

Decision-Making Processes Used by Malaysian Managers of Small and Medium-Sized Enterprises When Deciding Their Participation in Government-Sponsored Training Programs

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Abstract

This study identified the decision processes used by managers from small and medium-sized enterprises (SMEs) to participate in training programs funded by governments in Malaysia. Evidence has found that small and medium-sized businesses are vital to the economic growth of a country, and government-provided training programs may help foster organizational efficiency. Research has, however, revealed that SME participation is relatively low. Until now, there has been little research about how SME managers make decisions about how to send their workers to government-sponsored training programs, which could theoretically benefit the company. The study used the methods outlined by Willig (2013) for interpretative phenomenological analysis. Eight participants contributed to the study. Data collection was carried out in two stages. The first phase involved an in-depth, semi-structured interview of individuals. Phase two involved a group discussion. The group session included four SME executives. Added to the data were field notes from the author and reflective journal. Data were analyzed using the guidelines outlined in the IPA method adopted by Willig (2013). The findings revealed two major categories of the decision-making processes made by SME managers with two subcategories each. The first category is procedural strategies. The subcategories are collecting of information and processing of information. The second category is emotion orientation of SME managers when making decisions. The first subcategory is protecting the family business. The second subcategory is the use of gut feelings. Based on these findings, the study has addressed policy consequences, recommendations and limitations.

Keywords: SME, government-sponsored training programs, decision making, Interpretative Phenomenological Analysis, Bounded Rationality

Introduction

National Human Resource Development (NHRD) is understood as efforts made by governments through agencies and departments (Roh, Ryu and McLean, 2020). The aim is to coordinate national-level policies and activities for the purpose of achieving greater quality, productivity, and competitiveness of citizens. Although there is no single agreed-upon definition of NHRD, the definition proffered by McLean (2006) is widely used. It is presented thusly:

“National Human Resource Development is an undertaking at the top level of government and throughout the country’s society that coordinates all activities related to human development (HD) to create greater efficiency, effectiveness, competitiveness, satisfaction, productivity,

knowledge spirituality, and well-being of its residents. It includes education, health, safety, training, economic development, culture, science and technology, and any factors influencing HD” (slide 19).

An example of how NHRD has been used extensively in many countries is the policy design for the development of SMEs (Hill & Stewart, 2000). These policies are created with goals to provide support for SMEs in areas where SMEs struggle. Example areas involve the provision of training and development activities (Panagiotakopoukus, 2011; Taylor, Shaw & Thorpe, 2004), obtaining loans or credit facilities (Abor & Quartey, 2010), and providing support for technologically-related advances (Abdullah, 1999). Examples of government assistance for SME development in the aspect of training and development are as follows. First, governments provide subsidies for training. Second, they coordinate training programs, which are offered by public and private training/education institutions. Third, governments vis-à-vis appointed agencies provide training-related advisory or consulting services. Fourth, governments develop various systems to increase training activities, such as the levy rebate incentive system (Abdullah, 1999; Aldaba, 2012; Lee, 2009).

Problem Statement

In an effort to overcome the internal constraint (such as limited budget, time limitation and insufficient number of employees) to provide training, small business owners or managers seek relevant training-related guidance and support from a wide range of external sources. Examples include trade associations, government-sponsored organizations, private training consultancies and individuals connected to the business (Matlay, 2000). Realizing the importance of SMEs to the economy and the challenges faced by managers in providing training and development activities to employees (due to resource limitations among SMEs), governments responded by creating numerous national-level efforts to assist SMEs. Governments developed training support, including Malaysia’s Human Resource Development Fund, UK’s Investor in People, and Nigeria’s Industrial Training Fund. General agreement in the literature revealed that despite the benefits of NHRD, research (see OECD reports since 2003; Manimala & Kumar, 2012) highlighted consistently that SME employees are less likely to participate in training programs, compared to large organizations. For instance, statistics indicated that SMEs participate in 50 percent fewer training activities than large firms (OECD, 2013). Also, the lack of training participation among SMEs is heightened by the research findings that trainers, consultants, and policy-makers consider training as a valuable tool for SME development; however, SMEs do not necessarily feel this to be the case (Manimala & Kumar, 2012; Dar, Canagarajah & Murphy, 2003). Specific to Malaysian context, 387,876 SME training participation statistics were reported by HRDF in 2017. In 2018, this number was reduced to 376,857 participation. This reduction in numbers warrants attention.

While it is accepted that SME managers are important decision-makers in the organizations’ daily operation (Ogarcia, 2010) and function as gatekeepers to employees’ access to training and development opportunities (Matlay, 1999; Walton, 1999), few studies investigated how managers make decisions related to participating in government-sponsored training programs. Managers’ decisional roles remain critical when considering employee access to training and development (Coetzer, Redmond & Sharafizad, 2012). Surprisingly, scant research considers factors affecting managers’ decisions regarding the training involved in SMEs. Similarly, a relative lack of information is known about the decision processes used by managers as it relates to employees’ participation in government-sponsored training programs. This relatively unknown decision process is contradictory to the finding that researchers and policy makers provided considerable effort and time trying to understand how small firms can be encouraged to participate in more training activities (Bishop, 2011).

Research Question and Objective

This study is part of a six-research questions PhD dissertation. This paper discussed only one of them. The research question is presented as follows:

1. What are the decision processes used by SME managers about whether to participate in government-sponsored programs?

The objective of this study is to explore how SME managers navigated their decision-making processes when it comes to considering whether or not they would participate in government-sponsored training programs.

Significance of the Study

This study is significant to the field of HRD and to society at large. The reason is because greater awareness and deeper knowledge about how training-related decisions are made in SMEs contributes to a more comprehensive understanding of the most important sources of national income and employment forms. Considering SMEs individually, the absence of training-related activities may not, at first glance, to appear significant. However, considered together and comprising more than 97 percent of the total establishments in the country, this number warrants attention. Not participating in government-sponsored training programs and failing to provide training in SMEs are problematic because the vast percentage of SMEs represent the number of employees not properly trained. Moreover, it contributes to significant challenges, such as hindering the country's growth and, ultimately, lacking competitive advantage. Failing to understand what prohibits SME managers from allowing employees to participate in such programs creates waste, due to underutilized government-sponsored programs. Consequently, an inability to meet the goals for developing national human resources reaches critical levels. Given knowledge of decision-making processes, program developers and policy makers at the national level are better able to make informed decisions for the development of training programs for SMEs.

Literature Review

NHRD efforts for small-medium enterprises. The literature reveals several instances of government policies for SME development efforts. This study's basis is served by these policies and SMEs reactions. It focuses, in particular, on training and development activities. Policy variations exist; nevertheless, a common trait among them is rendered visible by the governments' emphasis on SME training activities. Most policies are developed to provide support for SMEs. Policies are designed to train or provide financial assistance for such programs. The following provides a description of some initiatives that serve as examples of NHRD policies with relation to SME development. Although it is not the purpose of this study to evaluate or discuss every related policy in the world, some introduction to the initiatives practiced will provide insight about the use of NHRD policies and government-sponsored training programs for SMEs.

For example, the South Korean government introduced and periodically changed its approach to SME training initiatives. Decisions are based on the current and projected needs of SME growth. Since the beginning of The Five-Year Economic Development Plans in 1962, the vocational training system was established (Lee, 2006). As the pace of export-oriented economic development accelerated, and the supply of training programs did not respond to keep pace with economic growth, the Korean government introduced a training subsidy system in 1967. Due to budget constraints, the subsidy was replaced with a compulsory in-plant training system. Then, due to resistance from enterprises, the system was changed once again

to a training-or-levy optional system. The system was enlarged to include large companies as well as SMEs, beginning in 1990. To address issues, such as imbalances among societies, and to direct more attention toward the welfare of workers and strengthening of SMEs, the government once again modified the training-or-levy system to a more flexible incentive system. It offered more choices. This incentive system allows SMEs to receive rebates of training levies up to 270 percent as compared to only 80 percent of large enterprises. This incentive system encouraged SMEs to participate voluntarily in training their workers (Lee, 2006).

Another example involves Indonesia. There are as many as 64 institutions, categorized into six groups, that contribute toward strengthening SMEs (Tambunan, 2008). These six groups are as follows: government agencies, non-government organizations (NGOs), donor agencies, banking institutions, private companies, and others. In a 1997-2003 survey, 594 programs were identified in assisting SME development. As regards training, government agencies provide the most programs (46.9 percent) followed by NGOs (37.2 percent). Implementation of the training programs was led primarily by the Directorate-General of Small-scale Industry from the Department of Industry, the Office of the State Minister for Cooperatives and SMEs (SMERU, 2004). HRD training programs include production techniques and general management.

These are several examples of how different countries foster SME development programs in particular contexts. Although these programs are reported to be somewhat successful for increasing training among SMEs, the involvement of SME managers in deciding whether these programs are suitable for their organization is largely unknown. Information is not readily known about programs' relevance for SME managers or the reasons they believe that lead to joining and developing programs that are helpful to organizations.

Despite high government spending levels on capacity building in SMEs, the issue of an unskilled workforce remains alarming in many countries. Various scholars highlighted the problem of limited use of government training funds, which signaled that national human resources were not developed as intended by government policy (Kim & Marsick, 2013). In South Korea, it was reported that large companies drew extensively on these contributed funds, but SMEs did not (Kim, Kim Lee & Lee, 2009). Comparatively, SME Corp Malaysia (2012) stated that the low utilization of extant training is a contributing factor toward the constraints of SME growth, specifically with regard to the Malaysian government agency's effort (Human Capital Development area). Often, SMEs remain largely unaware of their training needs in these examples. Likewise, they do not adequately respond to the training initiatives and offers made by the government (Manimala & Kumar, 2012).

Rational Decision Making. Scholars believe that if decision makers have access to relevant information, are provided sufficient time and not constrained by the limitations of 'being human,' then they would always use a rational decision process (Williams, 2002). The rational decision-making process involves four basic steps. These include problem identification, criteria definition, alternative generation and evaluation and implementation.

Bounded Rationality. Bounded Rationality has become an important concept in organizational theory. 'The fundamental idea of limited rationality is that not everything can be known, that decision making is based on incomplete information about alternatives and their consequences' (March 1978, p. 154). In 1957, Herbert A. Simon proposed Bounded Rationality as a more holistic way of understanding decision-making. This principle was introduced when more evidence showed the deficiency of rational decision making (Simon, 1979, p. 507). In particular, it regarded evidence of what people do not do when making decisions.

To illustrate the differences between Rational Decision-Making and Bounded Rationality, a summary of decision-making steps between them are described below (Williams, 2002, p. 15).

Table 1: Comparisons between rational decision-making and bounded rationality.

Decision-making step	Rational decision-making	Bounded Rationality
Problem definition	Real problem is identifiable.	Problem primarily reflects the decision maker's interest, understanding, and needs.
Criteria definition	All relevant criteria are identifiable and weighted appropriately.	Limited criteria are identifiable, and evaluation is influenced by self-interest.
Alternative generation and evaluation	All options are considered, and all consequences are understandable and considered.	Limited options are identified, favored option is prioritized, and consideration stops when a 'good enough' solution is found.
Implementation	All participants understand and support the solution.	Politics, power, and self-interest influence the amount of acceptance and commitment to the solution.

Note. Adapted from "Introduction," by S. Williams, 2002, *Making better business decisions: Understanding and improving critical thinking in problem-solving skills*, p. 17. Copyright 2002 by Sage Publications.

Differences between rational and non-rational decision making can be found in the decision-making steps. Unlike rational decision making, problem identification in Bounded Rationality primarily reflects the decision maker's interest, understanding and needs. Rational decision-making, often computer-assisted, greatly emphasize identifying all relevant criteria, which are then weighted based on their relative importance toward decision outcomes. Realizing that it is not possible for decision-makers to gather all knowledge and information about a problem, Bounded Rationality offers the option of considering a sufficient number of alternatives. Consideration continues until an option, which is believed to generate a sufficiently satisfactory outcome is found. This concept is referred to as 'satisficing.' This process is different from the goal of rational decision making, which is to produce an optimal decision. Alternative generation and evaluation in rational decision-making differ significantly because all options are seriously considered, all consequences are explored and taken into consideration before a decision is made. 'Unfortunately, we don't live or work in the perfect world, both psychologists and economists recognize that in application the rational decision maker often chooses less than optimal outcomes' (Herling, 2003, p. 397). As regards implementation, it is believed that all rational participants, having considered all possible alternatives, understand and support the decision. Contrarily, politics, power, and self-interest influence the amount of acceptance and commitment as regards Bounded Rationality solutions.

SME managers as decision makers in training and development

Conducted studies aimed to understand how managers' personal values affect training and development decisions in the workplace (McGuire et al., 2008). Authors, such as McGuire et al., argued that personal values of managers serve a significant role in decision-making processes. This case regards their commitment to training and development. In their study, values such as 'having a personal sense of achievement, having self-respect, striving to achieve

their goals, being competent in daily life and being self-reliant' (p. 344) are the most significant explaining variance in the importance that managers attach to training and development. These findings indicate that managerial decision-making is not a value-free process. The managers' background, experiences, and views of HRD hold considerable influence on their decision-making.

Moreover, Watson, Maxwell and Farquharson (2007) highlighted the problematic issue of responsibilities for training and development by line managers. Problems include the willingness of the line managers to take responsibility, the extent of their knowledge of training and development, and their values and attitudes towards HRD generally. Coetzer, Redmond and Sharafizad (2011) discussed the critical role of manager's decisions when considering whether to provide SME employees with access to training and development. Using Critical Incident Technique, their interview with 12 managers were based in Perth, Australia and reported several key findings. Employee access to training and development was, more often than not, initiated primarily by managers in the firms. Their staff, by comparison, did not indicate high levels of developmental proactivity. Aside from the initiative of managers, a wide range of factors influenced decisions on employee access to training and development activities. Factor attributes included the employee, the decision maker, training and development opportunity, and the organization.

Research Methodology

This study adopted a qualitative research methodology. Qualitative research is chosen over other types of research due to the primary objective of this study. This study aims to provide an in-depth understanding of the decision processes and criteria of SME managers' decisions to participate or not participate in government-sponsored training programs. This study required respondents to remember a time when it was necessary to make this decision, to situate themselves in that situation, and to describe their thinking processes while considering their decision. The use of qualitative research fits the goal of the study because there is a need to (1) explore the problem of low utilization of government-sponsored programs among SMEs, and (2) understand the considerations made by SME managers in their decision-making.

This study used the guidelines by Creswell (2013) when in data collection phase. The data collection phase was comprised of seven main activities. The seven main activities were (1) locating site/individual, (2) gaining access and making rapport, (3) purposefully sampling, (4) collecting data, (5) recording information, (6) resolving field issues, and (7) storing data.

The Sarawak State Director of SME Corp Malaysia was contacted via e-mail, and this contact followed by a face-to-face meeting for the purpose of gatekeeper clearance and recruitment assistance. Upon approval from the gatekeeper, an e-mail meant for advertising participant recruitment was circulated through the e-mail addresses of SME managers in SME Corp's database. The e-mail blast was sent twice. Only 4 SME managers responded to this advertisement. For additional respondents, the researcher made phone calls from the list of SMEs in the database. Since participation was voluntary, those who responded to the advertisement and fit in the criteria set were considered for interviews. Those who responded to the phone recruitment requests were further screened to determine the fit between the potential informant and the criteria set for the study (based on position, enterprise size, and manager's experience). From the recruitment, a total of 7 SME managers (with the exception of the SME development agency director, who was included as a respondent) were involved in this study. Sources of data in this study were individual in-depth interview, group discussion, field notes and reflective journal. For both interviews (individual and group), semi-structured interviews were conducted. An assistant helped the researcher with recording. Additionally, the assistant helped to write notes about the respondents' remarks.

The researcher began analyzing data once the first round of interview was transcribed. The verbatim transcripts were read repeatedly. Transcribing was accomplished by playing the audio recording and typing in a word processor. Coding was performed using the qualitative data analysis software, Nvivo. Techniques for data analysis used in this study were from Willig (2013).

Findings

Based on respondents' input gathered from the interviews, data revealed two major categories, each with two subcategories. The first category reflected the procedural strategies that respondents adopted during decision processes. Data revealed two common subcategories that the respondents used when making decisions: collecting of information and processing of information. Five respondents reflected on information collection as the main decision process in their responses. Six respondents shared narratives on processing information. These two subcategories acknowledged that when making decisions, SME managers considered collecting and processing information as important procedures prior to making a decision. The second category involved the emotion orientation of the respondents when considering participation. Subcategories surfaced, as follows: protecting the family business and the use of gut feeling. Based on the code frequency, six respondents revealed a desire to protect the family business. Four respondents admitted to reliance on gut feelings or intuition about their participation in training programs, based on the training content and suitability. The following section compiles excerpts from the interview transcripts about respondents' statements about procedural strategies and emotion orientation categories.

Procedural strategies. Asked to describe a time when managers needed to make a decision, respondents were asked to consider how they decide on their participation. In such instances, each respondent began sharing decision-making in terms of process. Commonalities among respondents' narratives revealed decision processes aligned with Bounded Rationality. The decision processes were performed without clear adherence to the decision-making step, as stipulated by rational decision-making. Managers admitted that they did not use any specific decision-making tools; rather, they depended on readily available information. For example, during the group discussion, respondents revealed.

Speaking of procedures or steps, hmm no - not now, we do not have anything written specifically about these procedures. We normally communicate about these things in an informal setting, so we do not really use any steps or procedure. We do not have any calculations about whether or not our participation will provide ROI. (Nina)

We learn and do things like TNA in our company, but most of the things are not documented – unlike big companies. We do not have a proper SOP of how to do things, we are not there yet, but the basics of training needs analysis, yes, we do have it. Oh, no, we don't document them. So, we may not have things on paper but we do practice it. (Jeff)

Reflecting on the decision processes made by the manufacturer association's members, Liam said:

We meet, discuss and come up with our decision. So we do not have a specific steps, or methods on how these decisions are made. We mostly depend on the needs of our members, and their experiences in doing business as well. (Liam)

Collection of information. The first subcategory emerged from the interview data, revealing several sources of information used by the respondents when searching for information. Among the most common sources of information are the messenger application WhatsApp, program information kit and associations. Respondents described their process of collecting information.

If they have access to WhatsApp, Facebook and Instagram, they should not have any problem accessing our website for information about what SME Corp can do to assist them with the development of their business. (Adam)

Most of the times, I will call the person-in-charge of the training programs directly if the contact person is available for discussion. If I don't have the contact information, I will look for information from the website of the organizing party. Sometimes all we need to know about the training programs are available in the brochure or on the website. Apart from these methods, I also turn to local SME support groups to see if the other SME owner-managers have previously attended the training program. The good thing about technology nowadays is that everything is connected - so I appreciate smart phones where I can simply send a WhatsApp message to relevant people for information. (Farrah)

So when we need to talk to the government agencies which we are very close with, we can also use WhatsApp if not make phone calls. (Nina)

I use WhatsApp very often too. It is a convenient way to ask questions or get information from relevant people. Whenever I am in doubt I can also take my smartphone out and ask questions to the right group or people. It is a quick way for information seeking other than using Google, of course. (Jeff)

At the same time, I am also the business counsellor for Institut Keusahawanan Negara (INSKEN or National Institute of Entrepreneurship) so information about trainings, opportunities are circulated and shared among us. (Jeff)

Processing of information. Once respondents found sufficient information, regarding the government-sponsored training program they are interested to be a part of, managers will process information by considering whether or not their involvement will benefit their business. During this phase of information processing, SME managers scan information collected about training programs, from which they derive alternatives. Descriptions of the respondents' experiences are stated.

However, as much as we would like to participate in each and every one of the programs, we must first consider the benefits that we will gain from our participation. (Farrah)

If the content is relevant, I will consider it. If not, I will disregard the flyer or emails or whatever form they came. (Jeff)

I will look at what the training has to offer and to quickly analyse if the training is relevant to my business. (Farrah)

It is up to us to choose relevant and useful information. (Jeff)

We make decisions through meetings. But now, we always discuss as a team. We do not use any specific methods and all that. Depending on just one person when making decision is a risky business. So we need more heads together to make sound decisions. The inputs, and background of the team members produce better decisions, at least in my experience. (Liam)

Emotion orientation. Apart from procedural strategies, respondents revealed another major theme when discussing decision processes. Since most of their businesses started as a family business, they felt a sense of responsibility to continue the family legacy (Poveda-Baustita, 2016). Decisions made would consider the benefits of participating in the programs as it relates to the family business. The second emotion involved when making a decision involves trusting their 'gut feeling' about participating in the government-sponsored training programs. The gut feeling result from previous involvement with similar training programs. It might be influenced by managers' prior experience involving government-sponsored training programs.

Protecting the family business. Based on the respondents' interview session, it is clear that they are keen to be sure that they bring family business to a higher level of development. Considering participation, interviewees considered whether the decision will help them to

achieve the business’s goals, and at the same time, whether it would support them to keep the business established. The following statements are sample responses from the interviewees.

For me, it is important to continue my family's legacy... When I stepped in the family business, I know that I have to steer the company to be even more successful. (Mia)

Now, when they return and work for their family-operated business, these new generation of managers are very interested with training for their employees. (Liam)

I agree with what Mia said about persevering the family business. (Farrah)

Gut feeling. Interview data revealed the use of gut feeling or intuition (which are backed by prior experience) among respondents when making decisions to participate in government-sponsored training programs. Based on their experiences, they question the program’s relevance. Since the respondents admitted that they do not use sophisticated decision-making tools, reliance on ‘gut feeling’ registers as a primary method. The following statements are sample responses from the interviewees.

If I feel that the training program will be beneficial to my employees based on what they need to improvise, I will ask my employees if they are interested. (Jeff)

Since I am fully authorized to make these decisions. I will go with my feelings or, intuition you may call it. (Mia)

We go with gut feeling, like, whether or not the training is what we need at the moment. (Jeff)

Instead, I depend on my experience, and gut feeling. (Simon)

Thus, based on these responses, the research question discovered that the decision-processes made by SME managers, when considering their participation in government-sponsored training programs, were based on Bounded Rationality perspectives. This means that no specific steps or tools were used. Instead, the decision processes regarded the use of procedural strategies and emotional orientation. Moreover, procedural strategies involved collecting and processing information. Emotional orientation involved protecting the family business and relying on gut feeling. The graphic illustration below is the summary of research findings.

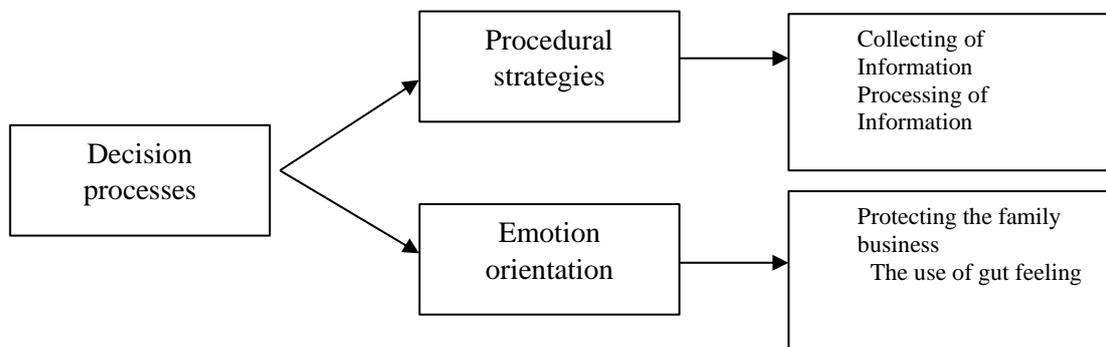


Figure 1: SME managers’ use of procedural strategies and emotion orientation when making decision about their participation in government-sponsored training program

The decision-processes made by SME managers, when considering their participation in government-sponsored training programs, were based on Bounded Rationality perspectives. This means that no specific steps or tools were used. Instead, the decision processes regarded the use of procedural strategies and emotional orientation. Procedural strategies involved collecting and processing information. Emotional orientation involved protecting the family business and relying on gut feeling.

SME managers were found to rely on emotion, biases and heuristics when considering their participation. When navigating their decision-making, SME managers tend to spend more time collecting and processing relevant information. Emotions serve a certain function in the decision-making process. This element is not found in rational decision making. Emotions are relatively brief episodes of synchronized responses that produce noticeable changes in the functioning of an organism. Such changes derive from triggering events of major significance (Scherer, 1999). Examples of emotions expressed by respondents include a felt need to protect one's family business and one's reliance on instincts or gut feelings. SMEs are characterized by close-family relationships between owners and managers (Ogarca, 2015). Most SMEs in this study are operated by family members. They expressed a sense of responsibility to ensure that their business prospers because it was founded by their family (Ogarca, 2015).

In a related study, Orgaca (2012) remarked on differences between the decision-making style of first-generation entrepreneurs and subsequent generations. The decision-making of first-generation entrepreneurs tended to be more centralized (Alderson, 2009) than those of later generations. Alderson (2009) discussed second-generation entrepreneurs. Specifically, in the event that they have insufficient information while making difficult decisions, second-generation entrepreneurs will orientate their decisions based on the value set by the founder of the enterprise. This is referred to by Alderson as the 'decisional instrument.' In a model, proposed by Alderson (2009), second-generation family businesses tended to consider family priorities and values in decision-making. According to this model, decisions may be categorized as programmed or non-programmed decisions. Programmed decisions are perceived as low risk, not of high financial cost, and not affecting family and employees. If information is not readily available, then owner-managers will consult relevant parties before making a final decision. As for non-programmed decisions, the nature of the decision to be made could be riskier. Constraints, such as lack of experience, limited resources, family involvement, conflicts and costly decisions, will lead to more highly strategized information searches by second-generation SME owner-managers. The information search may be extended to a broader social network. The decision will be made only once sufficient information is gathered. Depending on the decision's urgency, the final verdict may be delayed until forced by necessity.

None of the SME managers interviewed used tools in their decision-making. This observation confirms the findings of prior research (for examples, see Duan & Xu, 2009; Guarda et. al., 2013). Specifically, it relates that SME managers are less likely to use sophisticated decision-making tools. Several factors were identified as prohibiting the use of solely rational models. These include the high costs of such decision-making efforts (Simon, 1979), information-processing limits of decision-makers (Abelson & Levi, 1985), differences in decision-making procedures adopted by managers (Shafer, 1986), and differences in the values of decision-makers (Payne et. Al., 1992). For a boundedly rational individual, heuristics often provide an adequate solution at low cost; whereas, more elaborate approaches would be unduly expensive (Conslisk, 1996). A study of 20 loan officers concluded that small business managers are likely to utilise 'a feeling, gut reaction or intuition' (Jankowicz & Hisrich 1987, p.45). Moreover, a small businessperson's decision-making process is based primarily on 'experience, intuition or guesswork' (Rice Jr & Hamilton 1979, p.8). The main reason for this, as contended by Rice and Hamilton (1979), is that the sizeable input of information involved in any decision process is too complex for the small business managers. It forces them to seek satisfying solutions with reliance on 'experience.' Other reasons involve incomplete understanding of the environment affecting the business, vague or inadequately defined goals, and an inability to determine the full range of alternatives available.

Implication

Five policy recommendations on Malaysia's HRDF are deliberated.

Policy 1. SME's preferences for on-the-job training and specific to the needs of the business should be taken seriously. Governing agencies are recommended to regard preference more seriously by providing a more structured procedure on how SMEs may work with government agencies to develop structured on-the-job training. This involves a more personalized approach to design training programs for each SME. It prompts more one-on-one consultation among agency representatives and enterprises. At this point, the old way of depending or pushing for participation in mass-produced training by selected training providers may not be attractive or viewed as relevant by SME operators. There seems to be a contradiction between the government agency's effort to provide external training programs and SMEs' preferences for in-service-training. Instead of allocating or pooling resources to promote participation in programs by externally training providers, a fair share of effort and resources must be granted to help SMEs develop in-house training, which are more relevant to their business needs. In short, SME should be made aware of the opportunities to develop training modules based on their unique needs. To accomplish this goal, SME managers are encouraged to become certified as trainers and provided access to training specialists in addition to raising awareness among SME operators about the availability of such services (tailoring the training program to SME) in government agency.

Policy 2. The policy should allow SMEs to utilize the funds for hiring training specialists or consultants for a more effective and tailored training. Two of the major constraints faced by SMEs is their lack of training-related knowledge and their inability to hire professional manpower for training purposes due to financial constraints. The SMEs cited a lack of knowledge in conducting training as a prohibitive factor that led to low training activity. Currently, it is not a policy for the training levy grant system to allow SMEs to use this account to hire training specialists or managers.

Specifically, Malaysia may recognize the current practice in the Republic of Korea through the SME Training Consortiums program. This program is aimed to combat unemployment and improve the productivity of SME workers by helping groups of SMEs organize themselves to launch and manage in-service training for workers. In Korea, each consortium will form an operating committee to manage its training tasks. The operating committee was composed of representatives from enterprises which comprised the consortium, local chamber of commerce, Ministry office, and training experts. At least two training experts are provided for each consortium funded by the training levy grant fund. This provides an effective policy because alone, enterprises may not be capable of affording to pay training specialists.

Policy 3. Apart from strengthening training programs, which led to certification, the provision of government-sponsored developmental training for SME owners and managers, as well as mentoring programs are highly recommended. In addition to training, government agencies are recommended to provide venues for networking and mentoring as part of training incentives. This contribution has been highlighted by SME operators as beneficial. Moreover, it can be viewed as a developmental effort for SME operators whereby they share experiences. Funds could be allocated for the payment of professional mentorship. In fact, Mazur & Coleman (2008) strongly believe that in-house mentoring can provide a cost-effective solution to employee training and development. This occurs when skills' gaps can be identified more easily and allow training to be more properly targeted to address the needs of individual staff and the business.

Policy 4. Training awareness programs are necessary to strengthen learning cultures among SME operators. Practices and policies must ensure that SME managers acknowledge training importance. This matter should be translated as training implementation. SME Corp or relevant

agencies may provide programs to help SMEs provide training. It may take form as increased training or awareness for properly conducted Training Needs Analysis. This policy suggestion is aligned with that proposed by Yahya, Othman and Shamsuri (2012). It is suggested that government or other associated agencies target SME managers to create awareness of the government agencies' functions or the programs sponsored. This is due to the understanding that managers' perceptions and beliefs about benefits of training appear to be a major determinant of training.

Government and relevant authorities entrusted to develop SMEs must exert greater effort to change owner-managers' perceptions of training from being a 'cost' to being an 'investment.' Simply put, training must be regarded as an investment rather than a cost. By adopting this new perception, it is expected the demand for training will increase from SMEs. Consequently, they become more efficient and contribute more effectively to the economy at the national level.

Policy 5. The importance of understanding Return of Investments for training program evaluation may be raised to a higher level. SMEs will more likely participate if they can relate their participation to outcomes, such as raised productivity, output, sales or overall business growth. Program evaluation may assist SMEs to realize the benefits of participation, which will hopefully lead to more participation in government-sponsored training programs in the future. Relevant government agencies should be clear about the benefits of the program when circulating information or promoting training programs. Specifically, these representatives should be able to state how the training program would benefit business operations, present details on the nature of the training program, provide a description of the training program (such as how the training will be conducted), outline employee characteristics (who would benefit from this training program), highlight the benefits to the enterprise as the result of participation or perceived benefits. This information should be produced for the website, messenger group, and program information kit.

Conclusion

As an example of qualitative descriptive design, this study does not purport to offer empirical generalizability of how all SME managers navigate the decision-making landscape with regard to their participation in government-sponsored training programs. The purpose of this research is to garner a deeper understanding of, and discover how, SME managers experience this process. As a result, readers should consider the findings presented and determine if these decision-making processes are applicable for their decision-making practices that relate to other SMEs' issues.

The findings of this study relied primarily on the narratives of participants that relate to their experiences when making decisions. These narratives were largely based on their memory, and no proper documentation has been used to verify this information other than those documented during the individual interview, group discussion and field notes. Other relevant sources, such as minutes of meetings, employee handbook or written policies and procedures on the decisions made, were not collected largely due to the nonexistence of these type of documents among SMEs in this study. Such documents might be useful as additional data to verify SME managers' recollections of their experience in decision making. The nature of this topic might also influence the participants' tendencies to respond with socially desirable answers.

Despite these limitations, narrating their experiences is still the most appropriate data collection method to serve the purposes of this study. Moreover, the data collection triangulation method of individual interview, group discussion and field notes were utilized to ensure that findings were accurate.

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