnaires within ten additional working days yielding a 100% response rate to Round I. The review panel compiled all the responses from the expert panelists in order to perform the qualitative analysis necessary to develop the Round II survey questionnaire. This was, by far, the most challenging and time consuming task for the review panel during the entire study.

Seventeen survey questionnaires were emailed in Round II to the expert panel. Response data were collected during the month of June 2003. Fifteen responses were collected within five working days. Follow-up reminders were made to the remaining two

expert panelists, who completed their survey questionnaires within ten additional working days, yielding a 100% response rate to Round II. The review panel compiled all the responses from the expert panelists in order to perform the quantitative analysis necessary to develop the Round III survey questionnaire.

Seventeen survey questionnaires were emailed in Round III to the expert panel. Response data were collected during the month of July 2003. Fourteen responses were collected within five working days. Follow-up reminders were made to the remaining three expert panelists, who completed their survey questionnaires within ten additional working days, yielding a 100% response rate to Round III. The review panel compiled all the responses from the expert panelists in order to perform the quantitative analysis necessary to conclude Round III. Furthermore, the review panel involvement in the entire research activity was documented by the researcher and disclosed to the review panel throughout the entire study.

#### Identified Competencies

A modified Delphi technique was selected to identify competencies (competency items within knowledge, skills, and attitudes) essential for a counselor to provide strategic management counseling to SMEs. The Delphi technique is a method for the systematic solicitation and collation of judgments on a particular topic through a set of carefully designed sequential questionnaires interspersed with summarized information and feedback of opinions derived from earlier responses (Delbecq, Van de Ven, & Gustafson, 1975).

### Delphi Round I

The purpose of Round I was to solicit the opinions of experts as to competencies they felt were needed for counselors to provide strategic management counseling to SMEs. Five questions were posed in the Round I survey questionnaire (Appendix C) that provided the expert panelists an opportunity to focus on strategic management counseling. Because the questions were so interrelated to strategic management, there was significant duplication and redundancy in the responses. Many responses included references to previous responses, such as “same as above” and “see response to previous question”.

Transferring the Round I results from a broad, divergent, conceptual level into a specific, convergent, discrete level was by far the most challenging aspect of the research study. To accomplish this task, the review panel collaborated to generate themes, categories and affinity groupings of the responses. Many of the responses were easily categorized by functional area of business such as management, marketing, finance, human resources, information technology, operations and others; many were easily categorized by area of environmental scanning, strategy formulation, strategy implementation, and evaluation and control. All of responses were most accurately and naturally listed as competency items within categories of knowledge, skills and attitudes.

It was during this phase of the modified Delphi study that a critical decision was made by the review panel to “simplify and clarify” the responses by using categories of knowledge, skills, and attitudes. This decision resulted in the identification of 52 competency items that most accurately reflected the entire responses of the expert panel. The review panel concedes that some data may have been eliminated from the Round I responses as a result of the translation process, which in turn, is a limitation of this

modified Delphi study. Using a respondent coding index allowed the researcher to maintain the anonymity of the expert panelists throughout the research study. This also minimized the potential for researcher and review panel bias.

Round I resulted in the identification of 15 knowledge competency items, 27 skills competency items, and 10 attitudes competency items (Table 2, 3 and 4). All are listed in random order.

Table 2: Round I Knowledge Category

Knowledge Competency Items
1. Financial accounting knowledge of financial statements.
2. Managerial accounting knowledge of budgets and breakeven analysis.
3. Environmental scanning and research knowledge.
4. Strategic management knowledge of the model, phases, and process.
5. Business planning knowledge of the elements and the process.
6. Market planning knowledge of the elements and the process.
7. Organizational development knowledge.
8. General business knowledge gained through direct experience.
9. Knowledge of financial markets and macroeconomics.
10. Human performance improvement and human behavior knowledge.
11. Business strategy knowledge, i.e., growth, stability and retrenchment.
12. Knowledge of MES policies and procedures.
13. Knowledge of MES products and services.
14. Balanced scorecard, assessment and evaluation knowledge.
15. Knowledge of SME capacities and characteristics.

Table 3: Round I Skills Category

Skills Competency Items
1. Content counseling skills and use of appropriate counselor roles.
2. Process counseling skills and use of appropriate counselor roles.
3. Team Building and conflict management skills.
4. Communication skills in reading, writing and transcription.
5. Communication skills in speaking and presenting.
6. Communication skills in listening, questioning, and interviewing.
7. Facilitation skills of self-awareness and group processes.
8. Facilitation skills of flip charting and audiovisuals.
9. Teaching skills in coaching, instructing, and mentoring.
10. Strategic Needs Assessment (SNA) instrument skills.
11. Risk Management Associates (RMA) Compare2 software skills.
12. The Attentional and Interpersonal Styles (TAIS) profiling skills.
13. Dimensions of Behavior (DiSC) profiling skills.
14. Research skills to gather, survey, synthesize and apply research.
15. Internal scanning and distinctive competencies identification skills.
16. External scanning and competitive weakness identification skills.
17. Financial analysis skills, i.e., trends, common sizing, and ratios.
18. Financial management skills, i.e., budgeting and breakeven analysis.
19. Multi-tasking skills to deal with multiple SMEs and multiple needs.
20. Strategic thinking (conceptual, analytical and action phases) skills.
21. Critical thinking (brainstorming, divergent and convergent) skills.
22. Resource management skills to use internal and external resources.
23. Action planning skills for vision and mission setting.
24. Action planning skills for SWOT analysis and prioritizing skills.
25. Action planning skills for goal, objective, and action task setting.
26. Relationship management skills for effectively engaging clients.
27. Change management skills for helping clients implement strategy.

Table 4: Round I Attitudes Category

Attitudes Competency Items
1. Enthusiastic attitude toward effectively engaging SMEs.
2. Self-directed attitude toward learning strategic management.
3. Customer service attitude toward serving clients.
4. Empathetic attitude toward client's issues, concerns and problems.
5. Persuasive attitude toward counseling recommendations.
6. Positive and open-minded attitude toward dealing with ambiguity.
7. Collaborative attitude toward working with peers and clients.
8. Integrity attitude toward establishing trust and credibility.
9. Self-confident attitude toward effectively engaging SMEs.
10. Willing attitude to link and recommend MES to SMEs.

### Delphi Round II

The Round II survey questionnaire focused on having the expert panel identify essential strategic management counseling competencies by rating them, in terms of importance, using a Likert scale. All 52 strategic management counseling competency items identified in Round I were listed in the Round II survey questionnaire. In preparing the Round II survey questionnaire, the review panel listed, in no particular order, the broadly identified competency items within each category of knowledge (15 identified), skills (27 identified) and attitudes (10 identified).

Upon receipt of all Round II survey questionnaires, the review panel calculated the mean, median, and standard deviation for all 52 strategic management counseling competency items (Tables 5, 6 and 7). The mean was also used to determine a Round II mean ranking, which was later used in the Round III survey questionnaire.

Initially, the review panel concluded that the expert panel had identified 32 competency items as important using the 5-point Likert scale. The review panel accepted competency items rated as important by the expert panel as being essential for counselors to provide strategic management counseling to SMEs. All 32 competencies met the statistical criteria (mean of 3 or greater, median of 3 or greater and standard deviation of 1.00 or less) established by the review panel.

The data represents 9 knowledge competency items, 14 skills competency items, and 9 attitudes competency items (Tables 5, 6 and 7). The competency items are numbered and listed in no particular order in the left-most column. The table column headings list the total number in the sample (N), the mean (M), the median (Mdn) and the standard deviation (SD). Indication is noted (\* = accepted) within each table for competency items that met all the Round II criteria established by the review panel.

The review panel erroneously employed the standard deviation as selection criteria for accepting or rejecting competency items gathered in Round II. The sample size of the expert panel was too small (N = 17) to represent a normal distribution. Therefore, the use of the standard deviation to determine consensus was invalid. Ultimately, this error did not affect the ability of the expert panel to successfully identify a strategic management counseling competency. This matter is discussed in more detail in the revised Round II analysis and is reflected in Tables 8, 9 and 10.

Table 5: Round II Knowledge Category

Knowledge Competency Items	N	M	Mdn	SD
1. Financial accounting knowledge of financial statements.	17	3.000	3	0.866*
2. Managerial accounting knowledge of budgets and breakeven analysis.	17	3.000	3	0.935*
3. Environmental scanning and research knowledge.	17	3.000	3	0.500*
4. Strategic management knowledge of the model, phases, and process.	17	3.412	4	0.712*
5. Business planning knowledge of the elements and the process.	17	3.353	3	0.702*
6. Market planning knowledge of the elements and the process.	17	3.000	3	0.866*
7. Organizational development knowledge.	17	2.706	3	0.686
8. General business knowledge gained through direct experience.	17	3.294	3	0.686*
9. Knowledge of financial markets and macroeconomics.	17	1.882	2	0.697
10. Human performance improvement and human behavior knowledge.	17	2.529	2	0.875
11. Business strategy knowledge, i.e., growth, stability and retrenchment.	17	3.059	3	0.827*
12. Knowledge of MES policies and procedures.	17	2.588	3	0.939
13. Knowledge of MES products and services.	17	3.353	4	0.786*
14. Balanced scorecard, assessment and evaluation knowledge.	17	2.059	2	0.899
15. Knowledge of SME capacities and characteristics.	17	2.882	3	0.600

Note. Competency accepted as essential is marked with an asterisk (\*).

Table 6: Round II Skills Category

Skills Competency Items	N	M	Mdn	SD
1. Content counseling skills and use of appropriate counselor roles.	17	3.294	3	0.686*
2. Process counseling skills and use of appropriate counselor roles.	17	3.235	3	0.903*
3. Teambuilding and conflict management skills.	17	3.000	3	0.612*
4. Communication skills in reading, writing and transcription.	17	2.941	3	0.899
5. Communication skills in speaking and presenting.	17	3.294	3	0.772*
6. Communication skills in listening, questioning, and interviewing.	17	3.588	4	0.618*
7. Facilitation skills of self-awareness and group processes.	17	2.941	3	0.659
8. Facilitation skills of flip charting and audiovisuals.	17	2.353	2	0.932
9. Teaching skills in coaching, instructing, and mentoring.	17	2.529	3	0.515
10. Strategic Needs Assessment (SNA) instrument skills.	17	2.882	3	0.781
11. Risk Management Associates (RMA) Compare2 software skills.	17	2.529	3	0.717
12. The Attentional and Interpersonal Styles (TAIS) profiling skills.	17	2.294	2	0.772
13. Dimensions of Behavior (DiSC) profiling skills.	17	2.118	2	0.858
14. Research skills to gather, survey, synthesize and apply research.	17	2.471	3	0.800
15. Internal scanning and distinctive competencies identification skills.	17	2.824	3	0.809

Note. Competency accepted as essential is marked with an asterisk (\*).

Table 6: Round II Skills Category—Continued

16. External scanning and competitive weakness identification skills.	17	3.118	3	0.697*
17. Financial analysis skills, i.e., trends, common sizing, and ratios.	17	2.824	3	1.015
18. Financial management skills, i.e., budgeting and breakeven analysis.	17	3.000	3	0.866*
19. Multi-tasking skills to deal with multiple SMEs and multiple needs.	17	3.471	4	0.717*
20. Strategic thinking (conceptual, analytical and action phases) skills.	17	3.177	4	1.015
21. Critical thinking (brainstorming, divergent, and convergent) skills.	17	3.118	3	0.858*
22. Resource management skills to use internal and external resources.	17	3.059	3	0.748*
23. Action planning skills for vision and mission setting.	17	3.177	3	0.883*
24. Action planning skills for SWOT analysis and prioritizing skills.	17	3.177	4	1.015
25. Action planning skills for goal, objective, and action task setting.	17	3.235	3	0.831*
26. Relationship management skills for effectively engaging clients.	17	3.412	3	0.507*
27. Change management skills for helping clients implement strategy.	17	3.588	4	0.618*

Note. Competency accepted as essential is marked with an asterisk (\*).

Table 7: Round II Attitudes Category

Attitudes Competency Items	N	M	Mdn	SD
1. Enthusiastic attitude toward effectively engaging SMEs.	17	3.471	4	0.624*
2. Self-directed attitude toward learning strategic management.	17	3.588	4	0.507*
3. Customer service attitude toward serving clients.	17	3.588	4	0.507*
4. Empathetic attitude toward client's issues, concerns and problems.	17	3.000	3	0.935*
5. Persuasive attitude toward counseling recommendations.	17	2.647	3	0.606
6. Positive and open-minded attitude toward dealing with ambiguity.	17	3.294	3	0.772*
7. Collaborative attitude toward working with peers and clients.	17	3.647	4	0.493*
8. Integrity attitude toward establishing trust and credibility.	17	3.706	4	0.588*
9. Self-confident attitude toward effectively engaging SMEs.	17	3.412	3	0.507*
10. Willing attitude to link and recommend MES to SMEs.	17	3.471	4	0.624*

Note. Competency accepted as essential is marked with an asterisk (\*).

### Revised Round II Analysis

The review panel calculated the mean, median, and standard deviation for all 52 of the competency items rated in Round II. The initial conclusion was that 32 competency items met the statistical criteria established earlier by the review panel and therefore were accepted as essential. However, the standard deviation criterion of 1.00 or less was invalid because the sample size of the expert panel was too small ( $N = 17$ ) to represent a normal distribution. Therefore, the use of the standard deviation to accept or reject competency items and determine consensus was erroneous and invalid.

The review panel recalculated the Round II competency items using the mean and median criterion only. The review panel identified two additional skills competency items for inclusion in the cluster that represents a strategic management counseling competency. The new skills competency items were strategic thinking (conceptual, analytical and action phases) skills and action planning skills for strength, weakness, opportunity and threat (SWOT) analysis and prioritizing skills.

The Round II data and revised analysis represents 9 knowledge competency items, 16 skills competency items, and 9 attitudes competency items (Tables 8, 9 and 10). The competency items are numbered and listed in no particular order in the left-most column. The table column headings list the total number in the sample ( $N$ ), the mean ( $M$ ) and the median ( $Mdn$ ). Indication is noted (\* = accepted) within each table for competency items that met all the revised Round II criteria established by the review panel. This cluster of competency items represents a strategic management counseling competency essential for counselors to provide strategic management counseling to SMEs.

Table 8: Revised Round II Knowledge Category

Knowledge Competency Items	N	M	Mdn
1. Financial accounting knowledge of financial statements.	17	3.000	3*
2. Managerial accounting knowledge of budgets and breakeven analysis.	17	3.000	3*
3. Environmental scanning and research knowledge.	17	3.000	3*
4. Strategic management knowledge of the model, phases, and process.	17	3.412	4*
5. Business planning knowledge of the elements and the process.	17	3.353	3*
6. Market planning knowledge of the elements and the process.	17	3.000	3*
7. Organizational development knowledge.	17	2.706	3
8. General business knowledge gained through direct experience.	17	3.294	3*
9. Knowledge of financial markets and macroeconomics.	17	1.882	2
10. Human performance improvement and human behavior knowledge.	17	2.529	2
11. Business strategy knowledge, i.e., growth, stability and retrenchment.	17	3.059	3*
12. Knowledge of MES policies and procedures.	17	2.588	3
13. Knowledge of MES products and services.	17	3.353	4*
14. Balanced scorecard, assessment and evaluation knowledge.	17	2.059	2
15. Knowledge of SME capacities and characteristics.	17	2.882	3

Note. Competency accepted as essential is marked with an asterisk (\*).

Table 9: Revised Round II Skills Category

Skills Competency Items	N	M	Mdn
1. Content counseling skills and use of appropriate counselor roles.	17	3.294	3*
2. Process counseling skills and use of appropriate counselor roles.	17	3.235	3*
3. Teambuilding and conflict management skills.	17	3.000	3*
4. Communication skills in reading, writing and transcription.	17	2.941	3
5. Communication skills in speaking and presenting.	17	3.294	3*
6. Communication skills in listening, questioning, and interviewing.	17	3.588	4*
7. Facilitation skills of self-awareness and group processes.	17	2.941	3
8. Facilitation skills of flip charting and audiovisuals.	17	2.353	2
9. Teaching skills in coaching, instructing, and mentoring.	17	2.529	3
10. Strategic Needs Assessment (SNA) instrument skills.	17	2.882	3
11. Risk Management Associates (RMA) Compare2 software skills.	17	2.529	3
12. The Attentional and Interpersonal Styles (TAIS) profiling skills.	17	2.294	2
13. Dimensions of Behavior (DiSC) profiling skills.	17	2.118	2
14. Research skills to gather, survey, synthesize and apply research.	17	2.471	3
15. Internal scanning and distinctive competencies identification skills.	17	2.824	3

Note. Competency accepted as essential is marked with an asterisk (\*).

Table 9: Revised Round II Skills Category—Continued

16. External scanning and competitive weakness identification skills.	17	3.118	3*
17. Financial analysis skills, i.e., trends, common sizing, and ratios.	17	2.824	3
18. Financial management skills, i.e., budgeting and breakeven analysis.	17	3.000	3*
19. Multi-tasking skills to deal with multiple SMEs and multiple needs.	17	3.471	4*
20. Strategic thinking (conceptual, analytical and action phases) skills.	17	3.177	4*
21. Critical thinking (brainstorming, divergent, and convergent) skills.	17	3.118	3*
22. Resource management skills to use internal and external resources.	17	3.059	3*
23. Action planning skills for vision and mission setting.	17	3.177	3*
24. Action planning skills for SWOT analysis and prioritizing skills.	17	3.177	4*
25. Action planning skills for goal, objective, and action task setting.	17	3.235	3*
26. Relationship management skills for effectively engaging clients.	17	3.412	3*
27. Change management skills for helping clients implement strategy.	17	3.588	4*

Note. Competency accepted as essential is marked with an asterisk (\*).

Table 10: Revised Round II Attitudes Category

Attitudes Competency Items	N	M	Mdn
1. Enthusiastic attitude toward effectively engaging SMEs.	17	3.471	4*
2. Self-directed attitude toward learning strategic management.	17	3.588	4*
3. Customer service attitude toward serving clients.	17	3.588	4*
4. Empathetic attitude toward client's issues, concerns and problems.	17	3.000	3*
5. Persuasive attitude toward counseling recommendations.	17	2.647	3
6. Positive and open-minded attitude toward dealing with ambiguity.	17	3.294	3*
7. Collaborative attitude toward working with peers and clients.	17	3.647	4*
8. Integrity attitude toward establishing trust and credibility.	17	3.706	4*
9. Self-confident attitude toward effectively engaging SMEs.	17	3.412	3*
10. Willing attitude to link and recommend MES to SMEs.	17	3.471	4*

Note. Competency accepted as essential is marked with an asterisk (\*).

### Delphi Round III

The review panel initially accepted 32 competency items identified by the expert panel as important in Round II. In essence, the expert panel successfully identified the cluster of related knowledge, skills and attitudes that represent a strategic management counseling competency. Having successfully achieved the purpose of the modified Delphi study, the review panel elected to determine the final ranking of the competency items.

As a matter of interest, the Round III survey questionnaire was designed to have the expert panel assign a final ranking to the 32 competency items initially identified in Round II. Unfortunately, the Round III survey questionnaire was designed and implemented prior to the review panel's discovery that the standard deviation criterion was invalid. This oversight resulted in the omission of two additional skills competency items that should have been included in the Round III survey questionnaire. The two competency items omitted were strategic thinking (conceptual, analytical and action phases) skills and action planning skills for strength, weakness, opportunity and threat (SWOT) analysis and prioritizing skills.

In designing the Round III survey questionnaire, the review panel initially ranked (using the statistical mean from Round II) the competency items within each category of knowledge, skills and attitudes. Upon receipt of the entire Round III survey questionnaires, the review panel calculated the Round III final rankings within each competency category. Calculating the mean rank for each competency item separately and then applying it to determine the Round III final ranking within each competency category of knowledge, skills and attitudes accomplished this.

The review panel tested for the association between the Round III final rankings and the Round II mean rankings for each competency category. The rank correlation coefficient and test statistic was employed by the review panel to verify the research hypothesis that a Round III final ranking was related to its corresponding Round II mean ranking for similar competency categories.

The review panel employed the rank correlation coefficient to determine the degree to which the expert panel associated Round III with Round II. To accomplish this, the review panel used a 5% level of significance, which translates into a 95% level of confidence that a test statistic of 1.960 or greater indicates the expert panel achieved stability and consensus for a given competency category.

The review panel calculated the test statistic for the knowledge category to be 2.332, which is greater than 1.960. Therefore, we concluded that the Round III final rankings and Round II mean rankings of the knowledge competency items were related. The test statistic for the skills category was calculated to be 2.915, which is greater than 1.960. Therefore, we concluded that the Round III final rankings and Round II mean rankings of the skills competency items were related. Lastly, we calculated the test statistic for the attitudes category to be 1.853, which is less than 1.960. Therefore, we concluded that the Round III final rankings and Round II mean rankings of the attitudes competency items were not related (Tables 11, 12 and 14).

Table 11: Round III Knowledge Category

Essential Knowledge Competency Items	N	Round II Rank	Round III Rank
1. Strategic management knowledge of the model, phases, and process.	17	1	1
2. Business planning knowledge of the elements and the process.	17	2	2
3. Knowledge of MES products and services.	17	2	5
4. General business knowledge gained through direct experience.	17	4	3
5. Business strategy knowledge, i.e., growth, stability and retrenchment.	17	5	4
6. Financial accounting knowledge of financial statements.	17	6	6
7. Managerial accounting knowledge of budgets and breakeven analysis.	17	6	9
8. Environmental scanning and research knowledge.	17	6	8
9. Market planning knowledge of the elements and the process.	17	6	7

Note. The test statistic  $2.332 > 1.960$  indicates Round II and III rankings are related.

Table 12: Round III Skills Category

Essential Skills Competency Items	N	Round II Rank	Round III Rank
1. Communication skills in listening, questioning, and interviewing.	17	1	1
2. Change management skills for helping clients implement strategy.	17	1	5
3. Multi-tasking skills to deal with multiple SMEs and multiple needs.	17	3	7
4. Relationship management skills for effectively engaging clients.	17	4	2
5. Content counseling skills and use of appropriate counselor roles.	17	5	4
6. Communication skills in speaking and presenting.	17	5	8
7. Process counseling skills and use of appropriate counselor roles.	17	7	3
8. Action planning skills for goal, objective and action task setting.	17	7	9
9. Action planning skills for vision and mission setting.	17	9	10
10. External scanning and competitive weakness identification skills.	17	10	11
11. Critical thinking (brainstorming, divergent, and convergent) skills.	17	10	6
12. Resource management skills to use internal and external resources.	17	12	12
13. Teambuilding and conflict management skills.	17	13	13
14. Financial management skills, i.e., budgeting and breakeven analysis.	17	13	14

Note. The test statistic  $2.915 > 1.960$  indicates Round II and III rankings are related.

Table 13: Round III Attitudes Category

Essential Attitudes Competency Items	N	Round II Rank	Round III Rank
1. Integrity attitude toward establishing trust and credibility.	17	1	1
2. Collaborative attitude toward working with peers and clients.	17	2	6
3. Self-directed attitude toward learning strategic management.	17	3	6
4. Customer service attitude toward serving clients.	17	3	3
5. Enthusiastic attitude toward effectively engaging SMEs.	17	5	2
6. Willing attitude to link and recommend MES to SMEs.	17	5	4
7. Self-confident attitude toward effectively engaging SMEs.	17	7	5
8. Positive and open-minded attitude toward dealing with ambiguity.	17	8	9
9. Empathetic attitude toward client's issues, concerns, and problems.	17	9	8

Note. The test statistic  $1.853 < 1.960$  indicates Round II and III rankings are not related.

The Round III survey questionnaire concluded with an optional question for the expert panelists to provide suggestions for professional development within the SBTDC. Six of the 17 expert panelists elected to respond to this question. Their suggestions were documented and will be provided anonymously to the SBTDC upon the conclusion of this study. The SBTDC strategic plan established a professional development goal to “enhance the learning environment of the SBTDC by providing the opportunity for all employees to acquire and apply the knowledge, skills, and attitudes necessary to grow professionally and contribute to the accomplishment of the SBTDC mission” (SBTDC 2003-2007 Strategic Plan, 2003, p. 13). All the suggestions are listed in random order in Table 14.

Table 14: Round III Suggestions

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### Suggestions for Professional Development

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1. Require new and existing counselors to complete 10-12 hours of training in counseling skills per a set curriculum.
  2. Hire a person to be responsible for the establishment and maintenance of an ongoing MES training program.
  3. Require counselors to participate in delivering MES products and services offered to clients and experience their benefits.
  4. Identify critical competencies for each position, i.e., Case Management Specialist, Small Business Counselor I and II.
  5. Provide additional marketing tools and sales training for counselors to identify and engage SMEs.
  6. Provide MES events that meet tangible SME client needs, such as cash management, creative financing and valuation.
  7. Incorporate counselor experience into MES events and award continuing education credit for participating in them.
  8. Provide greater opportunity for all staff to participate in MES training and engagement.
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### Summary of Findings

This chapter began with a restatement of the research question and introduction of the Delphi panel profile. A detailed accounting and analysis of the expert panel responses to each round of survey questionnaires followed. The knowledge, skills and attitudes competency items that represent a strategic management counseling competency were identified. An explanation of the qualitative and quantitative research methods employed by the review panel was included in the findings.

The purpose of Round I was to solicit the opinions of the expert panel as to competencies they felt were needed for counselors to provide strategic management

counseling to SMEs. Round I resulted in the identification of 52 competency items comprised of knowledge, skills and attitudes. There were 15 knowledge, 27 skills and ten 10 attitudes competency items.

The purpose of Round II was to build upon the prior survey questionnaire by having the expert panel rate the 52 competency items identified in Round I. Initially, Round II resulted in the identification of 32 competency items considered to be essential for counselors to provide strategic management counseling to SMEs. They were comprised of 9 knowledge, 14 skills, and 9 attitudes competency items.

The review panel revised the Round II results by eliminating the standard deviation criterion because it was invalid. The revised Round II analysis indicated two additional skills competency items be accepted as essential. The revised Round II analysis resulted in the identification of 34 competency items. The review panel was satisfied with the Round II results and concluded that the expert panel had accomplished the study objective and identified a strategic management counseling competency. Unfortunately, the Round III survey questionnaire was designed and implemented before the review panel performed the revised Round II analysis. Two skills competency items were erroneously omitted from the Round III survey questionnaire

As a matter of interest to the review panel, Round III was modified to have the expert panel members assign a final ranking to the 32 competency items initially identified in Round II. The rank correlation coefficient was employed by the review panel in order to determine the association between the Round III final rankings and Round II mean rankings for the knowledge, skills and attitudes categories respectively. The review panel determined that the Round III final rankings and Round II mean rankings for the

knowledge and skills competency categories were related, however, the attitudes competency category was not related.

The review panel interpreted the results of the Round III analysis as a matter of interest and additional information. In light of the statistical analysis performed on the Round III final rankings, the review panel was satisfied that the expert panel achieved some consensus regarding the final rankings for the knowledge and skills competency categories, but not for the skills competency category.

Finally, the expert panel was asked to provide their suggestions for professional development within the SBTDC. Their responses were documented and will be provided anonymously to the SBTDC upon completion of this dissertation.

## CHAPTER 5

### CONCLUSIONS, IMPLICATION, AND RECOMMENDATIONS

The purpose of this study was to assemble a qualified group of SBTDC counselors into an expert panel and have them participate in a modified Delphi study to identify competencies essential for counselors to provide strategic management counseling to SMEs. This chapter presents the conclusions, implications and recommendations of the competency study.

#### Restatement of the Problem

A review of the literature suggests that counselors receive continuing and professional education, or training and development in the areas of core competencies. In addition to core competencies, counselors receive supplemental training and development while attending SBTDC professional development conferences. On a limited basis, counselors are encouraged to consider training and development opportunities outside the SBTDC commensurate with their individual continuing and professional education development plans.

Furthermore, a select and limited number of counselors receive training and development in advanced competencies, which are typically product-specific. This training is designed to enhance counselors' abilities to deliver the products and services typically associated with Management Education Services.

However, none of the counselors receive training and development in the technical skill area of strategic management. More importantly, a competency model for strategic management counseling, which could enhance training and development, has not been developed. The absence of effective training and development for strategic management

and strategic management counseling as a core competency, advanced competency or supplemented learning is critical to the SBTDC because it adversely affects counselor job performance and limits the organization's ability to implement its strategic plan.

The problem facing the SBTDC is how to prepare counselors to provide strategic management counseling to SMEs, thereby achieving several of their strategic objectives and linking strategy to people and performance.

#### Restatement of the Research Question

The research question is stated as follows: What competencies are essential for a counselor to provide strategic management counseling to small and medium-sized enterprises?

#### Restatement of the Methodology and Procedure

A modified Delphi technique was used as the research methodology for this competency study. The Delphi panel or expert panel included all SBTDC counselors who provided strategic management counseling to SMEs and received counseling evaluations of very good to excellent from those SMEs. Furthermore, all of the expert panelists successfully completed continuing and professional development activities focused on strategic management and received performance evaluations of very good to outstanding from their supervisors.

A review panel was used throughout the study to help the researcher refine the survey instruments and provide an external source of checks and balances. The review panel was comprised of four members, including one researcher (myself), one decision maker, one academician and one SME-business owner. A test group of three professional researchers was also assembled to serve as a pilot study group in order to help the review

panel develop the modified Delphi survey instruments. The test group was used to help refine the survey instruments and to provide technical expertise with respect to instrument design. The sample or expert panel for this modified Delphi study represented 17 counselors out of a total population of 53 counselors statewide or roughly 32% of the available SBTDC counselor work force at the time of this study.

Seventeen survey questionnaires were emailed in Round I to the expert panel. The purpose of Round I was to have the expert panelists initially identify competency items needed by counselors to provide strategic management counseling to SMEs. Response data were collected during the month of May 2003. All members of the expert panel responded to the survey questionnaires, yielding a 100% response rate to Round I. Fifty-two broadly defined competency items were identified as a result of Round I. The responses from all the expert panelists were reviewed and analyzed by the review panel in order to design the Round II survey questionnaire.

Seventeen survey questionnaires were emailed in Round II to the expert panel. The purpose of Round II was to have the expert panelists rate the 52 competency items identified in Round I. Response data were collected during the month of June 2003. All members of the expert panel responded to the survey questionnaires, yielding a 100% response rate to Round II. There were 32 competency items initially identified as important in Round II. The responses from all the expert panelists were reviewed and analyzed by the review panel in order to design the Round III survey questionnaire.

The review panel revised the Round II analysis because the expert panel ( $N = 17$ ) was too small to be considered a normal distribution, making the standard deviation criterion invalid. Two previously omitted competency items were added to the initial

skills category, bringing the total cluster of knowledge, skills and attitudes to 34 competency items. The review panel concluded that the expert panel members successfully identified a strategic management counseling competency in Round II.

Seventeen survey questionnaires were emailed to the expert panel in Round III. As a matter of interest to the review panel, the purpose of Round III was to have the expert panel assign a final ranking to the competency items within each knowledge, skills and attitudes category. Unfortunately, the expert panel designed and implemented the Round III survey questionnaire before discovering the standard deviation error in Round II. Response data were collected during the month of July 2003. All members of the expert panel responded to the survey questionnaires yielding a 100% response rate to Round III. The review panel calculated the Round III final rankings and the association between the Round III final rankings and Round II mean rankings for each competency category.

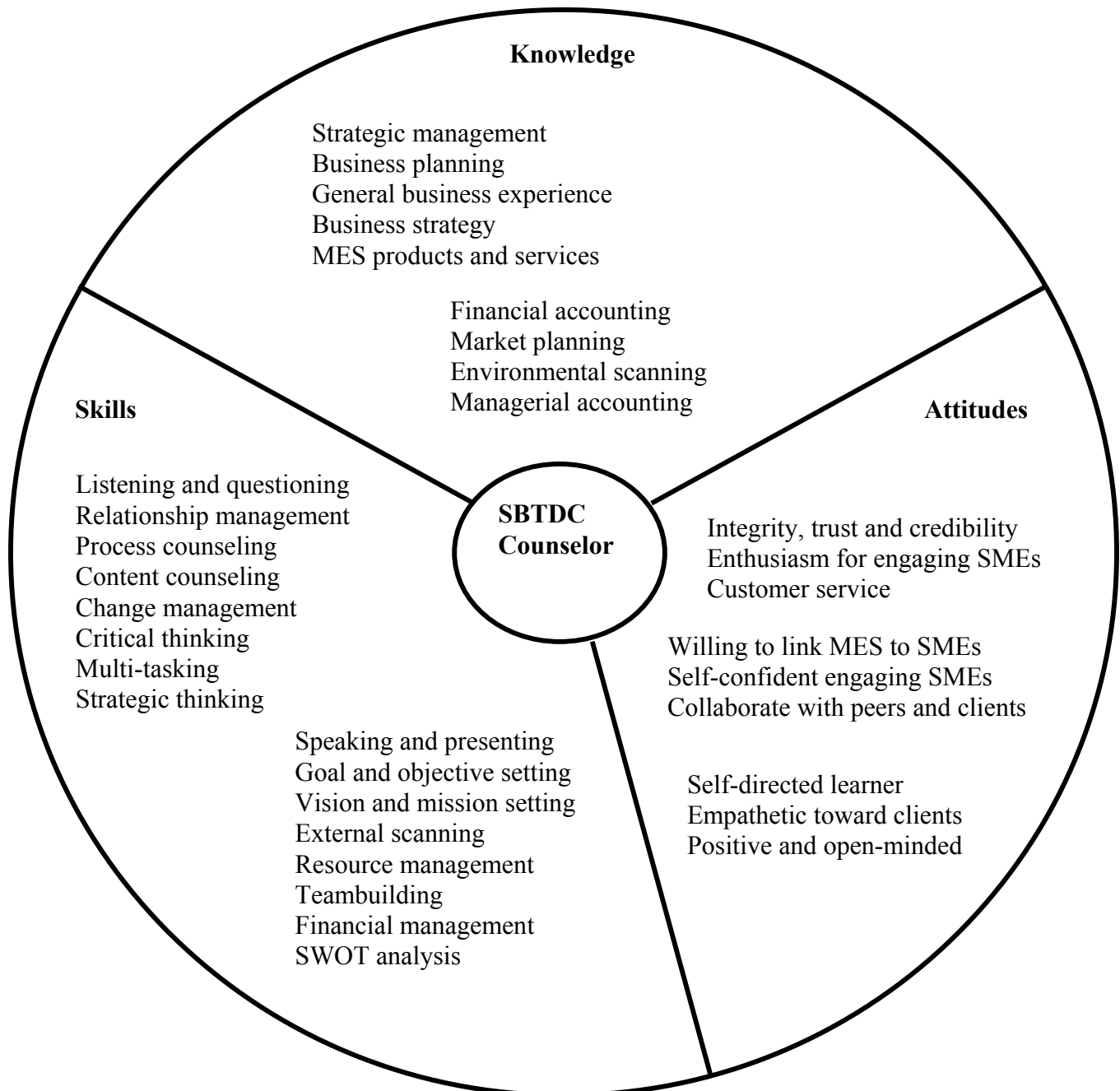
### Conclusions

Based on the review of the literature and the findings of this modified Delphi study, the following conclusions are presented.

Conclusion 1: The study identified 34 competency items considered to be essential for counselors to provide strategic management counseling to SMEs. Each of the 34 competency items met the established statistical criteria (mean of 3 or greater and median of 3 or greater) for acceptance by the review panel. These competency items represent a cluster of related knowledge, skills and attitudes that constitutes a strategic management counseling competency. Figure 6 depicts an interim competency model comprised of 9 knowledge, 16 skills and 9 attitudes competency items. The term “interim” is used

because the literature suggests that competency models be validated if they are to gain credibility within an organization and be used effectively for selecting, developing, training and advancing employees (Spencer & Spenser, 1993; Green, 1999; Lucia & Lepsinger, 1999). This interim competency model has not been validated.

Figure 6: Interim Strategic Management Counseling Competency Model



Conclusion 2: There were 9 knowledge competency items identified. They include 1) strategic management knowledge of the model, phases and process; 2) business planning knowledge of the elements and the process; 3) general business knowledge gained through direct experience; 4) business strategy knowledge, i.e., growth, stability and retrenchment; 5) knowledge of MES products and services; 6) financial accounting knowledge of financial statements; 7) market planning knowledge of the elements and process; 8) environmental scanning and research knowledge; and 9) managerial accounting knowledge of budgets and breakeven analysis.

Knowledge may be considered the information a counselor acquired through formal education, professional development, and work experience for a specific content area such as strategic management or MES products and services. According to Green (1999) knowledge is the specific information necessary to perform the task of a job. In essence, these knowledge competency items may be considered the specific information necessary to perform the task of providing strategic management counseling to SMEs.

Conclusion 3: There were 16 skills competency items identified. They include 1) communication skills in listening, questioning and interviewing; 2) relationship management skills for effectively engaging clients; 3) process counseling skills and use of appropriate counselor roles; 4) content counseling skills and use of appropriate counselor roles; 5) change management skills for helping clients implement strategy; 6) critical thinking (brainstorming, divergent and convergent) skills; 7) multi-tasking skills to deal with multiple SMEs and multiple needs; 8) communication skills in speaking and presenting; 9) action planning skills for goal, objective and action task setting; 10) action planning skills for vision and mission setting; 11) external scanning and competitive

weakness identification skills; 12) resource management skills to use internal and external resources; 13) teambuilding and conflict management skills; 14) strategic thinking (conceptual, analytical and action phase) skills; 15) action planning skills for SWOT analysis and prioritizing; and 16) financial management skills, i.e., budgeting and breakeven analysis.

Skills may include the counselor's ability to perform certain physical or mental tasks, such as listing remarks on a flipchart while facilitating an action planning retreat. According to Spencer and Spencer (1993), mental or cognitive skill competencies include analytic thinking (processing knowledge and data, determining cause and effect, organizing data and plans) and conceptual thinking (recognizing patterns in complex data).

Skills may also include the counselor's proficiency at using tools and equipment on the job. For example, counselors may be required to give a presentation using a laptop computer and projector. These skills may be acquired through formal education, professional development opportunities, or work experience. The literature supports the opinion that knowledge and skills competency categories are relatively easy to develop through training and development; however, attitudes are more difficult to develop (Spencer & Spencer, 1993; Lucia & Lepsinger, 1999).

Conclusion 4: There were 9 attitudes competency items identified. They include 1) integrity attitude toward establishing trust and credibility; 2) enthusiastic attitude toward effectively engaging SMEs; 3) customer service attitude toward serving clients; 4) willing attitude to link and recommend MES to SMEs; 5) self-confident attitude toward effectively engaging SMEs; 6) collaborative attitude toward working with peers and

clients; 7) then self-directed attitude toward learning strategic management; 8) empathetic attitude toward clients' issues, concerns and problems; and 9) positive and open-minded attitude toward dealing with ambiguity.

Attitudes may be considered personal characteristics such as a self-directed attitude toward learning strategic management or a positive open-minded attitude toward dealing with ambiguity. They may also be considered personality traits such as an enthusiastic attitude toward effectively engaging SMEs or an empathetic attitude toward clients' issues, concerns and problems.

It is possible for a counselor to possess the attitudes competencies necessary to provide strategic management counseling to SMEs, but not possess the knowledge or skills competencies. In this case, a counselor could leverage internal and external resources in order to provide strategic management counseling to SMEs. These resources often include more experienced counselors with stronger expertise (knowledge and skills competencies).

Conclusion 5: Three competency items were consistently rated and ranked the highest throughout Round II and Round III. They are listed as follows:

1. Strategic management knowledge of the model, phases and process (knowledge)
2. Communication skills in listening, questioning and interviewing (skills)
3. Integrity attitude toward establishing trust and credibility (attitudes)

Each competency category of knowledge, skills and attitudes is represented above. In essence, this may serve as an interim strategic management counseling competency model. According to Boyatzis (1982) competency models identify and group the competencies needed to perform in the context of a person's job roles, responsibilities and

relationships in an organization and its internal and external environments (NAPA, 1997). Therefore, this competency model may provide a framework for linking SBTDC strategies to counselors and performance.

Conclusion 6: Communication skills in listening, questioning and interviewing received the highest rating and ranking of any skills competency listed throughout Round II and Round III. This is consistent with the results of the ASBDC national fax-back survey, which identified listening/communication as the top core competency topic.

#### Implications

Implication 1: This study has implications for ASBDC Accreditation. For example, it supports staff qualification and resource utilization to enable employees to develop and use their full potential to support the organization's objectives, and create a work climate that is conducive to performance excellence, full participation and organization growth (ASBDC Accreditation Standards, 2002).

Implication 2: This study has implication for new employee selection. It may provide a clearer picture of the job requirements, increase the likelihood of hiring people who will succeed in the job, minimize the investment in people who may not meet the SBTDC's expectations, ensure a more systematic interview process, and help distinguish between competency items that are trainable and those that are more difficult to develop.

Implication 3: This study has implications for training and development. It may enable the SBTDC's CPE Committee to focus on the competency items that have the most impact on effectiveness, ensure that professional development opportunities are aligned with organizational values and strategies, make the most effective use of training and

development time and dollars, and provide a framework for ongoing assessment and evaluation.

Implication 4: This study has implications for employee performance evaluation. It may provide a shared understanding of what will be monitored and measured, focuses and facilitates the SBTDC's interim and annual performance appraisal discussions, and provides focus for gaining information about a counselor's behavior and performance on the job.

### Recommendations

#### For Practice

1. The interim competency model should be validated. A competency model can be quickly validated by rating or ranking a criterion sample of superior and average performers on the competencies and confirming that superior performers are ranked higher than averages on the competencies (Spencer & Spencer, 1993).
2. Once validated and finalized, the competency model should be integrated and incorporated into the SBTDC's human resource system for selection, training, evaluating and promoting employees.
3. Individual performance should be linked to organizational results by conducting an assessment of the relationship between individual performance and the accomplishment of its strategic plan.

#### For Research

1. Future research might be done to examine the reasons why some competency items identified in Round I were not rated important in Round II. For example,

limitations of the modified Delphi study may have caused important or critical competency items to be misstated and omitted from the competency model.

2. Future research might be done to develop additional competency models within the SBTDC. Currently, there are no position-specific competency models for the Administrative Assistant, Assistant Counselor, Counselor, Assistant Director and Director positions (SBTDC PD Competency Handbook, 2002).
3. Future research might be done to revise and improve the strategic management counseling competency model. For example, the competency model might reflect new best practices as they emerge from practitioners in the field over time.
4. Future research might be done to determine the relationship between the competency items (knowledge, skills, and attitudes). For example, training and development for knowledge and skills is more apparent and identifiable than for attitudes.

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## APPENDICES

**Appendix A: Expert Panel**

Blair Abee  
 Appalachian State University  
 514 Hwy. 321 NW, Suite A  
 Hickory, NC 28601-4738  
 828/345-1110  
 828/326-9117 Fax  
[babee@sbtcd.org](mailto:babee@sbtcd.org)

Dan Blankenship  
 University of North Carolina  
 5 W. Hargett St., Suite 212  
 Raleigh, NC 27601-1348  
 919/715-0520  
 919/715-0518 Fax  
[dblankenship@sbtcd.org](mailto:dblankenship@sbtcd.org)

Annic Brown  
 Western Carolina University  
 PO Box 2510  
 Asheville, NC 28802-9958  
 828/251-6025  
 828/232-5126 Fax  
[abrown@sbtcd.org](mailto:abrown@sbtcd.org)

Wendy Cagle  
 Western Carolina University  
 PO Box 2510  
 Asheville, NC 28802-9958  
 828/251-6025  
 828/232-5126 Fax  
[wcagle@sbtcd.org](mailto:wcagle@sbtcd.org)

Jim DeCristo  
 Winston-Salem State University  
 PO Box 19483  
 Winston-Salem, NC 27110-0001  
 336/750-3030  
 336/750-2031 Fax  
[jdcristo@sbtcd.org](mailto:jdcristo@sbtcd.org)

Ron Duffer  
 Fayetteville State University  
 PO Box 1334  
 Fayetteville, NC 28302-1334  
 910/672-1727  
 910/672-1949 Fax  
[rduffer@sbtcd.org](mailto:rduffer@sbtcd.org)

Jim Ensor  
 East Carolina University  
 300 East First St., Willis Building  
 Greenville, NC 27858-4353  
 252/328-6183  
 252/328-6650 Fax  
[jensor@sbtcd.org](mailto:jensor@sbtcd.org)

Jim Howell  
 UNC-Wilmington  
 601 S. College Rd.  
 Wilmington, NC 28403-5977  
 910/962-3744  
 910/962-3014 Fax  
[jhowell@sbtcd.org](mailto:jhowell@sbtcd.org)

Ron Ilinitch  
 University of North Carolina  
 608 Airport Rd., Suite B  
 Chapel Hill, NC 27514-5703  
 919/962-0389  
 919/962-3291 Fax  
[rilinitch@sbtcd.org](mailto:rilinitch@sbtcd.org)

Tony Johnson  
 Winston-Salem State University  
 PO Box 19483  
 Winston-Salem, NC 27110-0001  
 336/750-2030  
 336/750-2031 Fax  
[tjohnson@sbtcd.org](mailto:tjohnson@sbtcd.org)

Leslie Langer  
UNC-Wilmington  
601 S. College Rd.  
Wilmington, NC 28403-5977  
910/962-3744  
910/962-3014 Fax  
[llanger@sbtdec.org](mailto:llanger@sbtdec.org)

Dan Parks  
University of North Carolina  
2627 Grimsley St.  
Greensboro, NC 27403-3135  
336/299-2443  
336/299-1468 Fax  
[dparks@sbtdec.org](mailto:dparks@sbtdec.org)

Barry Phillips  
University of North Carolina  
2627 Grimsley St.  
Greensboro, NC 27403-3135  
336/299-2443  
336/299-1468 Fax  
[bphillips@sbtdec.org](mailto:bphillips@sbtdec.org)

Michael Twiddy  
Elizabeth City State University  
Campus Box 874  
Elizabeth City, NC 27909-7806  
252/335-3247  
252/335-3648 Fax  
[mtwiddy@sbtdec.org](mailto:mtwiddy@sbtdec.org)

Mark McKnight  
University of North Carolina  
5 W. Hargett St., Suite 212  
Raleigh, NC 27601-1348  
919/715-0520  
919/715-0518 Fax  
[mmcknight@sbtdec.org](mailto:mmcknight@sbtdec.org)

Bill Parrish  
Appalachian State University  
PO Box 32114  
Boone, NC 28608-2114  
828/262-2492  
828/262-2027 Fax  
[wparrish@sbtdec.org](mailto:wparrish@sbtdec.org)

Scott Rockafellow  
University of North Carolina  
608 Airport Rd., Suite B  
Chapel Hill, NC 27514-5703  
919/962-0389  
919/962-3291 Fax  
[srockafellow@sbtdec.org](mailto:srockafellow@sbtdec.org)

**Appendix B: Review Panel**

Mike Seibert (Researcher)  
University of North Carolina  
5 W. Hargett St., Suite 212  
Raleigh, NC 27601  
919/715-0520  
919/715-0518 Fax  
[mseibert@sbtnc.org](mailto:mseibert@sbtnc.org)

Marc King (Decision Maker)  
University of North Carolina  
5 W. Hargett St., Suite 600  
Raleigh, NC 27601  
919/715-7272  
919/715-7777 Fax  
[mking@sbtnc.org](mailto:mking@sbtnc.org)

Dr. Shahriar Mostashari (Academician)  
Campbell University  
PO Box 218  
Buies Creek, NC 27506  
919/893-1390  
919/893-1424 Fax  
[mostashari@mailcenter.campbell.edu](mailto:mostashari@mailcenter.campbell.edu)

Dr. Kevin Concannon (SME Client)  
Veterinary Specialty Hospital  
305-C Ashville Ave.  
Cary, NC 27511  
919/233-4911  
919/854-1155 Fax  
[kevinc@vetspechosp.com](mailto:kevinc@vetspechosp.com)

## Appendix C: Round I Email Letter and Survey Questionnaire

May 15, 2003

Dear [Recipient]:

Thank you for agreeing to participate in this study. I sincerely appreciate your contributions to this project.

As a doctoral student in adult and community college education at North Carolina State University, I am conducting this Delphi study to determine the competencies SBTDC counselors need to perform strategic management counseling with small and medium-sized enterprises (SMEs).

The Delphi technique is a research method, which relies on the opinions of an expert panel and results in consensus after a series of survey rounds. The requirement of this Delphi study will involve completing three questionnaires e-mailed to you during the next month. The questionnaires are designed to take minimal time and you can return the questionnaires through the e-mail reply process.

By completing this Delphi study you will contribute to the identification of competency areas essential for counselors to perform strategic management counseling with small and medium-sized enterprises. All of your responses will remain confidential. Your name will be included in a listing of panel experts and you will receive a copy of the final results.

Please return this questionnaire by e-mail to me within three working days.

Thank you,  
Mike Seibert  
[mseibert@sbtcd.org](mailto:mseibert@sbtcd.org)

## Round I Survey Questionnaire

### **Instructions:**

Please respond to each of the 5 questions by listing your responses in the text box provided. If you need additional space, the text box will expand to accommodate your responses. Please feel free to refer to the SBTDC Strategic Management Model inserted at the end of this questionnaire.

**Competencies** are defined as a cluster of related knowledge, skills and attitudes that affects a major part of one's job, that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development.

**SMEs** are defined as firms with sales above \$1,000,000 and in business for over three years.

Question 1. What competencies do you feel a counselor needs in order to provide strategic management counseling to SMEs in the area of **environmental scanning**?

Question 2. What competencies do you feel a counselor needs in order to provide strategic management counseling to SMEs in the area of **strategy formulation**?

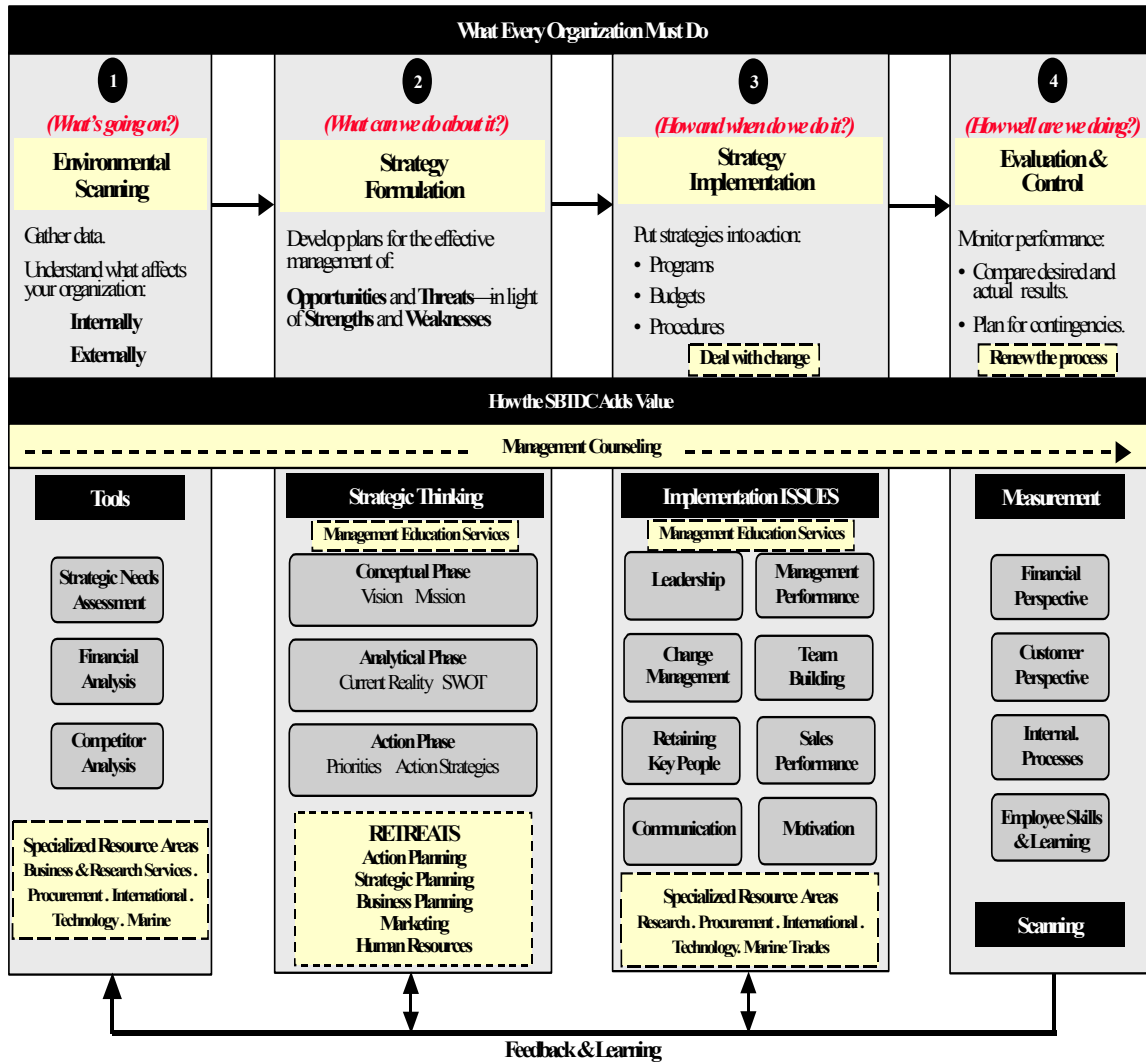
Question 3. What competencies do you feel a counselor needs in order to provide strategic management counseling to SMEs in the area of **strategy implementation**?

Question 4. What competencies do you feel a counselor needs in order to provide strategic management counseling to SMEs in the area of **evaluation and control**?

Question 5. What **other** competencies do you feel a counselor needs in order to provide strategic management counseling to SMEs?

# STRATEGIC MANAGEMENT MODEL

Present Position  $\xrightarrow{\text{Meet Challenges, Manage Change, Plan for the Future}}$  Future Position



**Appendix D: Round II Email Letter and Survey Questionnaire**

June 20, 2003

Dear [Recipient]:

This constitutes the second round of my Delphi study. Thank you all for your participation thus far.

I have compiled the results from your responses to the first round. On the enclosed questionnaire, you will see all of the responses that I received in round one listed by category in no particular order.

What I ask that you do now is consider the responses listed in each category. You are asked to rate each of the responses on a five-point scale as to their importance defined below.

- 4 = Critical competency needed by counselors
- 3 = Important competency needed by counselors
- 2 = Moderately Important competency needed by counselors
- 1 = Slightly Important competency needed by counselors
- 0 = Not Important competency needed by counselors

Please return this questionnaire by e-mail to me within three working days.

Thank you,  
Mike Seibert  
[mseibert@sbtcd.org](mailto:mseibert@sbtcd.org)

## Round II Survey Questionnaire

### **Instructions:**

Please review the responses, which were identified in Round I as competencies needed by counselors to perform strategic management counseling with SMEs.

**Competencies** are defined as a cluster of related knowledge, skills and attitudes that affects a major part of one's job, that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development.

**SMEs** are defined as firms with sales above \$1,000,000 and in business for over three years.

Please rate each of the responses on a five-point scale as to their importance.

A counselor needs the following competencies (knowledge/skills/attitudes) in order to perform strategic management counseling with SMEs:

Knowledge	Not Important	Slightly Important	Moderately Important	Important	Critical
Financial accounting knowledge of financial statements.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Managerial accounting knowledge of budgets and breakeven analysis.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Environmental scanning and research knowledge.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Strategic management knowledge of the model, phases, and process.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Business planning knowledge of the elements and the process.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Market planning knowledge of the elements and the process.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Organizational development	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4

knowledge.					
General business knowledge gained through direct experience.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Knowledge of financial markets and macroeconomics.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Human performance improvement and human behavior knowledge.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Business strategy knowledge, i.e., growth, stability and retrenchment.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Knowledge of MES policies and procedures.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Knowledge of MES products and services.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Balanced scorecard, assessment and evaluation knowledge.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Knowledge of SME capacities and characteristics.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4

Skills	Not Important	Slightly Important	Moderately Important	Important	Critical
Content counseling skills and use of appropriate counselor roles.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Process counseling skills and use of appropriate counselor roles.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Teambuilding and conflict management skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Communication skills in	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4

reading, writing and transcription.					
Communication skills in speaking and presenting.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Communication skills in listening, questioning, and interviewing.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Facilitation skills of self-awareness and group processes.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Facilitation skills of flip charting and audiovisuals.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Teaching skills in coaching, instructing, and mentoring.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Strategic Needs Assessment (SNA) instrument skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Risk Management Associates (RMA) Compare2 software skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
The Attentional and Interpersonal Styles (TAIS) profiling skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Dimensions of Behavior (DiSC) profiling skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Research skills to gather, survey, synthesize and apply research.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Internal scanning and distinctive competencies identification skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
External scanning and competitive weakness identification skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Financial analysis skills, i.e.,	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4

trends, common sizing, and ratios.					
Financial management skills, i.e., budgeting and breakeven analysis.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Multi-tasking skills to deal with multiple SMEs and multiple needs.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Strategic thinking (conceptual, analytical and action phases) skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Critical thinking (brainstorming, divergent, and convergent) skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Resource management skills to use internal and external resources.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Action planning skills for vision and mission setting.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Action planning skills for SWOT analysis and prioritizing skills.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Action planning skills for goal, objective, and action task setting.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Relationship management skills for effectively engaging clients.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Change management skills for helping clients implement strategy.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4

Attitudes	Not Important	Slightly Important	Moderately Important	Important	Critical
Enthusiastic attitude toward effectively engaging SMEs.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Self-directed attitude toward learning strategic management.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Customer service attitude toward serving clients.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Empathetic attitude toward client's issues, concerns and problems.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Persuasive attitude toward counseling recommendations.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Positive and open-minded attitude toward dealing with ambiguity.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Collaborative attitude toward working with peers and clients.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Integrity attitude toward establishing trust and credibility.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Self-confident attitude toward effectively engaging SMEs.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4
Willing attitude to link and recommend MES to SMEs.	<input type="checkbox"/> = 0	<input type="checkbox"/> = 1	<input type="checkbox"/> = 2	<input type="checkbox"/> = 3	<input type="checkbox"/> = 4

**Appendix E: Round III Email Letter and Survey Questionnaire**

July 20, 2003

Dear [Recipient]:

This constitutes the final round of my Delphi study. Thank you all for your participation thus far.

I have compiled the results from your responses to the second round. On the enclosed questionnaire, you will see the responses that were statistically determined for inclusion in Round III. They are listed by category (knowledge/skills/attitudes) in rank order by statistical mean.

What I ask that you do now is consider the responses listed in each category. Please prioritize the responses listed in each category separately by placing the number of your ranking in the right-hand column.

After you complete the survey, please offer any suggestions you may have for professional development within the SBTDC.

Please return this questionnaire by e-mail to me within three working days.

Thank you,  
Mike Seibert  
[mseibert@sbtcdc.org](mailto:mseibert@sbtcdc.org)

### Round III Survey Questionnaire

**Instructions:**

Please review the responses, which were identified in Round II as competencies needed by counselors to perform strategic management counseling with SMEs. After you complete the survey, please offer any suggestions you may have for professional development within the SBTDC.

**Competencies** are defined as a cluster of related knowledge, skills and attitudes that affects a major part of one's job, that correlates with performance on the job, that can be measured against well-accepted standards, and that can be improved via training and development.

**SMEs** are defined as firms with sales above \$1,000,000 and in business for over three years.

Please prioritize the responses listed in each category separately by placing the number of your ranking in the right-hand column. Remember to rank each category (knowledge/skills/ attitudes) separately.

Statistica I Mean Ranking	Knowledge	Your Ranking
1	Strategic management knowledge of the model, phases, and process.	
2	Business planning knowledge of the elements and the process.	
3	Knowledge of MES products and services.	
4	General business knowledge gained through direct experience.	
5	Business strategy knowledge, i.e., growth, stability and retrenchment.	
6	Financial accounting knowledge of financial statements.	
7	Managerial accounting knowledge of budgets and breakeven analysis.	
8	Environmental scanning and research knowledge.	
9	Market planning knowledge of the elements and the process.	

Statistica l Mean Ranking	Skills	Your Ranking
1	Communication skills in listening, questioning, and interviewing.	
2	Change management skills for helping clients implement strategy.	
3	Multi-tasking skills to deal with multiple SMEs and multiple needs.	
4	Relationship management skills for effectively engaging clients.	
5	Content counseling skills and use of appropriate counselor roles.	
6	Communication skills in speaking and presenting.	
7	Process counseling skills and use of appropriate counselor roles.	
8	Action planning skills for goal, objective and action task setting.	
9	Action planning skills for vision and mission setting.	
10	External scanning and competitive weakness identification skills.	
11	Critical thinking (brainstorming, divergent, and convergent) skills.	
12	Resource management skills to use internal and external resources.	
13	Teambuilding and conflict management skills.	
14	Financial management skills, i.e., budgeting and breakeven analysis.	

Statistica l Mean Ranking	Attitudes	Your Ranking
1	Integrity attitude toward establishing trust and credibility.	
2	Collaborative attitude toward working with peers and clients.	
3	Self-directed attitude toward learning strategic management.	
4	Customer service attitude toward serving clients.	
5	Enthusiastic attitude toward effectively engaging SMEs.	
6	Willing attitude to link and recommend MES to SMEs.	
7	Self-confident attitude toward effectively engaging SMEs.	
8	Positive and open-minded attitude toward dealing with ambiguity.	
9	Empathetic attitude toward client's issues, concerns, and problems.	

Please provide any suggestions you may have for professional development within the SBTDC.

## Appendix F: Descriptive Statistics

<b>Round II Survey Questionnaire</b>				
Expert Panelist	N	M	Mdn	SD
Knowledge Competency				
Financial accounting	17	3.000	3.000	0.866
Managerial accounting	17	3.000	3.000	0.935
Environmental scanning	17	3.000	3.000	0.500
Strategic management	17	3.412	4.000	0.712
Business planning	17	3.353	3.000	0.702
Market planning	17	3.000	3.000	0.866
Organization development	17	2.706	3.000	0.686
General business experience	17	3.294	3.000	0.686
Financial markets/macroeconomics	17	1.882	2.000	0.697
Human performance improvement	17	2.529	2.000	0.875
Business strategy	17	3.059	3.000	0.827
MES policies and procedures	17	2.588	3.000	0.939
MES products and services	17	3.353	4.000	0.786
Balanced scorecard	17	2.059	2.000	0.899
SME capacities and characteristics	17	2.882	3.000	0.600

<b>Round II Survey Questionnaire</b>				
Expert Panelist	N	M	Mdn	SD
Skills Competency				
Content counseling	17	3.294	3.000	0.686
Process counseling	17	3.235	3.000	0.903
Teambuilding - conflict management	17	3.000	3.000	0.612
Communication - reading, writing	17	2.941	3.000	0.899
Communication - speaking, presenting	17	3.294	3.000	0.772
Communication - listening, questioning	17	3.588	4.000	0.618
Facilitation - self awareness	17	2.941	3.000	0.658
Facilitation - flipchart, audiovisuals	17	2.353	2.000	0.932
Teaching - coaching, instructing	17	2.529	3.000	0.515
Strategic need assessment - SNA	17	2.882	3.000	0.781
Compare2 Software - RMA	17	2.529	3.000	0.717
TAIS Personality Profile	17	2.294	2.000	0.772
DiSC Personality Profile	17	2.118	2.000	0.858
Research and applied research	17	2.471	3.000	0.800
Internal scanning	17	2.824	3.000	0.809
External scanning	17	3.118	3.000	0.697
Financial analysis	17	2.824	3.000	1.015
Financial management	17	3.000	3.000	0.866
Multi-tasking	17	3.471	4.000	0.717
Strategic thinking	17	3.177	4.000	1.015
Critical thinking	17	3.118	3.000	0.858
Resource management	17	3.059	3.000	0.748
Action planning - vision and mission	17	3.177	3.000	0.883
Action planning - SWOT	17	3.177	4.000	1.015
Action planning - goals and objectives	17	3.235	3.000	0.831
Relationship management	17	3.412	3.000	0.507
Change management	17	3.588	4.000	0.618

<b>Round II Survey Questionnaire</b>				
Expert Panelist	N	M	Mdn	SD
Attitudes Competency				
Enthusiasm for engaging SMEs	17	3.471	4.000	0.624
Self-directed learning strategic mgmt.	17	3.588	4.000	0.507
Customer service	17	3.588	4.000	0.507
Empathy of client issues and concerns	17	3.000	3.000	0.935
Persuasive with recommendations	17	2.647	3.000	0.606
Positive and open-minded	17	3.294	3.000	0.772
Collaborative with peers and clients	17	3.647	4.000	0.493
Integrity - trust and credibility	17	3.706	4.000	0.588
Self-confident for engaging SMEs	17	3.412	3.000	0.507
Willing to link MES to SMEs	17	3.471	4.000	0.624

<b>Round III Survey Questionnaire</b>				RII	RIII
Expert Panelist		N	M	Rank	Rank
Essential Knowledge Competency					
Strategic management	17	2.882	1	1	
Business planning	17	3.471	2	2	
MES products and services	17	4.706	2	5	
General business experience	17	3.647	4	3	
Business strategy	17	4.412	5	4	
Financial accounting	17	6.294	6	6	
Managerial accounting	17	6.765	6	9	
Environmental scanning	17	6.471	6	8	
Market planning	17	6.353	5	7	

Rank coefficient correlation = 0.825

Level of significance at 5% = 1.960

Test statistic at 5% = 2.332

<b>Round III Survey Questionnaire</b>			RII	RIII
Expert Panelist	N	M	Rank	Rank
Essential Skills Competency				
Communication - listening, questioning	17	2.118	1	1
Change management	17	6.824	1	5
Multi-tasking	17	6.941	3	7
Relationship management	17	4.765	4	2
Content counseling	17	6.529	5	4
Communication - speaking, presenting	17	7.059	5	8
Process counseling	17	6.412	7	3
Action planning - goals and objectives	17	7.647	7	9
Action planning - vision and mission	17	8.941	9	10
External scanning	17	9.412	10	11
Critical thinking	17	6.882	10	6
Resource management	17	9.412	12	11
Teambuilding and conflict management	17	10.353	13	13
Financial management	17	10.765	13	14

Rank coefficient correlation = 0.809

Level of significance at 5% = 1.960

Test statistic at 5% = 2.915

<b>Round III Survey Questionnaire</b>			RII	RIII
Expert Panelist	N	M	Rank	Rank
Essential Attitudes Competency				
Integrity - trust and credibility	17	2.882	1	1
Collaborative - peers and clients	17	5.412	2	6
Self-directed learning strategic mgmt.	17	5.412	3	6
Customer service	17	4.177	4	3
Enthusiasm for engaging SMEs	17	4.059	5	2
Willing to link MES to SMEs	17	5.000	6	4
Self-confident for engaging SMEs	17	5.177	7	5
Positive and open-minded	17	6.706	8	9
Empathy of client issues and concerns	17	6.177	9	8

Rank coefficient correlation = 0.655

Level of significance at 5% = 1.960

Test statistic at 5% = 1.853