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ROYALL, VELMA LEE

A STUDY OF CURRENT OFFICE PRACTICES OF
OWNER-MANAGERS OF SMALL, SKILLED SERVICE
BUSINESSES IN GREENSBORO N.C. AND THE
CURRICULUM IMPLICATIONS FOR A CONTINUING
EDUCATION PROGRAM.

THE UNIVERSITY OF NORTH CAROLINA AT
GREENSBORO, ED.D., 1979

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SMALL, SKILLED SERVICE BUSINESSES IN GREENSBORO
N. C. AND THE CURRICULUM IMPLICATIONS FOR
A CONTINUING EDUCATION PROGRAM

by

Velma Lee Royall

A Thesis Submitted to
the Faculty of the Graduate School at
The University of North Carolina at Greensboro
in Partial Fulfillment
of the Requirement for the Degree
Doctor of Education

Greensboro
1979

Approved by


Dissertation Adviser

APPROVAL PAGE

This dissertation has been approved by the following committee of the Faculty of the Graduate School at the University of North Carolina at Greensboro.

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ABSTRACT

ROYALL, VELMA LEE. A Study of Current Office Practices of Owner-Managers of Small, Skilled Service Businesses in Greensboro, North Carolina and the Curriculum Implications for a Continuing Education Program. (1979) Directed by: Dr. Richard Weller. Pp. 140

The problem of this research was to identify the current office practices and procedures in small, skilled service businesses in Greensboro, North Carolina. It was also designed to determine the office needs of these small business owner-managers based on comparisons between current office practices and the efficient office practices identified in the literature. The study attempted to find out if relationships existed between current office practices and demographic items (age, sex, ethnic background, level of education, length of time as owner of any business, length of time business has been in operation, and number of post-secondary courses taken pertaining to office management.) Another dimension, through interview, comprised depth investigation of small, skilled service business owner-managers whose responses did and did not closely correlate with the identified efficient office practices.

Stratified random sampling was used to select the sample. All small, skilled service business owner-managers were asked to complete a four-section inquiry form relating to: (a) demographic items, (b) current office practices, (c) number one office problem, and (d) open-ended questions dealing with suggestions, needs, etc.

Demographic items were used as independent variables. Factor analysis was used to determine if owner-managers responded to the current office

practices as categories of questions. Contingency and frequency tables were used to show tabulated data. The primary statistical procedures employed was factor analysis and T-tests. The .05 level of significance was used for all statistical tests.

Financial recordkeeping was the most frequently stated problem area. This was followed by files and record management and office personnel practices respectively. Many owner-managers did not identify a problem area. Owners who had taken two courses pertaining to office management could more easily identify their major office problem area.

Many small business owner-managers do not appear to be utilizing office practices that agree with the ideal office practices identified in the literature.

Hypothesis testing was conducted on categories of questions as defined by the factor analysis. The following significant relationships were revealed: purchasing office equipment was positively related to educational level and identifying a major office problem was positively related to the number of post-secondary courses taken pertaining to office management.

Depth interviews with select cases of small business owner-managers in Greensboro, North Carolina revealed a concern for: more adequate counseling and guidance in starting and running a small business; development of more effective delivery systems in order to reach more small business owners; effective avenues for making available services known; more sensitivity toward small business entrepreneurship; and more adequate career paths within the area of small business.

ACKNOWLEDGMENTS

This study represents the combined assistance of many loyal and helpful friends in business and education who have given unstintingly of their time and talents.

Especially must I acknowledge the guidance, interest, and encouragement of Dr. Richard Weller, my major adviser, during the progress of my program. His counsel and constructive criticisms have been invaluable during the preparation of this study.

Special acknowledgments are due to members of my committee: Dr. Lois Edinger, Dr. William Powers, and Dr. Dale Brubaker who were especially helpful in giving valuable critiques and suggestions from their educational perspectives.

To the small business owner-managers who so graciously consented to participate in the study, I offer my thanks. Most especially I am grateful to the owners who permitted me to interview them as a part of the investigation.

I am indebted to Mrs. Wanda Thies and Dr. George Grill for assistance in editing the study and Ms. Marje Martin for programming the data for the study.

Deepest appreciation must be given to my parents, Mr. and Mrs. William Quincy Royall, Sr., for their tolerance, understanding, and continuous love and encouragement during the completion of my studies.

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CHAPTER I
INTRODUCTION

Background

. . . I finished three years of college and later received an associate degree in my chosen field. I also have about 15 years of experience in my field. Yet, I am planning to go out of business.

I have found that to run a small business one must be devoted 24 hours a day, and sometimes, even that is not enough. I have decided that for me it will be more rewarding to be a full-time employee and let someone else worry about running the business. I just can't handle the problems any longer.

Anonymous Respondent to an
inquiry form

What is a small business? Just how important is small business? What are the problems that this small business owner could not handle? What took up so much of his time? What are the common problems encountered by other small business owners--barbers, electricians, interior decorators, plumbers, etc? What are the dangers and pitfalls that await small business owners? How would education help these small business owners? These are only a few of the questions that were raised by this letter from an owner of a small, service business.

Small business has been loosely defined as one which is independently owned and operated and not dominant in its field of operation. A small, service business must meet the above definition and may not gross more than \$1 million in annual sales.

The role of small business in American economic history has been one of distinction and contribution. Although the relative importance

has declined with the growth of big business, small firms in the 1970's are still making a major contribution to American economic life. From all indications, small business will continue to occupy a place of substantial importance among current economic institutions for many years to come.

Of the approximately eight million business firms in the United States, 75 percent have fewer than 20 employees, with the majority having five or less. In most of these cases, the owner is also the only manager (Thomas & Tarullo, 1976:21). This, again, indicates the economic importance of small businesses because of the number of employment opportunities they offer.

Job Opportunities

Job opportunities for most Americans are affected by the increasingly complex and uncertain job market. The projected employment picture for 1975-1985 predicts an average growth of 15%. Table 1 gives a breakdown for four occupational groups: white collar, blue collar, service workers, and farm workers. Of the 576,000 openings in the projected employment picture, only 30% constitutes growth while 70% represents replacements (Levine, 1976:3-6).

Reflected in these data are several assumptions:

1. The institutional framework of the U. S. economy will not change radically.

2. Current social, technological, and scientific trends will continue, including values placed on work, education, income, and leisure.

Table 1
 Projected Employment Growth by Major Occupational Group, 1974-85
 (In thousands)

Occupational Group	1974 Employment	Projected 1985 Employment	Percent Change	Openings		
				Total	Growth	Replacements
Total	85,936	103,400	20.3	57,600	17,400	40,200
White-collar workers	41,739	53,200	27.5	34,300	11,500	22,800
Professional and technical workers	12,338	16,000	29.4	9,400	3,600	5,700
Managers and administrators	8,941	10,900	21.6	5,200	1,900	3,200
Salesworkers	5,417	6,300	15.7	3,400	900	2,600
Clerical workers	15,043	20,100	33.8	16,300	5,100	11,300
Blue-collar workers	29,776	33,700	13.2	12,500	3,900	8,600
Craft and kindred workers	11,477	13,800	19.9	5,100	2,300	2,800
Operatives ¹	13,919	15,200	9.0	6,000	1,300	4,800
Nonfarm laborers	4,380	4,800	8.8	1,400	400	1,100
Service workers	11,373	14,600	28.0	11,000	3,200	7,800
Farm workers	3,048	1,900	-39.0	-200	-1,200	1,000

¹Includes the 1970 Census classification: operatives, except transport and transport equipment operatives.

Source: Levine, C. Occupational Outlook Quarterly, 1976.

3. The economy will gradually recover from the high unemployment levels of the mid-1970's and reach full employment (defined as 4% unemployment) in the mid-1980's.

4. No major events such as widespread or long-lasting energy shortages or war will significantly alter the industrial structure of the economy or alter the rate of economic growth.

5. Trends in the occupational structure of industries will not be altered radically by changes in relative wages, technological changes, or other factors (Occupational Outlook Quarterly, 1976:4).

Figure 1 shows how the trend has shifted toward white-collar occupations from 1945 to 1975.

Figure 2 shows the percentage of white-collar and blue-collar workers by industry. In transportation, manufacturing, mining, and contract construction, the percentage of blue-collar workers exceeds white-collar workers.

Taking a closer look at job opportunities for some of the service occupations, Figure 3 shows the estimated figures for 1974 and the average annual openings for 1974 through 1985. Explanations in each occupation indicate the expected growth rate and how the openings will occur. Employment for printers and bookbinders is expected to grow at a slower rate than other occupations because of automation. Employment of painters is also expected to grow more slowly than average for all occupations, but many annual openings will result from high replacement. Figure 3 shows that prospects are good, however, for people with skill in air conditioning, refrigeration, and appliance repair. Personal

Workers (in millions)

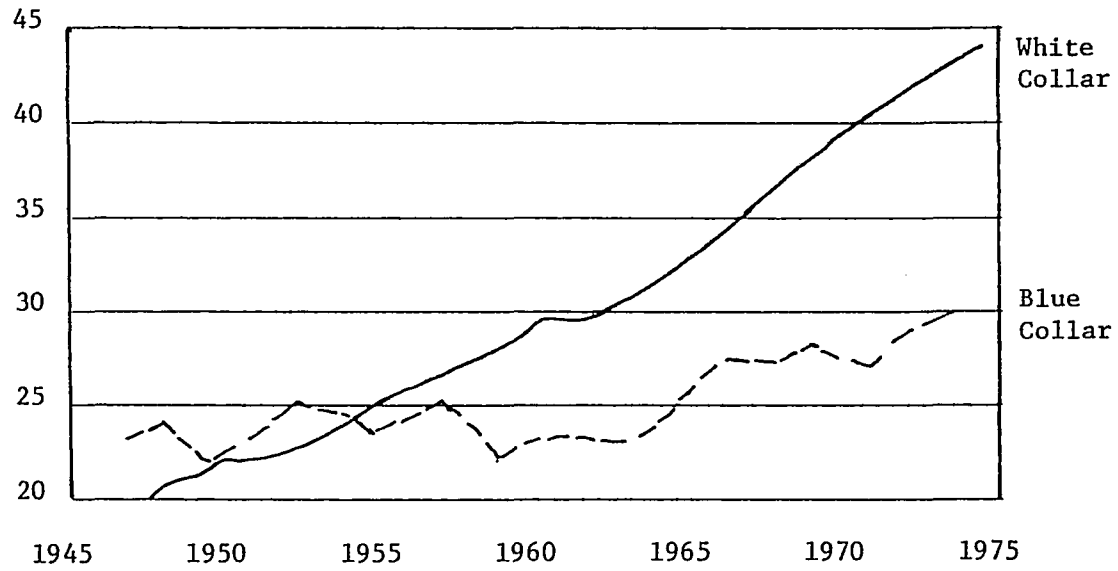
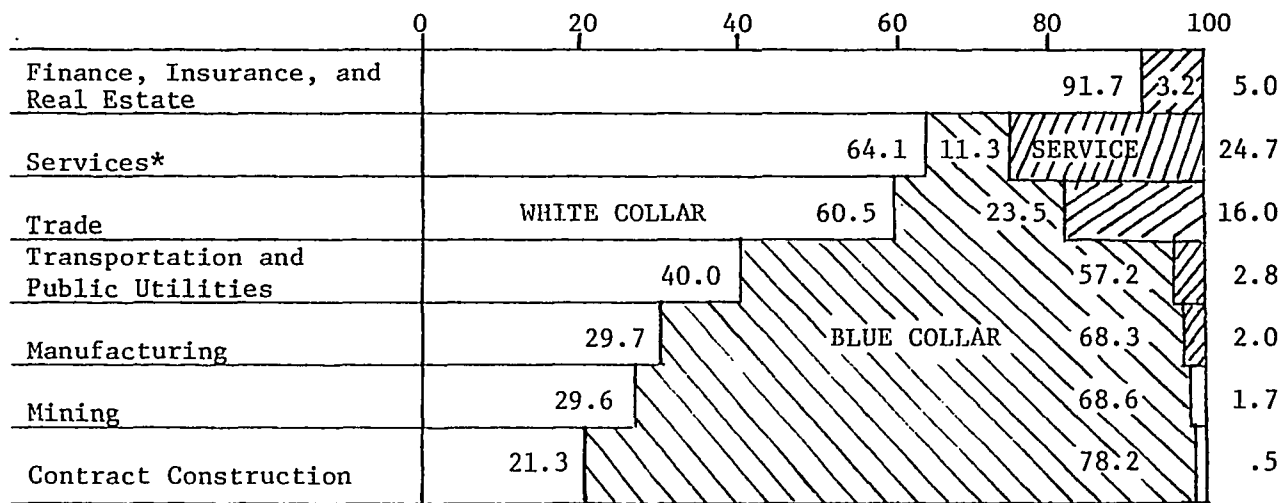


Figure 1. Employment shifts in white collar occupations.
Levine, C. Occupational Outlook Quarterly, 1976, p. 4.

Percent Distribution of Employment 1974



* Excludes private household workers

Figure 2. Distribution of white collar, blue collar, and service workers by industry. Levine, C. Occupational Outlook Quarterly, 1976, p. 5.

Figure 3

Service Occupations*

Occupation	Estimated employment 1974	Average annual openings 1974-85	Employment Trends and Prospects
Air-conditioning, refrigeration, and heating mechanics	200,000	10,900	Employment expected to increase faster than average for all occupations. Most openings for air-conditioning and refrigeration mechanics.
Appliance repairers	135,000	5,600	Employment expected to grow about as fast as average for all occupations in response to increases in population and income, in addition to introduction of new appliances and improvements in existing ones.
Painters and paperhangers	470,000	18,100	Employment of painters expected to grow more slowly than average for all occupations, but many openings annually due to high replacement needs. Despite average employment growth for paperhangers, stimulated by rising popularity of wallpaper and vinyl wallcovering, there will be fewer job opportunities because of small number in occupation.
Painters	450,000	16,700	
Paperhangers	20,000	1,400	
Plasterers	26,000	450	Employment expected to change little as drywall materials are increasingly used in place of plaster. Replacement needs will create several hundred openings annually.

Figure 3--Continued

Occupation	Estimated employ- ment 1974	Average annual openings 1974-85	Employment Trends and Prospects
Plumbers and pipefitters	375,000	23,500	Employment expected to grow faster than average for all occupations due to increased construction activity and growth. Also, trend toward more air-conditioning, appliance and disposal equipment will create additional demand for these workers.
Bookbinders and related workers	35,000	1,900	Employment expected to grow more slowly than average for all occupations because of increasing mechanization of bindery operations.
Photoengravers	17,000	250	Employment expected to decline as result of offset printing, which requires no photoengraving, and other technological advances. Limited opportunities.
Printing press operators and assistants	140,000	5,600	Despite increased use of faster, more efficient presses, expected to increase about as fast as average for all occupations due to growth in volume of printed materials. Particularly good outlook for web-press operators.
Barbers	130,000	5,550	Employment expected to change little with most openings resulting from replacement needs. Better opportunities for hairstylists than for conventional barbers.

Figure 3--Continued

Occupation	Estimated employ- ment 1974	Average annual openings 1974-85	Employment Trends and Prospects
Cosmetologists	500,000	50,800	Employment expected to grow about as fast as average for all occupations in response to rise in demand for beauty shop services. Good opportunities for both newcomers and experienced cosmetologists, including those seeking part-time work.
Funeral directors and embalmers	45,000	1,400	Employment expected to change little. Nevertheless, prospects are good for mortuary school graduates due to openings created by replacement needs.

Figure 3. Summary of projected trends and openings in service occupations.

Source: Levine, C. Occupational Outlook Quarterly, 1976, pp. 9-10.

*Selected occupations.

service occupations (barbers, beauticians, etc.) are expected to grow about as fast as average for all occupations.

Although the prospects for job opportunities in the service sector of business look good for the next few years, there are also problems and pitfalls which are unique to the small business owner-manager which would affect these prospects.

As defined earlier, small businesses are independently owned and operated--which means that in many cases the owner is also the manager. For the owner-managers in the sample for this study, the mean education was about 13.5 years of schooling. A high percentage indicated they had technical training of various types; however, 45.7% of them indicated they had never taken a course pertaining to office management. Although technical training is very important to the owner-manager in the service business, by the same token, the office practices and procedures are also vital to the operation of the business.

The owner-manager must not only know a great deal about office procedures and practices but also enforce the use of the right procedures in his/her own business. Proper office practices and procedures (the paper work) are the tools which keep the business cycle moving to a profitable conclusion. They provide cost and inventory records on past business, which become the basis for current pricing and quotations for each accounting period; and present information compared to past records provides the basis for forecasting, budgeting, and expanding in the future (Boedecker, 1974:28).

The owner-manager must not only know about office procedures, but there are also many other facets of the business he needs to stay

abreast of. The owner-manager must know about money. He must know where to get it, how to keep turning it over, budgeting; credit--both getting and giving it, collections, and analyzing financial statements.

People are another very important aspect of small business ownership. Training personnel is a big investment, and a small business cannot afford much turnover. The right people must be selected the first time. Also, there is a much more personal relationship with customers and suppliers in a small business where transactions are not made by credit card and computer.

The small business owner-manager must be able to procure the equipment (necessary tools and supplies to operate with) and materials to be used in the process of completing the work of the company, whatever it may be. Where to find and how to buy equipment and materials, how much inventory to carry, and how often inventory must turn over are key decisions that must be made.

There are regulations and ordinances that pertain to each business. Payroll requirements are subject to changing regulations, including federal income taxes, social security, state income taxes, and medical aid. It is a bookkeeping function to maintain proper accounts, but it is the owner-manager's function to know the costs in order to operate at a profit.

There are many facets of any business in which the owner-managers must make critical decisions. If an owner-manager is weak or cannot make a decision in any of the above mentioned areas, the potential for dangers and pitfalls is increased. The owner-manager is also responsible

for the daily, routine decisions that are a part of the ongoing business. Thus, it may not be sufficient for the owner-manager merely to have technical training in the area of service rendered, and this is where education can play a vital role.

Boedecker (1974), Dart (1971), Broom & Longenecker (1975), Coffey and Herrmann (1976), Nelson (1976), and many others have all spoken to the need for educators to find ways to improve the training for business owners, although many owner-managers of small businesses have questioned the value of formal schooling for their success. Dart (1971:222) found in his study of entrepreneurial types, 64 presidents of small businesses, that the more successful entrepreneurs tended to have a higher level of formal education than the less successful ones.

The National Council for Small Business Management Development has pointed out the importance of educational programs in improving business operations. As the environment of small business grows more complex and challenging, more and more small business agencies, committees, and professional associations are speaking of the increasing importance of formal education in business.

Rationale for the Study

Entrepreneurial success now seems to require highly developed managerial and technical skills and knowledge. In an age of scientific and technological advancement, more emphasis than ever before is being placed on secondary and higher education to develop necessary knowledge and skills.

Much research has been conducted in the area of small business-- finance, sales, production; however, very little of it has been directed toward the small service sector of business and even less has been done in the area of office procedures and practices. Anderson (1970) found that few orderly systems for keeping records existed among the businessmen in his study, "Factors Contributing to the Success of Small Service-Type Businesses." He suggested further research needs to be done in the service sector of business in order to fill the information gap which exists. Many of the failures of small business occurred because the entrepreneur lacked management knowledge and skill (Coffey and Herrmann, 1976:1). It seems probable this lack of management skills also includes functions of office management. Much time, money, and energy are expended in performing office tasks which could be performed more efficiently and economically if the small business owner had a better understanding of appropriate office practices and procedures.

It is in response to this need that this present study of the current office practices among small, skilled service businesses in the city of Greensboro, North Carolina will be undertaken.

Educational Implications

This study is intended to draw attention not only to current office practices but also to the discrepancy between these office practices and what the literature identifies as good office practices and procedures.

If administrators, public school officials, and higher education personnel become aware of the needs of small business owner-managers in

the area of office management, these leaders may attempt to make the necessary provisions for curriculum changes to benefit this group.

This study will identify those factors that might lead to curriculum changes such as:

1. The current office practices of small, skilled service businesses.
2. The discrepancy between current office practices and those identified as good office practices in the literature.
3. The areas of decision-making problems of this group.

Some of the curriculum implications (changes) might be some of the following:

1. The need for additional courses, seminars, workshops for basic improvements.
2. The need to provide vocational guidance for small business owner-managers.
3. The need to provide assistance through different delivery systems.

CHAPTER II

THE PROBLEM

This investigation will focus on two factors that are paramount to small business owner-managers. First, what are the current office practices and procedures of the owner-managers of small, skilled service businesses? Secondly, what are the office needs (including educational, support, etc.) of the owner-managers of small businesses, based on comparisons between current practices and what the literature suggests are the best and most efficient office practices and procedures?

Statement of the Problem

This study is concerned with the office practices and procedural needs of small, service business owner-managers through the identification of current office practices and procedures of these owner-managers.

Specifically this research will be guided by the following questions:

1. What are the current office practices revealed through the survey of small business owner-managers?
2. What are the office practices and procedural needs of owner-managers of small, skilled service businesses, as determined through comparisons of current office practices and efficient office practices and procedures suggested in the literature?
3. What do the owner-managers of small, skilled service businesses see as their primary office problem?

4. How are these current office practices and needs related to demographic characteristics?

5. What do the owner-managers of small, skilled service businesses view as the area where their decisions are the hardest to make, and how would formal education help them make these decisions more easily?

6. What are the educational implications stemming from this investigation?

Purpose of the Study

During the past two to three decades, small business has been the focus of much research. However, very little of this research or literature has been directed toward the small, service business and even less has been directed toward office management in these small businesses.

The purposes of this study are to (1) provide data for curriculum revision in education, (2) provide data for administrators and curriculum planners of continuing educational programs, (3) provide data for counseling and guidance in education and small business, and (4) provide means of self-assessment by owner-managers of small, skilled service businesses.

Limitations of the Study

This study was limited to the small, service businesses located within the city limits of Greensboro, North Carolina. On the basis of the number of small, services businesses, the population was limited to the small, skilled service businesses. This would exclude the small professional, domestic, and automotive service businesses. The

population was also limited to those businesses which were licensed by the city of Greensboro by June 30, 1978; therefore, no attempt was made to compare office practices or needs of owner-managers of small businesses in Greensboro to other cities or areas of similar size.

Objectives and Hypotheses

The major objectives of this research were to:

1. Identify "demographic" items which are significantly associated with owner-managers of small businesses.
 - a. ethnic background
 - b. sex
 - c. age
 - d. education
 - e. experience as an owner-manager of any business
 - f. experience as an owner-manager of current business
 - g. time current business has been in operation
 - h. post-secondary office management courses taken
 - i. experience in current field of business
2. Identify current office practices and procedures of owner-managers of small, skilled service businesses.
3. Determine the office management needs of owner-managers of small, skilled service businesses.
4. Determine educational implications to this investigation.

To add meaning to this research and to focus upon more specific relationships, nine null hypotheses were tested. In each of these hypothesis tests, the term 'current office practices' will apply to all

of the following problem areas: office personnel practices; files and record management; mail, copying, and duplicating; financial record-keeping; equipment, furniture, and supplies; reception, telephone use, and customer relations; and letters, forms, and reports. The following null hypotheses were tested:

1. There is no significant difference between small business owner-managers of different ethnic backgrounds in their current office practices.

2. There is no significant difference between male and female owner-managers of small businesses in their current office practices.

3. There is no significant difference between small business owner-managers in different age groups in their current office practices.

4. There is no significant difference between small business owner-managers with varying educational backgrounds in their current office practices.

5. There is no significant difference between small business owner-managers with varying experience as an owner in their current office practices.

6. There is no significant difference between small business owner-managers with varying experience as owners of small businesses in their current office practices.

7. There is no significant difference between small business owner-managers whose current business has been in operation for varying lengths of time in their current office practices.

8. There is no significant difference between small business owner-managers with varying post-secondary educational backgrounds in office management in their current office practices.

9. There is no significant difference between small business owner-managers with varying experience in current field of business in their current office practices.

Definition of Terms

Demographic items - refers to those items of a personal, educational, and experiential nature which assist in characterizing an individual.

Respondents - refers to owner-managers who returned the inquiry form.

Small business - refers to a business which is independently owned and operated, not dominant in its field of operation, and has gross annual sales of \$1 million or less.

Small, service business - refers to a small business which is independently owned and operated, not dominant in its field of operation, has gross annual sales of \$1 million or less, and provides a service for its customers, as opposed to a retail, wholesale, or manufacturing business.

Small, skilled service business - refers to a small business which provides a skilled or technical service, which would not be classified as a professional, domestic, or automotive service. It also meets the above definition of a small, service business.

Organization of the Study

Chapter III reviews the literature related to this particular study. There has been considerable research in the past two decades focusing on

small business. However, few studies have focused on small, service businesses and even fewer have focused on office management in small businesses. This chapter focuses on management knowledge and skills and recommendations and conclusions about small business drawn from other studies and literature.

Chapter IV describes the methods and procedures used in selection of the subjects, developing the inquiry form, and methods of analyzing the data.

Chapter V gives the presentation, analysis and interpretation of the data and a presentation and analysis of the case studies. The hypotheses are tested and relationships are presented and documented with statistics.

Chapter VI presents an overview of the findings followed by conclusions, recommendations, and educational implications of this study.

CHAPTER III

REVIEW OF THE LITERATURE

For the purposes of this investigation, an extensive review of the literature germane to this study was made. Although there has been considerable past research focusing on small business financial and production management, a gap exists in this literature pertinent to office management. There is also a significant communication gap between the agencies set up to help small business and the small business owners themselves, who feel they are not being heard or helped sufficiently. In order to ascertain some of the forces and dynamics affecting small, service business office management, this review encompasses four major areas which are most pertinent and relevant to the study: (1) importance of small, service businesses to our economy, (2) importance of education to small business, (3) good office practices and procedures, and (4) needs expressed by small business owner-managers.

Introduction

An outstanding characteristic of the service businesses is their extreme variety. Among firms representative of this field are barber-shops, beauty shops, automotive repair shops, electrical appliance repair shops--such as radio and television repair firms and radiator repair shops. The service businesses also include many less regularly patronized types of concerns, such as bookbinders, diaper laundries, shoeshine parlors, and interior decorators.

It may be noted that these diverse types of service concerns provide service for one's house, automobile and other personal property, and person. In other words, there are building services, repair services, personal services, and professional services. Moreover, small businesses service other businesses and each other (Broom and Longenecker, 1966:567).

Although some researchers (Broom and Longenecker, 1966:iii) feel the relative importance of small business has declined with the growth of big business and consider its future uncertain, Lasser (1974:3) says that if general economic conditions are not overwhelmingly unfavorable, the small business concerns have a secure role to play, as long as the entrepreneur chooses a line that will supply the continuing needs of other businesses or of the general public.

Research focusing on small business has had a relatively short history. The Small Business Administration was created by the United States Congress in 1953, and for the first time, services were available to "aid, counsel, assist, and protect the interests of small business concerns. . . (Nelson, 1976:27). The primary function of the Small Business Administration at that time was assisting small businesses to borrow money.

During the past few years, however, the Small Business Administration (SBA) has recognized the growing importance of management assistance as another important aspect of its total program. With this new emphasis, research began focusing on management needs of small business. The SBA not only began encouraging and financing independent research focusing on small business but also began conducting its own studies.

Although he feels education at the post-secondary level, especially the four-year institutions, is in a transition period, Henry Warren (1975) indicates that it is time for the universities to assume a new role in the community--that of becoming leaders and innovators of curriculum changes in order to better meet the needs of the community.

Before looking at investigations of effective office practices and procedures, it is important to consider the important role that small business plays in our economy. It is also important to consider the impact small business has on employment in our society. The literature reviewed regarding these characteristics of small business is designed to provide a background and frame of reference for the need to aid small business. No attempt has been made to give a critical evaluation of the literature. These studies provided a perspective for developing and designing the instrument, especially the section on current office practices used in this investigation.

Importance of Small, Service Businesses
to our Economy

Of the approximately eight million business firms in the United States, 75 percent (or six million) have fewer than twenty employees, which in most cases would cause these firms to be classified as small businesses. Of these six million small businesses, one million of them would be classified as service businesses. A majority of these firms have five or fewer employees. Yet, these small businesses employ about one-half of the United States' labor force (Anderson, 1970, 117).

The role of small business in American economic history has been one of distinction and contributions; however, its relative importance has declined with the growth of big business and its future seems somewhat uncertain to many observers (Broom and Longenecker, 1966). Broom and Longenecker, however, point out that small business firms in the 1970's are still making contributions to American economic life by providing opportunities for millions of ambitious and enterprising individuals, and they will continue to occupy a place of substantial importance among our economic institutions for many years to come.

Wilford White (1976) concluded that small business may have a greater responsibility for employment than large business. His theory is that while big business may be laying off hundreds, if not thousands, of employees because of particular economic conditions, many small businesses can be hiring one or two people to meet needs created by the same set of circumstances. Not all industries and trades go up and down at the same time.

Politicians, labor leaders, and owners of small firms themselves have been alarmed by the growth of large corporations with their ability to provide products and services at lower rates and greater speed. They also command advantages in research and expansion, thus giving rise to grim predictions about the future of small business.

The prosperity of the 1960's and early 1970's has spawned the highest number of small businesses the country has seen since the years following World War II. Each year witnesses the birth of approximately 450,000 small businesses, of which approximately 90 percent are independent small firms. It is also true that an almost equal number of

small enterprises fails each year as is begun, but these failures are usually due to faulty business practices rather than the influence of big business.

Although most sectors of the economy have experienced growth in absolute terms, they differ markedly in their relative rates of growth. The service sector has shown rapid growth both in absolute terms and in its share of total employment. As income levels have risen and as farm population has declined, service business firms have become increasingly more important.

Table 2 reveals the national trend toward a service-employment economy. During the 1960's, the United States became the first nation in history (Broom and Longenecker, 1971:518) to have over one-half of its total employment outside the agriculture and industry sectors--that is, not involved in production of food, automobiles, houses, and other tangible goods. As indicated in Table 2, professional, personal, business, and repair services had almost 10 percent of total employment in 1965, and this trend has continued into the 1970's. Growth of this area is particularly significant to small business because of the predominance of small firms in the service trades.

One aid to small business is big business itself. It has a constant need for suppliers, for providers of customer services, and for retailers of big business products. Furthermore, it is impractical to conduct some lines of business except on a modest scale. Specialty shops, repair services, beauty shops, and laundries are among the many operations that flourish as small businesses.

Table 2
Share of Total Persons Employed in Professional,
Personal, Business, and Repair Services

YEAR	PERCENT
1929	7.3
1937	7.6
1947	8.3
1956	7.8
1965	9.4

Source: Victor R. Fuchs, The Service Economy. New York: National Bureau of Economic Research, 1968, p. 19.

There is no question that big business boasts greater industrial research opportunities, the money to attract personnel with more specialized skills, and the necessary capital for expansion. Yet, more than one-half of the major inventions of the twentieth century have been the result of individual research.

For the enterprising and imaginative, opportunities are abundant. Big business is frequently not willing to accommodate the consumer's desire for customer-detailed merchandise. This has become the province of the small business firms. If the small business entrepreneur can make his company's name synonymous with high-quality specialization at a reasonable price, he will have found a good basis for success in small business.

Small businesses also enjoy the advantages of lower taxes, fewer government regulations, less overhead expense, and the opportunity to establish a more personal relationship with customers and employees. In this computerized age, the personal approach of the small entrepreneur is an attraction to many people who want to be thought of as individuals in their business dealings.

Given general economic conditions not overwhelmingly unfavorable, the small operator has a secure role to play, as long as the entrepreneur chooses a line that will supply the continuing needs of other businesses or of the general public (Lasser, 1974).

As Lasser (1974), Broom and Longenecker (1971), White (1976), and others point out, small service businesses have an important role to maintain in our society. Almost as many small businesses fail each year as are begun (Lasser, 1974), and results of research studies (Nelson,

1976:27) have indicated that the primary cause of small business failures is a lack of managerial skills. Therefore, the question of how important education is to the small business entrepreneur must be asked.

Importance of Education to Small Business

One of the few studies focusing on small, service-type businesses is the David Carl Anderson, Jr. (1970) study. This study focused on three major issues: (1) the information gap that exists about the small service-type business, (2) the owner-managers' ability to identify problems in their businesses, and (3) information and suggestions for outside organizations, including educational institutions, offering services to small businesses.

On the basis of this study, Anderson found little published information of an analytical nature concerning the small businesses in the service sector of the economy. He concluded that much research is needed in this area in order to give a more complete profile of the small, service business entrepreneur and of the business itself.

The Anderson study showed that the owner-managers were service rather than profit oriented; they rated their own success on the quality of service they provided and the number of customers they had; and a significant number of them appeared to be working in their own business only as an alternative to working for someone else.

Anderson's study also revealed that these small, service owner-managers did practically no formal planning because they lacked the time, education, and the knowledge of the assistance available to them.

Approximately 50 percent of the respondents in this study believed that outside services, including formal education, contributed nothing to their success.

The Anderson study revealed three basic factors resulting in problems for small service business entrepreneurs: (1) the owners' administrative practices, (2) the owners' motivations, and (3) the functional problems resulting from the environment.

In his study, Anderson presented many examples of poorly made business decisions, and although specific profit information was not collected, poor economic results were evident in many cases. While 70 percent of the owner-managers in the study expressed interest in further training, the topics mentioned were in technical skill areas, rather than in management techniques.

Anderson concluded that management theories do apply to small service-type businesses because numerous owners in his study were incurring significant costs by their failure to apply them. It was also concluded that high schools, technical schools, and colleges and universities could contribute to increasing the success rate of small businesses by offering courses or short seminars in management theories, as well as the technical assistance that the owner-managers indicated they wanted.

Although there is some contradicting evidence, much of the literature reviewed showed a positive relationship between the amount of education and business success.

For example, the Dart (1971) study which focused on the presidents of small businesses showed that of the 64 presidents in the study, the

more successful entrepreneurs tended to be better educated than the less successful ones. On the other hand, Collins and Moore (1970) interviewed 150 entrepreneurs and concluded that what accounts for success was not education, but a strong desire to achieve.

Shenker (1973) conducted a study focusing on the success and failure factor of minority entrepreneurs in New Jersey. He concluded that education appeared related to success for SBA loan recipients from one racial group, but appeared negative for another. He did not offer reasons for this conflicting correlation.

Dr. Robert E. Coffey (1976), Director of the Entrepreneur & Venture Management Program at the University of Southern California, argues that as the environment of small business grows more complex and challenging, the importance of formal education in business increases. The probability of success will be enhanced as the entrepreneur becomes more educated. Although education is no guarantee of success, it can be a significant help.

Coffey writes that a simplified set of requirements for entrepreneurial success should include at least the following: (1) a workable idea, (2) resources, (3) successful adaptation to the environment, (4) desire, (5) initiative and determination, (6) management knowledge and skill. He concludes that education can have an impact on each of these requirements.

White (1971), one of the founders of the National Council for Small Business Management Development, points out the great importance of educational programs in improving business operations and offered suggestions for developing such programs through a business association.

Malinosky and Slayman (1976) suggest that although there is a feeling among small businesses that colleges and universities are not interested in them, being concerned only with the affairs of big business, it is essential that institutions of higher education assume the initiative in meeting the educational needs of the small business community. Wilford L. White (1976) also talks of the responsibility and importance of education. He argues that small businessmen should become the leaders of their own cause--provided they learn from training and experience when to lead and how to lead. He concluded that the responsibility to help small business people gain experience and confidence in themselves lies with the educators in the area of small business.

Bigger (1969) studied the impact of formal education, experience, and other factors on the development of policy in selected small businesses in Birmingham, Alabama. In light of the findings of this study, Bigger concluded that formal education as a factor in the prosperity of small business should receive more emphasis than has heretofore been the case.

The Bigger study also found that small business owner-managers with more formal education were better equipped to compete and to grow. They were also more likely to be aware of the various agencies that are available for assistance.

One of the newest Small Business Administration assistance programs is the Small Business Institute (SBI). In 1972, the Small Business Institute began in 37 colleges and by 1975 had expanded to almost 400 colleges and universities. The primary purpose of the SBI is to provide small business enterprises with management assistance.

In a recent study of Small Business Institute program directors, 89 percent of all respondents indicated that SBI cases were used in regular business administration courses (Stahlecker and Pabst, 1975). The purpose of integrating SBI cases into the business administration curriculum is to provide students with opportunities to accomplish the following:

- a. develop problem-solving procedures which would be useful in managing a business;
- b. provide alternative recommendations for solutions to actual business problems; and
- c. understand that uncertainty and ambiguity are involved in most business problems and that risk taking is an important element in any business enterprise.

Almost all of the literature reviewed had two ideas or themes in common: (1) education plays a major role in small business success, and (2) many small business failures are directly related to the lack of management knowledge and skills. This lack of management knowledge would extend to office management functions. Much time, money, and energy could be conserved if the small business owner-manager had a better understanding of efficient office practices and procedures.

Good Office Practices and Procedures

Good office practices and procedures are imperative to the efficient management of any organization, but particularly to the small business because of the small amount of working capital involved and the small number of employees available to do the work.

Although the office work in a small service business may require no more than a part-time bookkeeper or secretary, handling the paperwork on

a day-to-day basis promotes bad habits which will hamper efficient operation and growth of the enterprise. In order for any business to grow, certain phases of planning in the office must be considered: (1) initial planning, (2) equipping the office, (3) maintaining office equipment, (4) efficient use of office workers, (5) filing systems and procedures, (6) duplicating and printing services, (7) cutting mailing costs, and (8) reducing office expenses (Lasser, 1974).

Planning. During its first years of operation, the success or failure of a new business hangs in the balance. Throughout this critical period, it is the quality of management that causes the firm to move toward success or failure. Planning is especially important during this period, and to neglect it constitutes a major hazard to the success of the business. By planning, a businessman anticipates future problems, keeps overall objectives in mind, and develops programs and policies that will contribute directly to profitable operations. This includes careful planning for the office, as well as for the other aspects of the business (Broom and Longenecker, 1971).

Severe work pressures frequently cause the small businessman to neglect the planning function. When there is a choice to be made between waiting on a customer or planning operations for the next six months, the owner must attend to those matters that clamor for his immediate attention. Neglecting the planning function can easily happen-- often there is very little time left for reflecting upon the future course of the business. Postponement of planning is dangerous because failure to plan may result in ineffective, undirected action, or management by crisis (Anderson, 1970). The action taken may contribute to

failure rather than to business success, and the entrepreneur himself is directly and personally responsible for this business planning (Broom and Longenecker, 1971).

Still (1974) found the strategic planning behavior in the small business firm to be unstructured, irregular, and uncomprehensive. The concepts of strategy and actual strategy were found to develop segmentally and evolutionarily in response to an intermittent stream of problem situations or as a result of unstructured thought processes. The search for alternatives was found to be largely irregular and in response to perceived opportunities, threats, or alternatives. Wright found that the size of the firm was not a significant factor. Firms which were found to have performed at higher levels, in terms of five-year annual growth rates, had planned at higher levels of formality.

Equipping the Office. Equipping the office and maintaining various types of machines should be undertaken systematically in order to conserve the equipment and to avoid unnecessary costs. Equipment should be purchased only to fill a specific purpose (Lasser, 1974). Every item bought should speed up the office process by making records easier to find, fill out, or understand; by promoting greater accuracy and effecting neatness; or by providing greater protection in the handling of cash, securities, mail, and other office details.

According to Lasser (1974) several factors should be considered before buying new office equipment: (1) the cost of training someone to operate it, (2) the cost of installation, (3) the cost of supplies and maintenance, preparatory work, and supervision, and (4) the effect on profit opportunities.

Maintenance can be a sizable drain on the small businessman's working capital. If repair of the purchased machine runs more than 15 percent of its cost per year, the owner-manager should consider replacing or overhauling it or retraining the workers who operate it (Oliverio and Pasewark, 1977).

There is also another consideration that the small business owner-manager should consider when equipping the office--rental of office equipment. The owner-manager should check into rentals for equipment before committing to a purchase, and all avenues for purchase should be considered.

Maintaining Office Equipment. Many times office expenses can be cut if there is careful and thorough maintenance of the equipment. Here are some practices that Lasser (1974) found which promoted equipment maintenance at a low cost:

- (1) Store seasonal equipment (fans and heaters) in a dry place after thorough cleaning and repairing.
- (2) Oil the casters under all chairs at least once a month.
- (3) Give varnished surfaces a good cleaning and oiling once a month.
- (4) Clean linoleum tops weekly with oil, wax, or even sandpaper.
- (5) Repair defects in desks or equipment quickly before the damage become worse.
- (6) Investigate the service job offered by all reputable equipment people. Many will make annual contracts on a reasonable basis even though the equipment was not purchased from them.

Instruction booklets should be kept handy so that anyone using the machines will be informed of the operation and care of the machines. Dirt and lint should be removed regularly from any duplicating machines. All fast-moving machines should be oiled regularly with a good grade of medium-weight oil. Also, typists should be encouraged to take care of their machines, never forcing or jamming them or using excess pressure on the keys.

Efficient Use of Office Workers. In order for any person to function at his maximum capacity, it is imperative that all standards for comfort be followed. If the desks and chairs of the office workers, secretaries, typists, etc. conform to certain standards of comfort, backaches and general fatigue will be reduced. Desks of about 29 inches (Lasser, 1974), a natural working height, should have adequate drawer space and compartments; stationery, letter, and filing trays, and partitions for particular jobs to be done.

Another way to use the office personnel efficiently is to take steps to avoid poor communication. A style manual will be a useful aid to the office personnel in preparing neat, well-organized letters (Oliverio and Pasewark, 1977). Instructions for styles of letters, abbreviations, salutations, closings, punctuation, indentation, and spacing should be standard in any office. Written messages should be used to avoid misunderstandings.

Filing Systems and Procedures. The filing system adopted by any business should utilize the most economical method of locating documents. Each folder should be allotted a specific, inflexible place in

the files. If proper labels and guides are used, material can be more easily located. Individual folders for active names should be maintained, but inactive files can be given special treatment. When folders are removed from the file, their whereabouts should be listed on a card or tablet.

Folders may be filed alphabetically, numerically, by subject, chronologically, geographically, or a combination of these, depending on the particular needs of the business.

Equipment that is protected against burglary, fire, and water should be used. Filing cabinets should be chosen carefully so that sizes of files and guides will fit the dimensions of the different forms used in the office.

An overall filing plan should be devised and adhered to (Oliverio and Pasewark, 1977). Work should be filed promptly to avoid accumulation and chance of misplacement. It is also important to establish and adhere to a schedule for the retention of records in the files--files should be cleaned out regularly (Lasser, 1974).

For business purposes, records are classified in four general groups: vital, important, useful, and nonessential. All records considered critical to the operation and growth of the business, such as the financial statements, legal papers, tax records, are classified as vital records. Many business firms that lose their vital records in a fire, flood, etc. are forced to go out of business. These records should be protected (Oliverio and Pasewark, 1977).

Important records, such as personnel records, are those which could be replaced, but only at great expense. These records should also

receive protection because of their confidential nature. Useful records, such as the records of accounts payable, are those which can be replaced-- but with some delay and inconvenience. They should be kept in regular file cabinets.

Nonessential records, such as press releases, are those which soon outlive their usefulness--perhaps some of them should never have been filed in the first place. They should be destroyed to save valuable file space and floor space. Records management experts estimate that approximately 85 percent of all files are never referred to again (Oliverio and Pasewark, 1977).

Duplicating and Printing Services. In the small office there is not usually a great demand for duplicating or printing services. However, when there are duplicating or printing needs, the owner-manager must decide whether copies are to be produced by a copier, copier-duplicator, duplicator, or commercial shop. Several factors enter into this decision: the number of copies required; the urgency; copying and duplicating facilities available in the office and at outside agencies; the quality of reproduction desired; and the cost per copy (Hanna, Popham, Tilton, 1978).

If the number of copies required is 10 or less, the use of the copying machine will probably be the least expensive, fastest, and most convenient. If the number required is 100 or more, the duplicator or copier-duplicator will be the fastest, will give the highest quality reproduction, and will result in the lowest per copy cost (Oliverio and Pasewark, 1977). However, when the number of copies required falls

between 10 and 100, the owner-manager's decision is not as clear cut nor as easily made. Table 3 gives a comparison of copying processes, along with copy quality, imaging, cost of master, and estimated cost per copy, which the small business owner-manager can use for making decisions concerning copying and duplicating needs. Many small businessmen locate a printer they can work with and trust to fill all of their requirements, and use their printer as a consultant when planning their duplicating or printing projects.

Initially, the small business owner-manager should invite bids only from printers who are properly equipped to handle his type of work. He should seek estimates from at least two sources, because among reputable establishments, higher costs do not necessarily indicate better quality (Lasser, 1974).

There are other factors that a small businessman must consider when planning duplicating or printing needs: (1) It will avoid later, expensive corrections if the printer is given clean, edited, typewritten copy. (2) It doesn't pay to send copy to the printer long in advance of publication--events can change which might prevent its use. (3) It is important to be aware that trade custom permits the printer a 10 percent deviation from the number of copies ordered--orders must be planned accordingly (Lasser, 1974).

Reducing Office Expenses. The rise in office costs in recent years has far exceeded the increase in expenditures for production. Federal, state, and local tax regulations have become far more exacting. Employers must now collect company and employee taxes--a procedure entailing the need for equipment, space, and personnel (Lasser, 1974).

Table 3
Comparison of Copying Processes

Characteristics	Copier	Copier-Duplicator	Fluid Process	Stencil Process	Offset Process
Copy quality	Facsimile--as good as original	Same as copier	Medium quality, multi-color available, purple produces best copy	Good quality with copy separation and good registration	Excellent quality with full-color reproduction
Recommended quality of copies	1 to 10 copies	11 to unlimited number of copies	10 to 300 copies per master	50 to 3,000 copies per stencil	11 to 10,000 copies per master
Imaging	Direct from original	Direct from original	Typed master or thermal master	Typed stencil, thermal or electronic	Typed master, electrostatic, photographic
Estimated cost of master	No master required	No master required	Master set 10¢ Thermal master 8¢	Stencil 20-25¢ Thermal 40-50¢ Electronic 40-55¢	Typing Master 15-25¢ Electrostatic 50-75¢ Aluminum plate \$1-\$5

Table 3--Continued

Characteristics	Copier	Copier-Duplicator	Fluid Process	Stencil Process	Offset Process
Estimated cost per copy	2 1/2¢ to 10¢	3¢ decreasing to 1¢ for high volume use plus paper cost	1-3¢ depending on number of copies run	100-1,000, 3/4¢ each 1,000 up, 1/2¢ each	11-100, 3/4¢ plus cost of master 100 up, 1/2¢ plus cost of master

Source: J. Marshall Hanna, Estelle L. Popham, and Rita Tilton. Secretarial Procedures and Administrations. Cincinnati: South-Western Publishing Company, 1978, p. 135.

In order for the small business owner-manager to cut office expenses, office expenditures must be ascertained by examining cost journals, payroll records, purchase records, service-charge records, clerical salaries, etc. Expenses should be broken down into different categories such as: office rent, heat and light, machines, supplies, postage, telephone, etc.

The use of outside services for particular jobs may be more economical than diverting skilled employees to the task, hiring temporary help, or tying up the owner-manager's time in performing the task.

All of the forms which come into and go out of the office should be examined. Lasser (1974) predicts that often up to 16 percent of the paperwork can be eliminated through careful examination.

There are several questions which the small business owner-manager should ask:

(1) Is each job in the office essential to the profits for the business? If so, is it performed in the one best way?

(2) Is there a specific and understood purpose for each step or operation?

(3) Does work move in a direct manner from one person to another without unnecessary repetition, duplication, or delays?

(4) Is each step or operation performed in the same manner by all workers?

(5) Do certain details or certain records require more time than the results are worth?

(6) Are workers supplied with the necessary materials to perform the step or operation without unnecessary delays to get material?

(7) How do the people in the office work? Can unnecessary interruptions, arguments, gossip, absences from desks, delays in answering questions, procrastination, unnecessary questions be held to a minimum or eliminated altogether?

Practical use of supplies and utilities can save thousands of dollars. An item that can be reused should never be thrown away. Such procedures as the use of the entire surface of carbon paper, the inversion of typewriter ribbons to get full benefit of the lower and upper edges, the use of both sides of file cards, are good money-saving practices. Materials salvaged from old files and obsolete forms can be used for scratch paper, rough drafts, and interoffice memos.

An economical grade and size of stationery should be selected. However, the impression the business wants to project must also be one of the deciding factors in this selection.

The owner-manager can also cut office costs if waste due to spoilage is eliminated. The system of ordering and using supplies should also be examined. Waste can often result from deterioration or obsolescence of supplies.

Telephones are a single expense which can disastrously inflate a company's overhead. The small business owner-manager should carefully consider the telephone traffic to determine the number of incoming and outgoing lines needed. Also, fancy push-button telephones and intercom systems may not be worth the extra expense. The owner-manager needs to check the telephone bills carefully to make sure that they do not contain personal, long-distance calls.

Needs Expressed by Small Businesses

In a study conducted by Anderson (1970) it was found that many small business owner-managers were able to identify the problem areas in their business. However, the majority of them were unable to correlate their management techniques with the problems they were encountering in their business. Seventy percent of the respondents in the Anderson study (1970) expressed an interest in further training, but the topics mentioned were in the technical skills area rather than in management techniques.

Anderson (1970) found most owner-managers in the small service-type sector of industry desired to remain in business--82 percent indicating they would re-enter the same business. The fact that 70 percent expressed an interest in attending training sessions indicates that perhaps they recognize this need. However, Anderson found that the desire for training was primarily in the service area, not in the business area. It seems few owner-managers are obtaining business or management training according to Anderson's findings.

Malinosky and Slayman (1976) conducted a study in which they examined the development of a series of seminars on six different topics geared toward the small businessman. They then had the small business owner-managers who participated in the seminars evaluate each seminar individually and then as a total program. The seminar which received the lowest rating was one in which the majority of the participants could not perceive its immediate importance because they felt the services offered did not apply to them as much as to large corporations, and also because the

savings to them did not appear great. In making this appraisal, they ignored the fact the savings were occurring on almost a daily basis and over a year's time would be substantial.

Malinosky and Slayman (1976) found it advantageous to present topics of immediate and compelling interest, but felt some time should also be devoted to material that is potentially beneficial even though it may have little or no immediate interest.

Summary of Related Literature

In the last two decades, many research studies and much literature pertaining to small business have been written regarding financial planning and cost analysis in production. Most of this literature (basically survey) can be classified into the following categories: (1) importance of small, service businesses to our economy, (2) importance of education to small business, (3) good office practices and procedures, and (4) needs expressed by small business owner-managers.

One of the prime reasons for small business studies is to provide a basis for describing the small business owner-managers and their businesses. Similarly, a prime reason for examining the current office practices and procedures in small, service business firms is to provide an analytical description of their office practices with relevance to curriculum improvement.

Very few studies could be considered specifically relevant to the present one. Some of the variables considered, however, were used in the present investigation. Such factors as length of experience as an owner, age, sex, level of education are examples of variables used in the present study.

Research in the specific area of office practices in small, service businesses appears to be nonexistent, although several studies were reviewed relating to small, service businesses in general. Though studies were not available on office practices of small businesses, the studies reviewed provided a historical perspective and a background for the present investigation.

CHAPTER IV

METHODS AND PROCEDURES

The problem of this research was to study the current office practices and procedures of small, skilled service businesses in Greensboro, North Carolina. It focused not only on the office practices of small, service businesses but also on the needs inferred by comparing the office practices with "good" office practices identified in the literature, as well as the office needs expressed by the small business owners themselves. A second dimension of this study was to investigate in depth specific cases of those small business owners whose responses were "typical" practices as well as those whose responses were "atypical" practices. By identifying the current office practices and the office needs as expressed by the owners, it was anticipated that there would be an increased awareness of the problems encountered by small business owner-managers. More importantly, the educational implications stemming from this study should provide a framework for curriculum changes at all educational levels, including in-service training by educational institutions and the business community itself.

The chapter is organized to discuss the following: (1) determination of availability of data, (2) methods and procedures, (3) the setting, (4) the subject population, (5) data-gathering instrument and data collection, (6) classification of the data, and (7) treatment of the data.

Determination of Availability of Data

The original plan of this investigation was to include the broad group of small businesses--retail, wholesale, manufacturing, and service--in Greensboro, North Carolina. Initial contact was made with several agencies to determine if a listing of small businesses existed; it did not. Contact was then made by telephone and personal interview with a supervisor in the city's license department. It was determined that there were approximately 5,000 small businesses; this researcher decided to limit the study to one segment of small business--the service industry--because a communication gap about small service-type businesses exists (Anderson, 1970:110). A letter was then written to the Greensboro Tax and Collection Department requesting a listing of all the licensed, service businesses in Greensboro, North Carolina (see Appendix).

Methods and Procedures

The methods of investigation employed were the descriptive analytical survey and case study. Descriptive research was defined by Good and Scates as ". . . gathering, organizing, analyzing, summarizing, and interpreting data" (Good, 1954:257). "This does not mean surveying strictly for the purpose of gathering facts" (Kerlinger, 1973:423). Whitney (1950:160) has defined descriptive research as "fact finding with adequate interpretation." He defines the survey as ". . . an organized attempt to analyze, interpret, and report the present status of social institutions, groups, or areas. Its purpose is to get groups of classified, generalized, and interpreted data for the guidance and practices

in the immediate future." This particular definition has been used in this descriptive study, and it was on this basis that the case study approach evolved.

Helmstadter (1970:49) suggests that the "case study approach to research in the behavioral sciences is peculiar. It is not always clear what is meant by case study. Usually the term refers to a rather intensive examination of some single unit." Young claims that "The most meaningful numerical studies in social science are those which are linked with exhaustive case studies describing accurately the interrelationships of factors and processes" (Helmstadter, 1970:49). It is this latter statement that gives positive support to the use of the case study approach. Educational implications are the ultimate concern of the writer, and it was decided that the combination of survey and interview would serve as a basis for classifying and interpreting data regarding selected cases, thus providing an effective approach to the problems of owner-managers of small, skilled service businesses.

It needs to be emphasized further that this research is basically exploratory in nature. No prior major study appears to exist regarding office practices or office needs of owner-managers of small, skilled service businesses.

This study focused upon the following:

1. Identification of office practices as reported by owner-managers of small, skilled service businesses in Greensboro, North Carolina.
2. Comparison of data gathered by the survey instrument to "good" office practices as identified in the related literature.

3. Assessment of office needs from the comparisons made in Number Two above.
4. Determination of educational implications of this investigation.

The Setting

This investigation was conducted in small, service businesses, though varying in size, in Greensboro, North Carolina. Greensboro is an urban area with a population of approximately 157,000 spread over a 60-mile area. Thirty-one percent of the businesses, or approximately 1,100, of these businesses meet the definition of a small business.

Due to the business population, Greensboro was considered an excellent setting for such a study. Its business population is large enough to yield statistically significant results, yet it is homogeneous enough to represent all categories of small, skilled service businesses.

Small, skilled service businesses account for a large percentage of the business population, with the largest group falling into the beauty/barber shop category. Included in the population for this study were the following categories of small, skilled service businesses:

Appliance repair	Jewelry repair
Beauty/barber shop	Piano tuning
Carpet cleaners	Plumbing
Cleaners	Printers
Electrical shops	Shoe repair/shoe shine
Exterminators	Tailors
Home maintenance/painting	Tree service
Interior decorating	Upholstery shops

The Subject Population

The subjects of this study, small, skilled service businesses, represent approximately one-third of all businesses in Greensboro, North Carolina. A random sample of all small, skilled service businesses, which met the SBA definition of a small business, was used for the first mailing of the inquiry form. From the return of this mailing, percentages of respondents in each type of business were determined. A stratified sampling was then used for the second mailing. This insured that each category or type of business would be proportionately represented in the sample for this investigation.

Table 4 shows a breakdown of the categories of small, skilled service businesses, the total number in each category, and the percentage each category represents of the total sample population.

Data-Gathering Instrument and Data Collection

The writer made extensive review of the literature searching for a suitable instrument to be used for surveying and identifying current office practices of owner-managers of small, skilled service businesses. However, an appropriate instrument, suitable to the purposes of this study, could not be found.

One survey instrument (inquiry form) was developed. This form was used to survey those duties performed and the decisions made by the owner-managers pertaining to the office practices. An interview guide was also developed to provide some structure for appropriate interviews.

Contributions to the format for the inquiry form used in this study were made by members of the researcher's doctoral committee and business

Table 4

Small, Skilled Service Businesses

Category	Number	Percent of Total
Appliance repair	184	17.7
Barber/beauty	320	30.7
Carpet cleaners	11	1.0
Cleaners/laundry	52	4.9
Electrical	174	16.7
Exterminators	15	1.4
Homemaintenance/painting	94	8.9
Interior decorating	25	2.4
Jewelry repair	6	0.6
Piano tuning	1	0.1
Plumbing	42	4.0
Printers	53	5.1
Shoe repair/shoe shine	20	1.9
Tailoring	9	0.9
Tree Service	24	2.3
Upholstery	<u>15</u>	<u>1.4</u>
Total	1,045	100.0

educators at UNC-G and A & T University. Also, office managers and businessmen in different types of businesses were asked to evaluate the form for coverage of areas of questions and clarity of sentence structure.

As outlined by leading students of research, the survey instrument should be critically examined for reliability and validity. Kerlinger (1973:464) has suggested the following to achieve reliability:

1. Submit the questionnaire to competent persons,
2. Revise to eliminate ambiguities, inadequate wording; and
3. Conduct a preliminary trial.

Content validity, according to Kerlinger, is the representativeness of sampling or adequacy of content. Content validation is guided by the question: Is the substance or content of this measure representative of the content or property being measured? The researcher attempted to achieve both reliability and validity in the instrument developed in the following way:

After the instrument was developed, further suggestions were received from the members of the writer's committee and business educators. In accordance with Kerlinger's suggestion of a preliminary trial to achieve reliability, it was decided to use a pilot study to test the reliability of the inquiry form. The inquiry form was, therefore, administered to a group of ten owner-managers of different types of businesses in Greensboro, North Carolina. The results of the pilot study indicated a consistency in the responses to the questions. If the respondent answered "always" to one question, then a counterquestion which was the opposite of the first question was answered with "never."

This indicated internal consistency. Some of the questions on the same inquiry form were administered to these same owner-managers after the first test to further insure that the responses were consistent. After acquiring assurances from these owner-managers that the form was adequate with respect to content, conciseness, and wording, the final form was revised and prepared for distribution.

A cover letter (see Appendix) was prepared and attached to each inquiry form indicating confidentiality so that owner-managers would feel free to respond to the inquiry forms. A stamped, self-addressed envelope was included for all owner-managers so that responses could be sent directly to the researcher.

Personal interviews were conducted with specific cases of owner-managers whose responses deviated greatly from the "good" office practices identified in the literature, and with some owner-managers on the basis of responses to the open-ended questions: "As an owner of a small business, what are some of the most difficult decisions you have had to make regarding office practices and procedures? What stronger educational background in office operations would have helped?" and "What are some of the services you would like to see an educational institution offer other than routine scheduled courses?"

According to Banaka (1971:2) ". . . there are three phases in depth interviewing: input, analysis, and output. Input refers to the information obtained from the interviewee, interviewer questions, and interviewee's answers; analysis refers to the inferences made by the interviewer about the interviewee's input and behavior during the interview;

and output refers to the conclusions the interviewer makes at the end of his/her analysis." The depth interview may be defined as the gathering of sufficient amount and kind of information (input), for thorough analysis (analysis), in order to make accurate decisions about interviewee's behavior under certain conditions (output).

Inquiry forms were mailed to each owner-manager in the sample and some telephone follow-up was conducted.

Interviews were held at times that were most convenient for the owner-managers. The range of time was from thirty minutes to one hour.

Classification of the Data

The data for this study were divided into four major areas: (1) demographic items, (2) current office practices, (3) the area of the respondent's perceived major problem, and (4) three open-ended questions.

Section One of the Owner Inquiry Form was designed to elicit the following demographic information:

1. Size of business
2. Type of service performed
3. Sex of owner
4. Age of owner
5. Ethnic background of owner
6. Education of owner
7. Length of ownership of any business
8. Length of ownership of current business
9. Time business has been in operation

10. Post-secondary courses pertaining to managing an office

11. Amount of past experience relative to current business

Section Two was designed to elicit information about the office practices that are currently being employed in the small business. The subjects were asked to indicate their responses about office practices on the following scale:

1. Always
2. Sometimes
3. Never
4. Not Applicable

Section Three of the Owner Inquiry Form was designed to give the owner-managers an opportunity to identify the area of office management that has given them the greatest problem.

Section Four of the Inquiry Form included three open-ended questions for the owner-managers: (1) "If you could plan a course or series of courses geared to meet the needs of small business owner-managers, what are some of the suggestions you would make?" (2) "As an owner of a small business, what are some of the most difficult decisions you have had to make regarding office practices and procedures? What stronger educational background in office operations would have helped?" (3) "What are some of the services you would like to see an educational institution offer other than routine scheduled courses?"

The second major aspect of the study, interviews with specific cases, was handled through personal conversation with owners. The selection of the owners to be interviewed was based on their current office practices, written comments of the subjects, and responses to

the open-ended questions. Four small, skilled business owners were selected in the following categories: office practices deviating greatly from "good" practices identified in the literature, office practices deviating little from "good" practices identified in the literature, written comments, and responses to open-ended questions.

Treatment of the Data

The data from the inquiry form were analyzed in the following manner:

1. Description of demographic characteristics (independent variables) of respondents.
 - a. age of owner
 - b. sex of owner
 - c. level of education of owner
 - d. length of experience as an owner
 - e. ethnic background of owner
 - f. length of ownership of current business
 - g. length of time current business has been in operation
 - h. post-secondary courses pertaining to office management
 - i. past experience related to current business
2. Descriptive analysis of the composite responses from the inquiry form.
3. Comparison of actual office practices with identified efficient office practices.
4. Analysis of the respondents' stated problem areas to their current office practices in that same area.

5. Analysis of relationships of demographic items (independent variables) to over-all composite of responses in the inquiry form.

6. Development of educational needs of small service business owner-managers based on a comparison of respondents' responses with efficient practices identified in the literature.

7. A descriptive overview of each case study.

8. A composite analysis of all of the case studies.

Contingency and frequency tables are used to show tabulated data.

Factor analysis was used in order to reduce the large number of indices (dependent variables) used to a smaller number of conceptual variables so that the interrelationships among the independent variables could be studied.

Summary

This chapter has described the methodology and procedures used in this study. This description included: determination of availability of data, methods and procedures, the setting, the subject population, data-gathering instrument and data collection procedures, classification of the data, and treatment of the data.

One survey instrument (inquiry form) was developed and administered. It was administered to owner-managers of small, skilled service businesses.

Interviews were conducted with specific owner-managers based on a comparison of their stated office practices to "good" office practices

identified in the literature, written comments, and responses to open-ended questions on the inquiry form.

The methods of investigation employed were descriptive survey and case study in an effort to identify current office practices in small, skilled service businesses. More importantly, this investigation was designed to provide the ground work for curriculum changes at all educational levels, particularly continuing education programs.

CHAPTER V

ANALYSIS OF THE DATA

This study was conducted to identify the current office practices and procedures of the owner-managers of small, skilled service businesses. It was further designed to determine the office needs of the owner-managers of small, skilled service businesses based on comparisons between current practices and the efficient office practices identified in the literature. More specifically, the purpose of the study was to look at reasons for different office practices and procedures as revealed by interviews and to determine educational implications as a result.

The data were collected, organized, and analyzed to answer the following questions concerning current office practices of small, skilled service businesses:

1. What are the current office practices and procedures of owner-managers of small, skilled service businesses?
2. What are the office needs of owner-managers of small, skilled service businesses?
3. What do the owner-managers of small, skilled service businesses see as their primary office problem?
4. To what extent are the current office practices related to personal characteristics (demographic items)?
5. To what extent are the office needs of owner-managers related to personal characteristics (demographic items)?

6. What do the owner-managers of small, skilled service businesses view as the area where their decisions have been the hardest to make, and how would formal education help them make these decisions more easily?

7. What are the educational implications stemming from this investigation?

Tables 5-12 present demographic data on owner-managers of small, skilled service businesses; Tables 13-20, data relative to general questions from the inquiry form. Percentages, number of respondents, and totals are given where applicable. Percentages are rounded to the nearest tenth of a percent. Factor analysis and t-scores were used as the tests of independence. The .05 level of confidence is used throughout the study.

Responses were received from eighty owner-managers of small, skilled service businesses. A copy of the inquiry form may be found in the appendix. Table 5 presents the instrument return rate by groups with the number and percentage of inquiry forms returned.

Information collected from owner-managers of small, skilled service businesses is presented and analyzed in this chapter under four headings in order to answer questions regarding (1) demographic items, (2) current office practices related to the respondent's perceived major problem area, (3) open-ended questions, and (4) case studies.

Demographic Characteristics

The inquiry form solicited responses on nine demographic variables. Those variables included:

Table 5
Types of Service Performed by the
Number Responding

Type	Number Responding	Percent of Total Respondents
Electrical	18	22.5
Plumbing	5	6.3
Home Maintenance/Painting	7	8.7
Beauty/Barber	25	31.3
Appliance Repair	11	13.7
Interior Decorating	2	2.5
Laundry/Cleaners	5	6.3
Other*	<u>7</u>	<u>8.7</u>
Total	80	100.0

*Includes upholstery, tree service, printers, tailors, and shoe repair.

1. Age range
2. Sex
3. Education
4. Ethnic background
5. Length of experience as an owner
6. Length of ownership of current business
7. Length of time current business has been in operation
8. Office-related post-secondary courses
9. Past experience related to current business

Table 6 summarizes the total responses of the nine demographic characteristics. The data revealed that 75.6% of the owner-manager respondents were male. The largest percentage of owner-manager respondents were in the age range of 52-65 (28.9%) while the next highest percentage fell into the 29-34 (22.4%) age range.

Data also revealed that 83.6% of all respondents were high school graduates. Only one respondent was less than the junior high level in schooling. The mean number of years of education completed was 13.5 with a standard deviation of 2.7 years. This indicates that many of the subjects completed high school and had attended several post-secondary institutions such as business school, community college, and specialized technical schools. Eighteen of the owner-managers were college graduates, and 11 of them had attended graduate school.

Eighty-six percent of the respondents were white, 14% were black, and no other ethnic backgrounds were represented in the sample.

Respondents generally had owned a business for over five years with 19 (24.1%) owning their own business for over 20 years. Sixty-two percent

Table 6
 Classification of Small Business Owner-Managers'
 Responses to Demographic Variables

Variables	Categories	Frequencies	Percent*
Sex	Male	59	75.6
	Female	19	24.4
Age Range	18 - 21	0	0.0
	22 - 28	5	6.6
	29 - 34	17	22.4
	35 - 41	8	10.5
	42 - 51	20	26.3
	52 - 65	22	28.9
	over 65	4	5.3
Education** (No. of years completed)	Less than Jr. High	1	1.3
	Junior High		
	7	3	3.8
	8	1	1.3
	9	1	1.3
	High School		
	10	2	2.5
	11	5	6.3
	12	13	16.5

Table 6--Continued

Variables	Categories	Frequencies	Percent*
Education** (No. of years completed)	Post Secondary		
	13	14	17.7
	14	18	22.8
	15	3	3.8
	16	7	8.9
	Graduate School	11	13.9
Ethnic Background	Black	11	14.3
	White	66	85.7
	Asian/Pacific Islander	0	0.0
	American Indian	0	0.0
	Mexican-American	0	0.0
	Hispanic	0	0.0
	Other	0	0.0
Length of Ownership of any Business	Under 6 months	1	1.3
	6 mos. to a year	4	5.1
	1 - 2 years	6	7.6
	3 - 5 years	14	17.7
	6 - 10 years	18	22.8
	11 - 20 years	17	21.5
	over 20 years	19	24.1

Table 6--Continued

Variables	Categories	Frequencies	Percent*
Length of Ownership of Current Business	Under 6 months	1	1.2
	6 mos. to a year	5	6.4
	1 - 2 years	8	10.3
	3 - 5 years	15	19.2
	6 - 10 years	17	21.8
	11 - 20 years	17	21.8
	Over 20 years	15	18.8
Length of Time This Bus. has been in Operation	Under 6 months	0	0.0
	6 mos. to a year	3	3.8
	1 - 2 years	6	7.6
	3 - 5 years	15	19.0
	6 - 10 years	14	17.7
	11 - 20 years	18	22.8
	Over 20 years	23	29.1
Courses Taken Pertaining to Office Management	5 or more	5	7.1
	4	5	7.1
	3	1	1.4
	2	14	20.0
	1	13	18.6
	0	32	45.7

Table 6--Continued

Variables	Categories	Frequencies	Percent*
Past Related Experience	None	5	6.5
	Under 6 months	0	0.0
	6 mos. to a year	1	1.3
	1 - 2 years	6	7.8
	3 - 5 years	5	6.5
	6 - 10 years	8	10.4
	11 - 20 years	25	32.5
	Over 20 years	27	35.1

* Percentages based on total respondents.

** Multiple responses. Many respondents attended more than one type of school.

of the owner-manager respondents had owned their current business over five years while the largest percentage fell within two lengths of ownership: 21.8% within 6-10 years and 21.8% within 11-20 years. The length of time the current business had been in operation was closely related to the length of time of ownership of current business which would indicate that the majority of owner-manager respondents had started their current business.

Data also revealed that 45.7% of the owner-manager respondents have never taken a course beyond the high school level pertaining to office management. However, 67.6% of the respondents did have 11 years or more of experience which was related to their current business.

Table 7 shows a distribution of owner-managers by types of service provided and ethnic backgrounds. Thirty-one percent of all respondents fell into the beauty/barber service category, and the highest concentration of black owner-manager respondents also fell into this same category (29%). Black owner-manager respondents were not represented at all in some categories (plumbing, appliance repair, and interior decorators) and made up only six percent in the electrical service category. No other ethnic backgrounds, besides black and white, were represented by the respondents.

Table 8 presents a distribution of owner-managers by age and sex. There were no owner-manager respondents in the 18-21 age range. The highest concentration of female owner-managers fell into the 42-51 age range with the next highest being the 29-34 age range. The highest concentration of male owner-manager respondents fell into the 52-65 age range with the next highest being the 29-34 age range. There were no

Table 7
 Distribution of Owners by Types of Service and
 Ethnic Background

Service	Ethnic Background						Total	
	Black	White	Asian	Amer. Indian	Mexi. Amer. Hispanic	No.	Percent	
Electrical	1	16	0	0	0	0	17	22.1
Plumbing	0	5	0	0	0	0	5	6.5
Home maintenance/ Painting	1	5	0	0	0	0	6	7.8
Beauty/Barber	7	17	0	0	0	0	24	31.2
Laundry/Cleaners	1	4	0	0	0	0	5	6.5
Appliance repair	0	11	0	0	0	0	11	14.3
Interior Decor.	0	2	0	0	0	0	2	2.6
Other*	<u>1</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>9.0</u>
Total	11	66	0	0	0	0	77**	100.00
Percent	14.3	85.7	0.0	0.0	0.0	0.0		

* Includes upholstery, tree service, tailoring, printing, and shoe repair shops.

** Three respondents did not indicate ethnic background.

Table 8
Distribution of Owners by Age and Sex

Sex	Age Group							Total	
	18-21	22-28	29-34	35-41	42-51	52-65	65+	No.	Percent
Male	0	4	12	5	14	17	4	56	74.7
Female	0	1	5	3	6	4	0	19	25.3
Total	0	5	17	8	20	21	4	75*	100.0
Percent	0.0	6.7	22.7	10.7	26.7	28.0	5.3	75*	100.0

* Five respondents did not indicate either age or sex.

female owner-manager respondents in the 65+ age range while 5.3% of the male owner-manager respondents fell into this age range.

Table 9 is a distribution of owner-manager respondents by age and length of ownership of any business. Three categories of length of ownership of any business, 6-10 years, 11-20 years, and 20+ years, represented 22.4% of the respondents in each of these categories. Only one respondent had owned a business for less than six months. There were no owner-managers in the 18-21 age range. The 52-65 age range had the highest concentration of respondents (28.9%).

A distribution of owner-manager respondents by length of ownership of any business and length of ownership of current business is shown in Table 10. For 88.5% of the respondents, the length of current ownership coincided with the length of ownership of any business. This would appear to indicate that the majority of the respondents had owned no business other than their current one. Only 11.5% of the respondents had owned some business prior to their current business.

Table 11 is a distribution of respondents by length of current ownership and length of time current business has been in operation. In 80.8% of the cases, the length of ownership of current business coincided with the length of time the current business had been in operation. This could indicate that over 80% of the respondents had started their current business. In 15 cases the length of current ownership and length of time the current business had been in operation did not coincide. These respondents indicated they had not owned the current business for the entire length of time it had been in operation.

Table 9
 Distribution of Owners by Age and Length of
 Ownership of Any Business

Length of Ownership of Any Business	Age Group							Total	
	18-21	22-28	29-34	35-41	42-51	52-65	65+	No.	Percent
Under 6 months	0	0	0	0	1	0	0	1	1.3
6 mos. to a year	0	1	1	1	1	0	0	4	5.3
1 - 2 years	0	2	3	0	1	0	0	6	7.9
3 - 5 years	0	1	7	0	5	0	1	14	18.4
6 - 10 years	0	1	4	3	6	3	0	17	22.4
11 - 20 years	0	0	2	4	5	6	0	17	22.4
Over 20 years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>13</u>	<u>3</u>	<u>17</u>	<u>22.4</u>
Total	0	5	17	8	20	22	4	76*	100.0
Percent	0.0	6.6	22.4	10.5	26.3	28.9	5.3		

* Four respondents did not indicate either age or length of ownership of any business.

Table 10

Distribution of Owners by Length of Ownership of Any Business
and Ownership of Current Business

Current Ownership	Years of Previous Ownership							Total	
	Under 6 mo.	6 mo.-1	1-2	3-5	6-10	11-20	20+	No.	Percent
Under 6 months	1	0	0	0	0	0	0	1	1.3
6 mos. to a year	0	4	0	1	0	0	0	5	6.4
1 - 2 years	0	0	6	1	1	0	0	8	10.3
3 - 5 years	0	0	0	12	3	0	0	15	19.2
6 - 10 years	0	0	0	0	14	0	3	17	21.8
11 - 20 years	0	0	0	0	0	17	0	17	21.8
Over 20 years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>15</u>	<u>19.2</u>
Total	1	4	6	14	18	17	15	78*	100.0
Percent	1.3	5.1	7.7	17.9	23.1	21.8	23.1		

* Two respondents did not indicate either length of ownership of any business or length of ownership of current business.

Table 11

Distribution of Owners by Length of Current Ownership by
Length of Time Current Business Has Been in Operation

Current Ownership	Years Current Business Has Been in Operation							Total	
	Under 6 Mo.	6 Mo.-1	1-2	3-5	6-10	11-20	20+	No.	Percent
Under 6 months	0	0	0	0	1	0	0	1	1.3
6 mos. to a year	0	3	0	1	0	0	1	5	6.4
1 - 2 years	0	0	6	1	0	0	1	8	10.3
3 - 5 years	0	0	0	13	1	1	0	15	19.2
6 - 10 years	0	0	0	0	12	3	2	17	21.8
11 - 20 years	0	0	0	0	0	14	3	17	21.8
Over 20 years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>15</u>	<u>19.2</u>
Total	0	3	6	15	14	18	22	78*	100.0
Percent	0.0	3.8	7.7	19.2	17.9	23.1	28.2		

* Two respondents did not indicate either length of current ownership or length of time current business has been in operation.

Table 12 is a distribution of owner-manager respondents by amount of past experience related to their current business and post-secondary courses taken which are related to office management. Only 7.2% of the respondents have taken five or more post-secondary courses in office management, and these respondents have at least five years of related experience. Thirty-nine percent have taken one or two courses in office management, and again, these respondents have at least five years of previous related experience. Forty-five percent of all respondents have never taken a course in office management.

Discussion. After reviewing the demographic data, several factors were as expected; however, there were others that were a surprise. It was expected that the majority of the small, skilled business owner-managers would be white males. However, it was a surprise that very few black owner-managers were represented in the sample and most of these congregated in the beauty/barber services. It was also a surprise that other ethnic backgrounds were not represented in the sample.

In the preliminary work done for the study, several small businessmen were interviewed. Most of them fell into the 35-41 age range; therefore, it was not anticipated that the average age for the sample would fall into the 52-65 age range.

It was expected that the majority of the small, skilled business owner-managers would have less than a high school education. It was anticipated that many of these owners would be skilled laborers who had previously worked for someone else and then decided to strike out on their own. This appears to be true; however, the mean education level

Table 12

Distribution of Owners by Amount of Past Related Experience
and Courses Taken in Office Management

Past Experience	Courses in Office Management						Total	
	5+	4	3	2	1	0	No.	Percent
Under 6 months	0	0	0	1	1	3	5	7.2
6 mos. to a year	0	0	0	1	0	0	1	1.4
1 - 2 years	0	1	0	0	2	3	6	8.7
3 - 5 years	0	1	0	0	2	2	5	7.2
6 - 10 years	1	0	0	1	3	1	6	8.7
11 - 20 years	2	1	1	3	2	12	21	30.4
Over 20 years	<u>2</u>	<u>2</u>	<u>0</u>	<u>8</u>	<u>3</u>	<u>10</u>	<u>25</u>	<u>36.2</u>
Total	5	5	1	14	13	31	69*	100.0
	7.2	7.2	1.4	20.3	18.8	44.9		

* Eleven respondents did not indicate either the number of courses taken in office management or the amount of relevant past experience.

was 13.5 years of schooling completed with 83.6% of the sample being high school graduates.

It also appears that there is very little buying and selling of small, skilled service businesses. The majority of owners (89.5%) indicated they had owned no business other than the current one. There could be several reasons for this lack of buying and selling. One of these reasons may be that the study concentrated on the service segment of the small business population, and the public generally tends to buy a service from a particular individual. Therefore, someone buying the business may not necessarily "buy" the accounts or clientele as well. Also, many of the owners actually provide the services their business offers, and unless they have some family member in business with or for them, the business generally goes whenever the owner goes. It was revealed in the interviews for the case studies, however, that many problems could be bypassed if an individual could buy an ongoing business rather than starting one from "scratch." Most of the owner-managers interviewed indicated they encountered most of their problems during the first three to five years in business.

The data revealed that very few of the owner-managers in the sample had taken any post-secondary courses pertaining to office management. Since most of them are high school graduates, it seems that more young high school students, particularly men, should be encouraged to take business courses. Business ownership, along with its problems and rewards, also needs to be emphasized in high school. Career exploration is now being offered in most junior high schools, and entrepreneurship should definitely be introduced as a viable career opportunity.

Current Office Practices and Problem Areas

One of the objectives of this study was to determine the actual office procedures and practices that are currently being employed by owner-managers of small, skilled service businesses.

Respondents were asked to respond to 36 questions which fell into seven different categories. They were then asked to identify which of these seven categories they viewed as their number one problem. Tables 13-20 show the distribution of percentages of responses to the questions in each category by those who identified that category as their major problem, those who identified another problem area, and the total of all the respondents. The percentages were based on total responses for each group of respondents and desired responses deducted from the literature.

Table 13 is a distribution of the respondents' stated problem areas. The category which ranked as the major problem area was financial record-keeping (26.5%) and was followed by the categories of files and record management (18.4%) and office personnel practices (16.3%). Mail, copying, and duplicating seemed to pose the least problem since only 8.2% identified this as their major problem area.

A comparison of percentages of responses of the respondents who identified office personnel practices as their major problem area and respondents who identified another problem area is shown in Table 14. It also shows the distribution of composite percentages for all of the responses to the 12 questions falling into the category of office personnel practices on the inquiry forms. Fifty percent of the respondents identifying their problem area as office personnel practices and 50% of the respondents who identified another problem area always provide on-the-job

Table 13
Distribution of Stated Problem Areas by
the Number Responding

Stated Problem	Freq.	% of Freq.
Office Personnel Practices	8	16.3
Files and Record Management	9	18.4
Reception, Telephone, and Customer Relations	5	10.2
Equipment, Furniture, and Supplies	3	6.1
Financial Recordkeeping	13	26.5
Letters, Forms, and Reports	7	14.3
Mail, Copying, and Duplicating	<u>4</u>	<u>8.2</u>
Total	49*	100.0

* Thirty-one respondents did not indicate a problem area.

Table 14

Percentages of Respondents Who Did or Did Not Identify Office Personnel Practices as Their Problem Area by Total Responses to Each Question

Question	<u>Identified This Problem Area</u>				<u>Identified Another Problem Area</u>				<u>Total Respondents**</u>			
	A*	S	N	NA	A*	S	N	NA	A*	S	N	NA
1	50.0	12.5	0.0	35.5	50.0	10.0	5.0	35.0	43.8	11.0	5.5	39.7
2	37.5	12.5	12.5	37.5	29.3	19.5	9.8	41.5	29.2	15.3	9.7	45.8
3	0.0	12.5	25.0	62.5	7.3	12.2	43.9	36.6	4.1	11.0	35.6	49.3
4	25.0	12.5	25.0	37.5	24.4	26.8	12.2	36.6	23.3	17.8	16.4	42.5
5	25.0	0.0	37.5	37.5	43.9	9.8	9.8	36.6	36.5	5.4	14.9	43.2
6	28.6	14.3	0.0	57.1	46.3	12.2	7.3	34.1	40.3	9.7	5.6	44.4
7	25.0	25.0	12.5	37.5	48.8	12.2	2.4	36.6	38.9	12.5	5.6	43.1
8	12.5	0.0	62.5	25.0	7.3	26.8	22.0	43.9	11.1	15.3	25.0	48.6
9	50.0	12.5	0.0	37.5	68.3	7.3	4.9	19.5	61.1	6.9	2.8	29.2
10	25.0	0.0	25.0	50.0	12.5	12.5	42.5	32.5	15.9	7.2	31.9	44.9
11	50.0	0.0	37.5	12.5	24.4	24.4	24.4	26.8	22.2	20.8	25.0	31.9
26	87.5	12.5	0.0	0.0	92.3	0.0	0.0	7.7	88.2	1.5	0.0	10.3

* Desired or efficient response.

** Does not equal total of respondents identifying office personnel practices as problem plus respondents identifying another problem area because all respondents did not identify a problem area or did not respond to all questions in this problem area.

training for new employees. Thirty-eight percent of the respondents who identified office personnel practices as a problem, as opposed to 29.3% of the respondents identifying another problem area, stated this on-the-job training was provided by someone skilled in office operations and in "how to train." Approximately 40% of the respondents who did and did not identify office personnel practices as a problem did not feel on-the-job training was applicable to their type or size of business. Over 80% of the respondents in each of the categories shown in Table 10 did not use tests or felt tests were inappropriate in their hiring process.

Performance criteria and evaluations were always discussed with the employees about 26% of the time by those who considered office personnel practices as a problem, while compared with 41% of the time by those identifying another problem area. Sixty-one percent identifying office personnel practices as their major problem either never discussed performance criteria or evaluations with their employees or felt they were not applicable to their business. Approximately 37% of the respondents stated that discussion of performance criteria or evaluations were not applicable to their business. Written procedures for major office duties were never used by 62.5% of the respondents identifying office personnel practices as a major problem, compared with 22% of the respondents identifying another problem area.

An average of 68.3% of the respondents who did not identify office personnel practices as a problem always discussed company policies during the hiring of employees. Only 24.4% of the respondents who did not identify office personnel practices as a problem compared to 50% of those who identified office personnel practices as a problem always used salary

surveys, and 50% either never used salary surveys or responded they were not applicable to their business.

Table 15 is a distribution of responses of respondents identifying files and record management as a problem, respondents identifying another problem area, and by total responses to the eight questions falling into the category files and record management on the inquiry form. Only 64.8% of all respondents always kept these records safe from fire or theft, whereas 66.7% of those who identified files and record management as a problem kept their important records in a safe location. Only 66.7% of the respondents who identified files and record management as a problem have developed definite filing procedures, compared to 76.3% of the respondents identifying another problem area. All of the respondents (100.0%) identifying files and record management as a problem always or sometimes had a problem locating records once they were filed; yet only 11.1% had a set procedure to always follow when trying to locate missing or misfiled records. (Oliverio and Pasewark state that an overall filing plan should be devised and adhered to.)

In order to keep file storage at a minimum, old files should be weeded from active files periodically, and non-essential records should be destroyed periodically. One hundred percent of the respondents identifying files and record management as a problem always or sometimes weeded old files; however, 44.4% of them never destroyed any files. Forty-four percent of the respondents identifying files and record management as a problem responded that files were always kept only as long as needed for tax purposes, compared to 38.5% of respondents identifying another problem area.

Table 15

Percentages of Respondents Who Did or Did Not Identify Files and Record Management as Their Problem Area by Total Responses to Each Question

Question	<u>Identified This Problem Area</u>				<u>Identified Another Problem Area</u>				<u>Total Respondents**</u>			
	A	S	N	NA	A	S	N	NA	A	S	N	NA
12	66.7*	22.2	11.1	0.0	65.0*	22.5	10.0	2.5	64.8*	21.1	7.0	7.0
27	66.7*	0.0	11.1	22.2	76.3*	15.8	2.6	5.3	73.5*	10.3	2.9	13.2
28	77.8*	22.2	0.0	0.0	59.5*	32.4	2.7	5.4	62.7*	25.4	3.0	9.0
29	33.3*	22.2	44.4	0.0	17.9*	48.7	30.8	2.6	24.6*	36.2	33.3	5.8
30	44.4*	22.2	11.1	22.2	52.5*	30.0	2.5	15.0	46.5*	25.4	4.2	23.9
31	44.4	44.4*	11.1	0.0	38.5	48.7*	7.7	5.1	47.1	38.6*	10.0	4.3
32	55.6*	44.4	0.0	0.0	25.0*	55.0	20.0	0.0	38.9*	43.1	15.3	2.8
33	11.1*	44.4	33.3	11.1	30.8*	46.2	7.7	15.4	32.9*	35.7	10.0	21.4

* Desired or efficient response.

** Does not equal total of respondents identifying files and record management as problem plus respondents identifying another problem area because all respondents did not identify a problem area or did not respond to all questions in this problem area.

Sixty-seven percent of those identifying files and record management as a problem, compared to 82.5% of respondents identifying another problem area, always or sometimes considered proximity to where the work is done in deciding where to place the files.

A distribution of responses of respondents identifying reception, telephone use, and customer relations as a problem, respondents identifying another problem area, and by total responses to the five-part question pertaining to the category reception, telephone use, and customer relations on the inquiry form is shown in Table 16. An average of 79.2% of all respondents who identified reception, telephone use, and customer relations as a problem, compared to 45.9% of the respondents identifying other problem areas, said their office personnel were qualified to always answer in-coming calls, answer inquiries, resolve customer complaints, quote cost information, and make service appointments.

Table 17 shows the distribution of responses of respondents identifying financial recordkeeping as a problem, respondents identifying another problem area, and total responses to the five questions pertaining to the category financial recordkeeping on the inquiry form. Sixty-two percent of the respondents identifying financial recordkeeping as a problem, compared to 43.8% of the respondents identifying other problem areas, always utilized an external accounting or bookkeeping service. Of the respondents identifying financial recordkeeping as a problem, 84.6% always utilized external tax counseling and always had the same external agency prepare the company tax forms. Approximately 85% of the respondents identifying financial recordkeeping as a major problem stated receipts were always filed in a designated place, whereas 91.5% of all

Table 16

Percentages of Respondents Who Did or Did Not Identify Reception, Telephone Use, and Customer Relations as Their Problem Area by Total Responses to Each Question

Question	Identified this Problem Area				Identified Another Problem Area				Total Respondents*			
	A	S	N	NA	A	S	N	NA	A	S	N	NA
13A	100.0	0.0	0.0	0.0	76.7	2.3	0.0	20.9	73.6	2.8	0.0	23.6
13B	80.0	20.0	0.0	0.0	55.8	25.6	0.0	18.6	56.3	21.1	1.4	21.1
13C	60.0	20.0	20.0	0.0	34.9	39.5	4.7	20.9	39.4	31.0	7.0	22.5
13D	60.0	40.0	0.0	0.0	23.3	37.2	25.6	14.0	26.8	35.2	19.7	18.3
13E	80.0	20.0	0.0	0.0	39.0	39.0	9.8	12.2	46.4	29.0	7.2	17.4

* Does not equal total of respondents identifying reception, telephone use, and customer relations as problem plus respondents identifying another problem area because all respondents did not identify a problem area or did not respond to all questions in this problem area.

Table 17

Percentages of Respondents Who Did or Did Not Identify Financial Recordkeeping as Their Problem Area by Total Responses to Each Question

Question	<u>Identified This Problem Area</u>				<u>Identified Another Problem Area</u>				<u>Total Respondents**</u>			
	A	S	N	NA	A	S	N	NA	A	S	N	NA
17	61.5	15.4	23.1	0.0	43.8	15.6	28.1	12.5	53.1	15.6	23.4	7.8
18	84.6	0.0	15.4	0.0	77.4	16.1	3.2	3.2	73.8	15.4	6.2	4.6
19	84.6	7.7	0.0	7.7	82.3	5.9	0.0	11.8	79.4	7.4	2.9	10.3
34	84.6*	15.4	0.0	0.0	91.7*	5.6	0.0	2.8	91.5*	5.6	0.0	2.8
35	83.3	0.0	0.0	16.7	64.3	16.7	2.4	16.7	61.7	11.4	4.3	22.9

* Desired or efficient response.

** Does not equal total of respondents identifying financial recordkeeping as problem plus respondents identifying another problem area because all respondents did not identify a problem area or did not respond to all questions in this problem area.

respondents and 91.7% of the respondents identifying another problem area stated receipts were always filed in a designated place.

Table 18 is a distribution of responses of respondents who did and did not identify letters, forms, and reports as a major problem. It also shows total responses of all respondents to the three questions pertaining to the category of letters, forms, and reports on the inquiry form. Of all of the respondents who identified letters, forms, and reports as a problem area, 57.1% of them always handled the letters or reports in the office, 14.3% of them sometimes utilized a commercial service for their important letters or reports, and 85.7% never utilized a commercial service for their important letters or reports. Of the respondents identifying other problem areas, 85% always handled letters in the office, 20% always or sometimes utilized a commercial service for important letters, and 67.5% never utilized a commercial service for any of their correspondence.

Even though Oliverio and Pasewark state that a style manual is an aid in preparing neat, well-organized letters, only 28.6% of those respondents identifying letters, forms, and reports as a problem made style manuals available in the office, while 42.8% thought the availability of style manuals was not appropriate in their office. An even smaller percentage, 9.5%, of those respondents identifying other problem areas always made style manuals available, although 85.0% always handled letters and reports in the office.

Only four respondents (8.2%) identified the category of mail, copying, and duplicating as a major problem. Table 19 shows the distribution of responses of respondents identifying mail, copying, and

Table 18

Percentages of Respondents Who Did or Did Not Identify Letters, Forms, and Reports as Their Problem Area by Total Responses to Each Question

Question	<u>Identified This Problem Area</u>				<u>Identified Another Problem Area</u>				<u>Total Respondents**</u>			
	A	S	N	NA	A	S	N	NA	A	S	N	NA
20	57.1	42.8	0.0	0.0	85.0	10.0	0.0	2.5	76.8	15.9	1.4	5.8
21	0.0	14.3	85.7	0.0	7.5	12.5	67.5	12.5	4.3	14.5	63.8	17.4
36	28.6*	28.6	0.0	42.8	9.5*	26.2	21.4	42.3	11.9*	19.4	16.4	52.2

* Desired or efficient response.

** Does not equal total of respondents identifying letters, forms, and reports as problem plus respondents identifying another problem area because all respondents did not identify a problem area or did not respond to all questions in this problem area.

Table 19

Percentages of Respondents Who Did or Did Not Identify Mail, Copying, and Duplicating as Their Problem Area by Total Responses to Each Question

Question	<u>Identified This Problem Area</u>				<u>Identified Another Problem Area</u>				<u>Total Respondents**</u>			
	A*	S	N	NA	A*	S	N	NA	A*	S	N	NA
22	66.7	0.0	33.3	0.0	43.9	12.2	9.8	34.1	41.5	7.7	12.3	38.5
23	33.3	0.0	33.3	33.3	27.3	15.9	4.5	52.2	30.9	11.8	5.9	51.5
24	0.0	0.0	0.0	100.0	18.2	11.4	11.4	59.1	13.8	7.7	9.2	69.2
25	0.0	0.0	0.0	100.0	9.1	6.8	18.2	65.9	6.2	4.6	12.3	76.9

* Desired or efficient response.

** Does not equal total of respondents identifying mail, copying, and duplicating as problem plus respondents identifying another problem area because all respondents did not identify a problem area or did not respond to all questions in this problem area.

duplicating as a problem, respondents identifying another problem area, and total responses to the four questions pertaining to the category of mail, copying, and duplicating on the inquiry form. Sixty-seven percent of those identifying mail, copying, and duplicating as a problem, compared to 43.9% of those identifying another problem area, said new postage regulations were easily accessible to the office staff. Thirty-three percent of the respondents naming mail, copying, and duplicating as a problem, compared to 52.2% of the respondents identifying another problem area, indicated promotional mailings were not applicable in their office or type of business. One hundred percent of those identifying mail, copying, and duplicating as a problem responded that designated persons using copying equipment and training for persons operating copying and duplicating equipment were not applicable to their office.

The category of equipment, furniture, and supplies was designated by only 6.1% of the sample population as a problem. Given the small number of responses in this category, the percentages shown in Table 20 may not be significant, particularly those for respondents who identified equipment, furniture, and supplies as a problem. However, it may be helpful to look at the practices of all respondents concerning equipment, furniture, and supplies. Fifty percent of the respondents sometimes shop for office equipment at retail stores and 59.4% sometimes rely heavily on the salesperson's information. Twenty-five percent sometimes read consumer reports on office equipment. Thirty-nine percent of the respondents sometimes compared lease price to purchase cost and

Table 20

Percentages of Respondents Who Did or Did Not Identify Equipment, Furniture, and Supplies as Their Problem Area by Total Responses to Each Question

Question	Identified This Problem Area				Identified Another Problem Area				Total Respondents**			
	A	S	N	NA	A	S	N	NA	A	S	N	NA
14A	0.0*	100.0	0.0	0.0	30.2*	44.2	14.0	11.6	25.8*	50.0	9.7	14.5
14B	100.0*	0.0	0.0	0.0	52.3*	27.3	4.5	15.9	52.3*	29.2	3.1	15.4
14C	50.0*	50.0	0.0	0.0	20.5*	45.5	27.3	6.8	15.6*	46.9	26.6	10.9
14D	50.0*	50.0	0.0	0.0	4.5*	68.1	18.1	9.1	6.3*	59.4	25.0	9.4
14E	100.0*	0.0	0.0	0.0	43.2*	40.9	6.8	9.1	46.2*	40.0	4.6	9.2
14F	50.0*	50.0	0.0	0.0	46.8*	27.7	8.5	12.8	51.5*	28.8	6.1	13.6
14G	50.0*	50.0	0.0	0.0	4.7*	34.9	44.2	16.3	7.9*	30.2	46.0	15.9
14H	50.0*	50.0	0.0	0.0	13.6*	20.5	43.2	22.7	15.6*	21.9	40.6	21.9
14I	50.0*	50.0	0.0	0.0	15.9*	25.0	38.6	20.5	17.2*	25.0	39.1	18.8
15A	100.0	0.0*	0.0	0.0	25.0	56.8*	15.9	2.3	25.0	56.3*	14.1	4.7
15B	0.0	66.7*	0.0	33.3	23.8	59.5*	11.9	4.8	26.2	56.9*	9.2	7.7
15C	100.0	0.0*	0.0	0.0	7.1	59.5*	21.4	11.9	14.3	50.8*	22.2	12.7
15D	0.0	100.0*	0.0	0.0	0.0	35.7*	45.2	19.0	3.3	31.1*	41.0	24.6
16A	0.0*	100.0	0.0	0.0	11.1*	37.8	24.4	26.7	13.8*	40.0	18.5	27.9
16B	0.0*	100.0	0.0	0.0	26.7*	40.0	2.2	31.1	27.7*	38.5	3.1	30.8
16C	100.0*	0.0	0.0	0.0	40.0*	33.3	4.4	22.2	38.5*	32.3	4.6	24.6
16D	100.0*	0.0	0.0	0.0	51.1*	22.2	4.4	22.2	55.4*	16.9	3.1	24.6
16E	50.0*	0.0	0.0	50.0	50.0*	20.5	4.5	25.0	50.0*	16.7	3.0	30.3
16F	100.0*	0.0	0.0	0.0	20.9*	32.6	18.6	27.9	27.0*	28.6	14.3	30.2
16G	100.0*	0.0	0.0	0.0	22.2*	48.9	8.9	20.0	32.3*	38.5	7.7	21.5
16H	100.0*	0.0	0.0	0.0	40.9*	29.5	6.8	22.7	43.8*	25.0	6.3	25.0

* Desired or efficient response.

** All respondents did not identify a problem area or did not respond to all questions in this area.

40.6% sometimes compared rental cost to lease cost. Forty-six percent never purchased on a bid basis.

Over 50% of the respondents sometimes purchased supplies in quantity to receive discounts. They purchased supplies equally from retail and wholesale suppliers.

Forty percent of the respondents sometimes shop for office furniture from retail stores while 38.5% sometimes shop at wholesale stores. Thirty-nine percent of the respondents always compared prices between new and used furniture; 55.4% always considered durability of the furniture. Approximately 70% of the respondents always or sometimes considered the aesthetic value of the office furniture, and approximately 44% always selected furniture which conformed with certain standards of comfort.

Discussion. The questions dealing with current office practices were developed from the viewpoint that office practices center around the following seven basic functions: office personnel practices; files and record management; reception, telephone use, and customer relations; equipment, furniture, and supplies; financial recordkeeping; letters, forms, and reports; mail, copying, and duplicating. The discussion of the current office practices will also center around these categories of office functions.

Approximately 42% of all respondents responded "not applicable" to all questions dealing with office personnel practices; however, it was the third most mentioned problem area. This discrepancy between these responses and the identification of office personnel practices as the number one problem could be indicative of a real problem in this area. Owner-managers may not be aware that their lack of office knowledge may

lead to a lax attitude on the part of office employees. Although an average of 42.8% of the owners responded that on-the-job training was not applicable to their business, it was the most mentioned suggestion to the open-ended question dealing with educational services owners would like offered.

Forty-three percent of all respondents indicated performance criteria and performance evaluations were not applicable. However, if there is even one employee involved in the business, these performance criteria and evaluations should be considered by the owner. Evaluation does not have to be a formal or long process, but evaluation standards should be discussed confidentially with each employee according to Lasser (1974).

Another area that could lead to a problem situation is the hiring process employed by some owner-managers. Company policies, sick leave, vacation time, etc., should be discussed at some point during the hiring process; however, 48.6% of all respondents felt this was not applicable to them. It is important that office personnel practices be the point of discussion either in seminars, workshops, consulting services, or some other mode. Owners need to be aware that their practices can affect employee performance, motivation, and production.

Oliverio and Pasewark found that many firms that lose vital and important records are forced out of business. Only 65% of the respondents keep their important records safe from fire and theft. This could lead to a serious problem for the other owners. Eighty-two percent of all respondents to the inquiry forms always or sometimes had problems locating records once they were filed, but only 32.9% of them had a set procedure to follow in locating misfiled records. Oliverio

and Pasewark state that an overall filing plan should be devised and adhered to.

In order to reduce storage space, Lasser states that files should be weeded periodically, active files separated from the inactive, and non-essential records destroyed. The data reveal that 31% of the respondents never destroy any files and only sporadically weeded their files. This indicates that filing procedures should be taught or incorporated in a class, possibly even a high school class.

Approximately 77% of all respondents to the inquiry form always handle letters or reports in the office. Even though Oliverio and Pasewark state a style manual is a definite aid in preparing neat, well-organized letters, only 11.9% of all respondents indicated they always made these style manuals available. Fifty-two percent indicated they were not applicable to their business. Owners obviously are not aware of how style manuals would aid their office personnel.

An office management course which stressed good office practices and procedures could be a tremendous help to small business owner-managers. One possibility would be for this course to be offered through a continuing education program in the evenings or on Saturday mornings, which might make it more accessible to the owner-managers.

Approximately 69% of all respondents stated copying equipment was not applicable to their business, thus indicating that small businesses have little need or little capital to purchase copying equipment. Small businesses often have very little equipment of any type and sometimes a very limited amount of furniture as well. A limited amount of office supplies are often all that is necessary for these offices, too. An

extremely brief unit on office equipment, furniture, and supplies could be incorporated in an office management course.

Open-ended Responses

Respondents were asked to respond to three open-ended questions. Listed below are the questions followed by some of the verbatim quotes of those who responded to each question.

"If you could plan a course or series of courses designed to meet the needs of small business owner-managers, what are some of the suggestions you would make?"

The main lesson would be in meeting the public and how to get along. Getting along can't be taught in books, it takes a lot of good common sense.

Learning to keep up financial records is hard.

Sources by which small advertisement could be done reasonably.

How to start a very small set of books and how to keep records.

Training, control, and motivation of personnel.

Sales and motivation.

Recordkeeping systems.

Basic uniform procedures in business, and how to eliminate cut-throat practices.

Courses in advertising or public relations, and how to create an "image" for the business.

Business procedures.

Make government forms more simply.

In-service training for operators.

Courses in Business English, business math, spelling, and labor problems.

I have none.

I would suggest workshops in the area of human relations and record keeping.

When teaching a course, try to find a person with practical experience as well as teaching ability to be instructor.

Owner should have extensive knowledge of business and good community relations. Be able to see and identify the problems when they occur.

I would stress most highly recordkeeping.

Courses on tax related problems.

To teach people to follow the correct procedures, regarding paper work.

Good customer relations by employees; office management including finance.

Manager-employee relationships. How to encourage employees to take an interest in the store more than just a job.

Small computer programming and utilization.

Teach courses on keeping accurate cost, taxes and other federal controls and how to handle them correctly.

Evening classes on recordkeeping practices.

Simple recordkeeping. Procedures in filling out monthly and quarterly tax forms. Area percentage figures on overhead and gross margins. Schedule meetings in the evenings and Saturday mornings.

Finance, working capital, investments, advertising, customer relations, and employee benefits.

A course to teach that "work is good," pride in one's accomplishments.

Bookkeeping/accounting knowledge is essential for virtually every person in small offices.

Financial management. Local money market. Available money for small contractors. Electrical contracting new methods. Negotiating contracts.

Cash flow.

Marketing, tax courses for small businessmen, and advertising.

Responsibility of job; procedures; documentation and efficiency.

Total management courses for a one-person office.

Tax matters, accounting, myriad of tax reports; business law, government regulations; advertising, budgeting; business English, letter writing; free enterprise, survival or demise. I prefer these scheduled at night.

"As an owner of a small business, what are some of the most difficult decisions you have had to make regarding office practices and procedures? What stronger educational background would have helped?"

Listed below are some of the verbatim quotes of those who responded to this question:

Government regulations--so insane nothing would help.

Potential employees should have better background of basic arithmetic. They should be better able to read, write, and communicate.

Hiring the right person.

Tax involvement.

To hire full-time bookkeeper or train someone from scratch.

How much office help is required to handle work load. Business administration would have helped.

When and not to pay a person when they have been out of work. When to make small loans. At what point do you put your foot down and say, "No."

Pricing practices.

Cost accounting would help.

Delegating authority. Firing people.

Charging for services rendered.

More bookkeeping and tax information would help.

In the field of painting, I should have more knowledge of estimating jobs. Knowing how to purchase material at a reasonable cost. Estimating courses would help.

A stronger background in human relations would have helped me greatly.

How to keep employees and customers happy.

Paying the employee what he is worth, and being able to make quick decisions about subjects.

Hiring "good" employees.

Merchandising is a problem. We need to know how to capitalize on retail products.

How to determine what is profitable or nonprofitable. Business training is needed in beauty training.

Delegating authority and psychology training.

Bookkeeping background and business background would have helped.

"What are some of the services you would like to see an educational institution offer other than routine scheduled courses?" Listed below are some of the verbatim quotes of those who responded to this question:

Weekly one-night classes for the business person who has a limited amount of time to spend in class.

Workshops and consulting services for all businesses utilizing retired businessmen.

Seminars and workshops offered in Greensboro and surrounding towns and offered at several or varied times.

Field work along with theory classes.

More on-the-job training in the business field.

In-the-field training for skill workers.

Seminars on current office practices.

Perhaps students and employers would benefit from 6 months to one year of on-the-job training several hours a day during last year in school.

Consultants on contracting and negotiating.

Small business workshops.

More basics and realistic learning experiences.

A "model" small business in today's economy to show potential business owners and the public what it takes to operate a business and how to avoid many failures.

Discussion. There was considerable variety in the comments to each question. The most often mentioned courses needed were bookkeeping or recordkeeping, human relations, employee motivation, and taxes. The most difficult decisions revolved around financial recordkeeping, delegating authority, hiring and firing decisions, and area salary schedules. The overwhelming majority of respondents who answered the open-ended questions named financial recordkeeping as the area of most difficult decisions. This correlates with the problem area identified by the highest percentage (26.5%) of respondents to the inquiry form. The other area most often mentioned in the open-ended questions dealt with office personnel practices. Approximately 16.3% of all respondents to the inquiry form identified office personnel practices as their number one problem area. Many of the respondents had suggestions for services they would like to see offered. The most mentioned was on-the-job training and intern-type programs. The next most often named was workshops and seminars for business owners.

Business, industry, and education still have the responsibility of educating the individual for the world of work, either as an employee or as a business owner. It is obvious from the most mentioned suggestion for services needed, on-the-job or field training, that small business owner-managers do not feel employees are adequately trained for the world of work. It is also obvious from their remarks that the owners do not feel they were adequately prepared for the world of work as a

business owner. Due to the technological society in which we live, greater emphasis is also needed in the areas of human relations and self-motivation. These emphases should prepare the individual to be better adjusted to his environment and to be more productive.

Summary of Results

The results of this investigation have been analyzed within the framework of the dependent and independent variables identified in the study. The overall findings are summarized below, followed by a summarization of the hypotheses tested in the study.

1. Most of the small business owner-managers were male (75.6%), between 52-65 years of age (28.9%), white (83.7%), have education beyond high school (67.1%), and have owned a business (current one included) for over five years (86.1%).

2. Seventy-eight percent of the small business owner-managers have over five years of experience related to their current business, and 84.3% have taken two post-secondary courses pertaining to office management.

3. The most frequently stated problem area was financial record-keeping (26.5%), followed by files and record management (18.4%) and office personnel practices (16.3%).

4. On-the-job training was considered not applicable by 42.8% of the responding owner-managers; company procedures for major office duties were never discussed by 62.5% of the owners, and 39% of the respondents did not discuss company policies during the hiring process.

5. Most of the owner-managers keep their records safe from fire and theft (64.8%), have established filing procedures (83.3%), never destroy any files (33.3%), and keep records only as long as needed for tax purposes (47.1%).

6. Of the owner-managers responding to the inquiry form, 53.1% always utilize an external accounting service, 73.8% always seek external tax counseling, and 79.4% always have the same person or accounting service prepare all tax forms.

7. Very few of the owner-managers always utilize a commercial service for their letters and reports (4.3%), always have style manuals for office use (11.9%), and yet, 76.8% of the respondents handle all correspondence in the office.

8. Seventy-eight percent of the small business owner-managers surveyed did not have copying or duplicating equipment in their offices.

9. The majority of owner-managers surveyed always or sometimes shop for office equipment at retail stores (50%), depend heavily on salesperson information (59.4%), always purchase supplies to receive discounts (50%), and purchase supplies equally from wholesale and retail stores. Owner-managers most frequently purchase office furniture from retail stores (40%), always compare new and used prices (38.5%), always select furniture which meets certain standards of comfort (43.8%).

10. There was a significant relationship between purchasing office equipment and one of the demographic items (education). The owner-managers with 13-16 years of schooling most often felt the purchasing of office equipment was not applicable to their business.

11. There was no significant relationship between office personnel practices and ethnic backgrounds, sex, age, education, varying length of experience as an owner of any business, including current business, relevant post-secondary courses, or relevant experience in the field.

12. There was no significant relationship between purchasing office furniture and ethnic backgrounds, sex, age, education, varying length of experience as an owner of any business, including current business, relevant post-secondary courses, or relevant experience in the field.

13. There was a significant relationship between identifying a problem area and one demographic item (relevant post-secondary courses); owner-managers who had taken two courses pertaining to managing the office could most frequently identify their number one office problem.

14. There was no significant relationship between expected employee qualifications or duties and ethnic background, sex, age, education, varying length of experience as an owner of any business, including current business, relevant post-secondary courses, or relevant experience in the field.

Hypothesis testing was not conducted on all questions individually, but on categories of questions; the study concentrated on problem areas. Hypothesis testing was not conducted on all categories of questions as originally planned because factor analysis did not reveal that the responding owners answered the questions as a category. It would be mere speculation to try to give reasons for these insufficient data; however, sporadic responses or failure to respond to certain questions, fragmentation of responses, along with "not applicable" responses, may be some of the reasons. For this reason, it was deemed necessary for the hypothesis testing to deviate from the original

plan of attack. A summary of the results of hypothesis testing for this study is presented in Table 21.

Case Studies

A major aspect of this study was the determination of office needs of small business owner-managers based on the office practices of the small business owner-managers in Greensboro, North Carolina. To this end, interviews were conducted with a select group of four small business owner-managers. It was felt that these case studies would serve as an additional basis for determining office needs. Each case is presented and discussed; an analysis is then made of the combined group of cases.

These case histories presented were chosen on the basis of responses to the questions on the inquiry form related to office practices and responses to open-ended questions. Some were selected because their responses to the questions concerning office practices closely correlated with the desired responses to such questions; others were selected because their responses were not closely correlated with the desired responses. The case histories have not been labeled in order to protect the right of these individuals to privacy.

The interview consisted of questions concerning starting or taking over the business, prior training, and the problems and rewards of a small business owner-manager (see Appendix for Interview Guide). Interviews, which generally lasted from one-half hour to an hour, began with questions designed to be general in nature as a means of establishing rapport. The interviews concluded with questions concerning the expectations and needs of a small business owner-manager.

Table 21

Summary of Hypothesis Testing

Hypothesis	Results	
	Accepted	Rejected
(1) There is no significant difference in the purchasing of office equipment and owner-managers of different ethnic backgrounds.	X	
(2) There is no significant difference in the purchasing of office equipment and male and female owner-managers.	X	
(3) There is no significant difference in the purchasing of office equipment and owner-managers in different age groups.	X	
(4) There is no significant difference in the purchasing of office equipment and owner-managers with varying educational backgrounds.		X
(5) There is no significant difference in the purchasing of office equipment and owner-managers with varying experience as owners.	X	
(6) There is no significant difference in the purchasing of office equipment and owner-managers with varying experience as owner of current business.	X	
(7) There is no significant difference in the purchasing of office equipment and owner-managers whose current business has been in operation for varying lengths of time.	X	
(8) There is no significant difference in the purchasing of office equipment and owner-managers with varying relevant post-secondary courses pertaining to office management.	X	

Table 21--Continued

Hypothesis	Results	
	Accepted	Rejected
(9) There is no significant difference in the purchasing of office equipment and owner-managers with varying past related experience.	X	
(10) There is no significant difference in the purchasing of office furniture and ethnic backgrounds, age, sex, education, varying length of experience as an owner of any business, including current business, post-secondary courses pertaining to office management, and relevant experience in the field.	X	
(11) There is no significant difference in the office personnel practices and ethnic backgrounds, age, sex, education, varying length of experience as an owner of any business, including current business, post-secondary courses pertaining to office management, and relevant experience in the field.	X	
(12) There is no significant difference in office employee qualifications and ethnic backgrounds, age, sex, education, varying length of experience as an owner of any business, including current business, post-secondary courses pertaining to management, and relevant experience in the field.	X	

Hypotheses were accepted or rejected at the .05 level of significance.

Interviews were taped with permission of each owner. In each interview the owner-manager was assured that only the researcher would have access to the tape and that the tape would be used only for transcribing the notes from the interview.

Every precaution was taken to remove any fear by assuring anonymity. The writer cannot ensure that the subjects gave their true feelings. However, the writer believes that the information gained reflected the true feelings of the interviewee.

Questions followed a general outline: asking the owner-manager to indicate his feelings or thoughts in each area and to describe or extend responses to questions explaining reasons for such feelings or thoughts.

A brief report of four owner-managers follows:

Case No. 1. Case No. 1 was selected because his responses to the office practices questions on the inquiry form closely correlated with the desired responses.

Aged 42, married, and a college graduate with a B. S. degree in psychology, he has owned his own business, which he started, for 11 years.

He is very satisfied with his business at the present time and is making plans to branch out into other related types of businesses. He has just enlarged his business to include another closely related area and is now working to make that segment of his business profitable.

He has a college degree but never took a business course in high school or college. In looking back over his years in business, he said he would like to have taken courses in elementary bookkeeping, advertising,

marketing, office management, and financial management. He also would have liked some training in "how to be a boss."

This individual started his small business with no formal business training or experience but learned on his own through "trial and error." He sought help from the SBA and from a bookkeeping service. He remarked: "The SBA gave me absolutely no help." "They are a farce." "I do not know who they are for, but they certainly were no help to me." He did not seek any help from other sources because he was not aware there was any such assistance available.

He encountered many problems in his early years in business because of his lack of business training or experience. He had little working capital, did not understand paying estimated federal and state taxes, quarterly FICA taxes for employees, etc. He did not know how to determine the amount of cash flow necessary for day-to-day operations, and had no budget framework within which to operate. He never took advantage of cash discounts for paying bills early, and on occasions had problems with his credit rating due to the above mentioned problems.

He feels that the schools and universities should give more attention and provide more services to help meet the needs of small business entrepreneurs. He suggested an educational consulting service which would work in conjunction with several other organizations. Brochures could be available at banks because each new business owner must set up a commercial account. Also, he felt it would be very helpful if this consulting service were done in conjunction with the SBA, because they could then refer small business owners to this service after they had contacted them.

The most satisfying aspect of his current position is the money, the independence, and the feeling of being the "boss." He also said he enjoyed the feelings of success he has achieved.

The "confinement" is the least satisfying aspect of his position. He said he felt a tremendous responsibility to the people he employed, and this feeling of responsibility kept him from taking some of the vacation or leisure time he would have liked to enjoy away from the business. He felt he must be on the job all the time.

Comments. This person has very positive feelings about himself and his business now. This was not the case in the past. He feels he has a good rapport with his employees and has complete confidence in his CPA and the advice he gives him. He wishes that he had had this advice early in the business, because he could have avoided some of the problems he encountered.

Although his business had some "rough" times in its early years, he is now completely satisfied with the way his business is operating. He said he would definitely go into business for himself again if he had it to do over.

Case No. 2. Case No. 2 was selected because of her comments on the inquiry form beyond the normative data requested.

Aged 45 years, married, two years of college, she started her small business five years ago after 23 years of experience in the field.

She started her small business with no professional assistance or counseling except that of friends; she was not aware of the assistance that was available to her. She had no experience with office work but did

take two years of bookkeeping, business law, and typewriting. She never had any training to be a business owner but felt that this would have been very helpful.

She attends as many seminars and workshops as she can. These seminars are offered through the national association, but many of them are too far away for her to take the time to attend. She did express an interest in joining a local association to see what it has to offer, but she is under the impression that it is geared to the needs of the employees rather than the owners. She voiced a desire to start another arm of this local association geared to meet the needs of small business owners in her field. She would like to see programs arranged that would specifically deal with problems of the owners and managers, sharing of problems and solutions, and communication among all the businesses in her field. She felt it would also be helpful to circulate a list of poor credit risks at the association meetings.

She expressed an interest in taking some courses or workshops in tax counseling, accounting, office management, and technical courses in the field. If there were any ongoing counseling services available for small business owners, she said she would be more than happy to pay for these services. She has participated in an internship program from Appalachian State University. She said the interns kept her up to date on new technological changes but she is no longer participating in this program because her part of the training took up too much of her time.

The most satisfying aspect of her current position is the prestige of being a business owner and the freedom to structure her own schedule.

The responsibility toward the business and the people she employs is the least satisfying aspect of the position. She also indicated she felt she had to be on the job all the time.

She would like to build up her business clientele, build up her accounts receivable, and update the equipment. She is not necessarily looking to expand the business.

Comments. This person has very positive feelings about her business prospects and herself. She is interested in keeping abreast of any changes in her field, and she would like to start or participate in an active local association.

She had no professional assistance in starting the business and indicated she had encountered many problems during the first five years in business. She said she liked being a business owner, but if she had it to do over again, she would purchase an ongoing business rather than starting one.

Case No. 3. Case No. 3 was selected because her responses to the questions pertaining to office practices were not closely correlated with the desired responses.

Aged 25 years, married, with two years of training at a technical school, she took over an existing business two years ago.

She served as manager and bookkeeper for the business prior to buying it. She now has an accounting firm keep the books, and a CPA prepares all tax forms necessary. However, as manager of the business prior to ownership, she kept the books, prepared the financial statements, and maintained all records except the tax forms which a CPA prepared.

Her high school bookkeeping class was very helpful. She also had help from her husband, who is also a small business owner.

She received an associate degree from a technical institute and still utilizes some of the faculty there in a consulting arrangement. However, business ownership was not mentioned even though many of her classmates are now small business owners. She also attends the meetings of the local association and has gained much valuable information through a sharing of experiences by other owners at these meetings.

The most satisfying aspect of her position is the money she is able to make. She enjoys working with the public, too.

She indicated many problems as a small business owner. After working ten- to twelve-hour days, she has little time for anything else. The feeling of responsibility toward the business and her employees can get very depressing at times. She also indicated that she felt the public often lacked respect for her personally; they only cared about the service she provided.

Not considering herself a materialistic person, she said she is trying to get her home built and paid for and then plans to sell the business. She would like to continue working part-time in the field, but does not want the responsibility of being a business owner.

Comments. This business owner generally feels the time that must be devoted to the business to be successful is not worth the compensation. Her free time takes priority. She feels that being a business owner is a handicap because she has had to give up all outside interests, including most of her friends.

Case No. 4. Case No. 4 was selected because his responses to the questions on the inquiry form pertaining to office practices were not closely correlated with the desired responses and because of his comments to the open-ended questions.

Aged 55 and married, he has been in business for himself 25 years. From time to time he has taken on a partner, but has basically operated on his own. He had to quit school after the seventh grade to help work on his family's farm. He feels most of his management knowledge was taught by his parents.

He did not have any professional help in starting his business, but did seek help from IRS with his quarterly withholding taxes, has received assistance or counseling from IRS, the local federal tax office, and the local state tax office. IRS explained the records he needed to maintain on an ongoing basis, and without any formal training, he was able to keep his own books. A CPA, however, is retained to prepare all tax forms and to give investment counseling.

He expressed an interest in participating in any program or ongoing counseling service that might be available in the community if it were geared to meet the needs of small business owner-managers. He did not express any problem with advertising since all of his accounts are accepted on a referral basis. Even though he has little formal schooling, he has read and travelled extensively, and did not express any feelings of inadequacy while participating in seminars, workshops, etc.

The most satisfying aspects of his position are the independence he has, the money, and the feeling of satisfaction for a job well done. He enjoys people and working with the public. He also felt a great pride

at being able to receive credit from many of his suppliers, who are located all over the United States.

"Collection" was the least satisfying aspect of his position. He does not mind giving quotes or bids on jobs, but does not like to discuss or follow up on payments.

Comments. This case is interesting in that the owner was unusually service-oriented. He found great satisfaction in doing a good job and having satisfied customers. He expressed an interest in seeing the schools incorporate the concept of "personal satisfaction for a job well done" in the courses offered. He also wished to see personal interactions stressed in schools.

Analysis of Cases

From the results of interviews with these individuals, it appeared to the writer that these small business owner-managers were more alike than different in their concerns. The group of four subjects ranged in age from 25 to 55. Their educational levels ranged from completing the seventh grade to being a college graduate.

Comments suggested the following factors bearing on current office practices and office needs of small business owner-managers:

Starting or Taking Over the Business

1. None of the owner-managers had any professional assistance in starting or taking over their small business.

2. Three-fourths of the subjects interviewed said they would prefer to be a business owner to working for someone else. One subject,

the youngest owner in the sample, said the compensation did not offset the feeling of responsibility or the hours necessary to make the business successful.

3. One of the subjects sought help from the SBA in starting the business. He was not aware of where to seek other help. All of the subjects expressed a lack of knowledge in where to seek professional assistance for problems with their business.

4. Each of the subjects interviewed expressed a strong interest in an ongoing counseling service for small business owners, workshops or seminars geared to their needs, or courses they felt to be beneficial. They also complained that the things that were available were not always advertised through media that reached them, thus indicating a need for stronger advertising campaigns by universities and others offering seminars and workshops for small business owners.

5. One-half of the owners interviewed said their job would be easier if employees had some prior training in interpersonal relations and more personal satisfaction for a job well done.

6. Accountants and CPA's were most often the source of assistance. However, only one of the owners interviewed had sought any assistance in tax planning and tax shelters, investment and estate planning, or retirement planning.

Prior Training

1. Courses in typing and bookkeeping tended to have the greatest value in aiding subjects in running their businesses. These courses were

taken at the high school level. None of the subjects took any business courses at the college level.

2. Nonbusiness courses in psychology and English were rated by the owners as having the greatest value. Most of these courses were also taken at the high school level.

3. All of the owners interviewed had negative feelings about their education, in that it did not prepare them to be a business owner. They expressed a wish to see decision making, interpersonal relations, and management of time stressed in school. One owner commented that management once was taught in the home, but now must be taught in the schools.

Problems and Rewards

1. The most satisfying aspect of being a small business owner was the money or the potential to make money. The next most satisfying aspects were the feeling of independence, ability to plan one's own schedule, and the feeling of pride in being a business owner.

2. The "confinement" was the least satisfying aspect of being a small business owner. All of the owners commented, usually in a negative manner, on the number of hours they felt they must devote to the business.

3. Each of the owners expressed a heavy burden of responsibility toward the business, their families, and their employees. They were very aware that many depended on them for their livelihood.

4. Most of the owners interviewed did not express an interest in expanding their business; they seemed content to maintain or improve their present business.

5. Most of the problems encountered by these owners occurred in their first five years in business. They indicated that any assistance they could have had in those first five years would have been invaluable.

6. Three-fourths of the owners interviewed felt more planning prior to buying or starting the business would have made a great difference.

It is hoped that an analysis of these four cases has suggested some of the factors which may in some way relate to the current office practices and the office needs of small business owner-managers. A better understanding of current office practices and office needs of small business owner-managers is desirable because it may help to relieve the owner-managers of some of the problems they encounter--the unnecessary hours they spend in the business, the heavy burden of responsibility, etc.

CHAPTER VI

SUMMARY, CONCLUSIONS, RECOMMENDATIONS, AND IMPLICATIONS

Good office practices and procedures are critically important aspects of operating a successful business. The present study has attempted to find out what are the current office practices and procedures, what are the office needs based on these practices, and what are the curriculum implications based on these findings for small, skilled service business owner-managers in Greensboro, North Carolina.

Eighty owner-managers were surveyed by means of an inquiry form. Owners were asked questions regarding demographic information (sex; age; ethnic background; education; length of business ownership, including current business; length of time current business has been in operation; number of post-secondary courses taken pertaining to office management; and past related experience), current office practices, number one problem area in the office, and courses or services they would like to have available to them. Additional information relative to starting or buying the business, prior training for the business, and problems and rewards of small business ownership was obtained from interviews with selected owner-managers. With the information from these sources, a picture emerged of small, skilled business owner-managers.

The data revealed the majority of the respondents viewed on-the-job training as not applicable to their business. A majority also responded that job evaluations were not applicable. If these responses were from

one-man operations, this would be understandable; however, if this is not the case, the importance of on-the-job training and job evaluations needs to be stressed in educational settings.

Owner-managers most often identified financial recordkeeping as their number one problem. This finding would seem to indicate a need for emphasis on accounting methods in educational settings. The problems and pitfalls of financial recordkeeping would make an excellent subject for a short seminar or workshop.

Files and record management was the second most frequently mentioned problem area. Many of the responding owner-managers never destroy any files, keep records only as long as needed for tax purposes, do not keep their vital and important records safe from fire and theft, and have not established filing procedures. These findings indicate that there is a definite problem with record management, and the "how and why" of filing should be emphasized in an educational setting.

The owner-managers reported that communications were usually taken care of in the office. However, the data revealed that style manuals for these communications either were not available in many of the offices or were considered not applicable. This indicates that emphasis needs to be placed on the efficiency and neatness that can be achieved if office personnel have access to style manuals.

The majority of the small, skilled service businesses did not have copying or duplicating equipment in their offices.

The major purpose of this analysis was to discover possible determinants of current office practices and to test relationships between

these practices and other significant factors. The most noteworthy of these findings may be summarized as follows:

1. Small business owner-managers did not always identify a problem area. Thirty-one of the eighty owners in the survey did not indicate a problem area. The first step in rectifying a problem is being able to identify the problem.

2. The owner-managers in the survey indicated that employees were expected to handle various situations ranging from simply answering the phone to resolving customer complaints to quoting cost information. Yet, owner-managers indicated on-the-job training was not applicable. A logical deduction may then be that these small business owners are not realistic in what they expect of their employees. The businesses themselves must take some responsibility for some of the training of employees.

3. Many of the small business owner-managers do not appear to be utilizing office practices that agree with the ideal office practices identified in the literature. A high percentage of "not applicable" responses, as well as the discrepancy between "ideal" and actual practices, lead to this conclusion.

4. From the comments to the open-ended questions, it was concluded that many of the small business owner-managers cannot distinguish between technical problems and management problems. Many of them requested courses, workshops, and seminars in the technical areas, while few requested any management courses.

5. Education level is related to purchasing office equipment but not to purchasing office furniture. Those with higher education levels

explored more avenues for purchasing office equipment and more readily depended on the salesperson's information.

6. Owners who had taken two courses pertaining to office management could more easily identify their number one office problem area.

Selected cases were examined to explore reasons for the current office practices, prior training, and what was considered the major office problem. These findings may be summarized as follows:

1. All of the owners felt strongly that guidance or counseling on starting a small business is not available in Greensboro, North Carolina. The need for adequate services in this area was expressed by all owners interviewed.

2. Very negative feelings were expressed concerning the lack of counseling or assistance for operating or running a small business. The owners expressed a need for avenues to make the available services known. Several suggestions were made by owners; but more importantly, the concern for a more acceptable method of advertising available services was expressed by all owners interviewed.

3. On-the-job training during schooling was expressed as a need for potential employees. However, the majority of respondents felt it was not their responsibility to offer on-the-job training for their employees.

4. Owners felt that basic courses in typewriting and accounting were beneficial to them and should continue to be offered.

5. The strong need for a school environment that encourages team effort and increases the feeling of cooperation was expressed by those interviewed.

6. Negative feelings were expressed by owners toward their own schooling experience. Those interviewed suggested the schools were equipped to train people to be employees but not business owners.

Recommendations and Conclusions

The following recommendations and implications are made with respect to the research findings and conclusions drawn from the study:

1. One of the primary recommendations is that more emphasis needs to be placed on management skills--including office management skills--at the secondary and post-secondary levels. Since many small business owners get only about one-and-a-half years of college, it would probably be more effective if greater emphasis were placed at the high school level.

2. More emphasis needs to be placed on entrepreneurship and small business ownership. The schools of the past have tended to teach toward big business and being a big business employee. It is time for the schools to teach toward the problems and rewards of small business ownership and toward being a small business employee.

Many people who feel lost or insignificant working for large corporations may enjoy being the "jack of all trades" or Girl Friday" in a small business. The differences between big and small business need to be emphasized at some point in the schooling process--preferably again, at the high school level.

3. Greater sensitivity toward small business ownership and careers needs to be emphasized in the schools. Business educators need to become involved with the small business community in order to provide

more realistic instruction. One way to accomplish this would be for business faculty members to serve internships or get release time to serve as small business consultants in the community. In this way faculty members could become involved in putting their theories into practice, making them more sensitive toward the problems of small business and leading to more realistic instruction in the classroom.

4. More effective delivery systems need to be developed in order to reach more of the small business owner-managers. Evening and Saturday morning classes are among the few options that are being utilized. Sunday classes and individualized slide-tape presentations are examples of other delivery systems that need to be explored.

5. Educators should develop some ongoing consulting service with emphasis on efficient office practices. These services should be used for referrals from other agencies that may be contacted by small business owners--SBA, banks, Chambers of Commerce, etc. These agencies as well as educators need to be more aware of the need for disseminating information regarding the planning, organizing, buying, and running of small businesses.

A two-way type of consulting service--one in which small business owners may come to the consultant to receive assistance or may request someone to actually come to the business premises--could be very effective in helping to meet the needs of small business owner-managers.

6. It is recommended that more effective avenues need to be developed or utilized to make available services known to the small business owner-managers. There appears to be a communication gap between the universities and agencies offering services geared to small business and

the small business community itself. Small business owner-managers simply are not aware of the services that are available to them.

7. Educators should provide opportunities for students to experience real job situations through such activities as simulation, internships, and co-op programs. These might provide students with opportunities for making priority decisions and adjusting to pressures of attending to several tasks almost simultaneously. Such experience can help prospective owners and prospective employees understand why certain activities are performed as well as how they are performed.

8. A replication of the study should be made when the area of office practices in small service businesses has been explored more thoroughly. The study was designed to examine current office practices, but did not attempt to determine if the owner-managers know what the "good" office practices are. The "not applicable" responses may actually be the correct response for certain small businesses. A more effective measuring scale on the inquiry form could be developed to determine if owner-managers can identify "good" office practices.

9. There is a need to broaden the population to other small businesses as well as other geographic areas. This would increase the interpretive value of the results and permit greater opportunity for generalizing regarding results.

In many research studies feelings or ideas reveal themselves to the researcher that are not necessarily supported by documentation. Although not backed by "objective evidence", there is nonetheless a type of validity to impressions and conclusions arrived at in the process of

systematic immersion in an active enterprise such as research. The researcher believes that the following observations are worthy of note:

1. Several small business owners were interviewed at different times during the conduct of the study. One thing that struck the researcher during these interviews was the negative attitude these owner-managers had regarding small business ownership. Almost all of the owners would make such comments as, "I'm a one-man operation, and I don't think my answers can help you very much;" or "I only have one person in the office, and that is my wife." "I don't think the study would apply to me." It appears that the smaller the business staff, the more negative the feelings expressed.

2. Negative feelings were also expressed toward public education. Although a significant percentage of the work force is independently employed, the schools have offered very little to this group. The small business owners readily pointed this out. There are many skills which are needed by all individuals, but they are mandatory for successful small business ownership--decision making, judging, setting priorities, maintaining good interpersonal relations, and managing and budgeting skills. The owners commented that these skills were lacking in their own education and appeared to be lacking in their employees' education as well. This indicates that small business owner-managers want the schools to go beyond the basic three R's; they want some higher level training too.

3. From the comments made by many of the small business owners, through interviews, comments on the inquiry forms, and letters and notes returned with the inquiry forms, the owners indicated that they felt certain office practices were not applicable to them. In fact,

the smaller the business, the less applicable they felt the practices were. The literature indicates good office practices are good office practices regardless of the size of the office or the business.

4. It would appear from several different sources revealed during the conduct of this study, that small business owner-managers either do not know what the good office practices are or they do not know the importance of good office practices.

Many questions were raised during the conduct of this research-- What is the impact of small business? What are the common problems of small business owners? Most importantly, what are the curriculum changes needed to help meet the needs of small business? Some of these questions have been partially answered in this research; others need to be investigated more thoroughly in other research studies.

As educators continue the struggle to better meet the needs of the community in which they function, they should be aware of the need for education for small business entrepreneurship.

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APPENDIX

Two Cannonball Court
Greensboro, NC 27408
October 12, 1978

Mr. Marvin Coleman, Supervisor
Tax and Collection Department
Municipal Building
Greensboro, NC 27401

Dear Mr. Coleman:

As a doctoral student in the School of Education at UNC-G, I am working on a research project dealing with licensed, small, service businesses in the city of Greensboro. The study will deal with the needs of these small business owner-managers in the area of office management and their responses will help provide the groundwork for proposed curricula changes in continuing educational programs.

The study will deal with only 24 categories of licensed, small, service businesses and there will be only a few entries under most of these categories (ie: interior decorators (Code 113), shoe repair shops (Code 137), piano tuners (Code 130), etc.). Therefore, I would like to request permission to use the city's listing of licensed businesses. Any information that I gather from the city listing will be treated with the utmost confidence.

Your assistance will be greatly appreciated and I will be happy to talk with you again to answer any further questions that you may have. I can be reached at 288-9198 or 379-5600.

Cordially,

Ms. Lee Royall

P. O. Box 1050
Greensboro, NC 27402
January 19, 1979

Dear Colleague:

As a teaching assistant in the School of Business and Economics and a doctoral student in the School of Education at UNC-G, I have a special concern about the educational opportunities in the area of office management for owner-managers of small businesses in the city of Greensboro. To this end, I have chosen as my research project an investigation of the practices of small business owner-managers in the area of office management. Your responses will help provide the data for proposed curricula changes in education in order that it might better meet the needs of small business.

I believe the best way to get this information is to request it from persons like you. Consequently, I am asking you to find 20 minutes, at most, in your schedule to fill out and return the enclosed questionnaire. I assure you that no reference will be made to a particular company or person throughout the conduct of the study. Responses will remain anonymous and will be used only for statistical purposes. A stamped, addressed envelope is enclosed for your convenience.

The results of the investigation will be made available to interested persons through the library of UNC-G and to other individuals participating in the study upon request.

Remember, your response will be treated with the utmost confidence, and your assistance will be appreciated very much. May I have your reply by February 2, 1979.

Sincerely,

Ms. Lee Royall

Name of business: (optional) _____

Title of person completing questionnaire: _____

SECTION I

Directions: Small businesses are loosely defined as businesses with less than \$1 million annual gross sales. This means that gross sales can be anywhere from a few hundred dollars up to \$1 million. In order to determine that each business surveyed is actually a small business, please complete the following item.

1. In accordance with the above definition, do you consider your business a small business? Yes No
 - a. If your annual gross sales exceed \$1 million, sign your company name and simply return the questionnaire.
 - b. If your annual gross sales do not exceed \$1 million, please follow all directions for completing the questionnaire.

Indicate your choice by placing a checkmark in the blank space beside the appropriate responses.

2. Major type of service performed by your company:

Electrical
 Plumbing
 Home maintenance/painting
 Beauty/barber
 Laundry/cleaners
 Appliance repair
 Shoe repair/shoe shine
 Interior decorating
 Other (Specify)

3. Sex of owner of business: Male Female

4. Age of owner of business:

<input type="checkbox"/>	18 - 21
<input type="checkbox"/>	22 - 28
<input type="checkbox"/>	29 - 34
<input type="checkbox"/>	35 - 41
<input type="checkbox"/>	42 - 51
<input type="checkbox"/>	52 - 65
<input type="checkbox"/>	Over 65

5. Ethnic background of owner of business:

- Black
- White
- Asian/Pacific Islander
- American Indian
- Mexican-American
- Hispanic
- Other (Specify) _____

6. Education of owner of business: Highest number of years of school completed.

- Less than Jr. High School: _____
- Jr/Senior High School: _____7 _____8 _____9 _____10 _____11 _____12
- University/College: _____1 _____2 _____3 _____4 _____Graduate
- Private Business School: _____1 _____2
- Community College: _____1 _____2
- Technical Institute: _____1 _____2
- Other (Specify): _____

7. Length of time as owner of any business (including current business):

- Under six months
- 6 months up to a year
- 1 to 2 years
- 3 to 5 years
- 6 to 10 years
- 11 to 20 years
- Over 20 years

8. Length of time as owner of THIS business:

- Under six months
- 6 months up to a year
- 1 to 2 years
- 3 to 5 years
- 6 to 10 years
- 11 to 20 years
- Over 20 years

9. Length of time this business has been in operation:

- Under six months
- 6 months up to a year
- 1 to 2 years
- 3 to 5 years
- 6 to 10 years
- 11 to 20 years
- Over 20 years

10. Number of courses which pertains to managing an office taken beyond the high school level:

- 5 or more
- 4
- 3
- 2
- 1
- 0

11. The amount of past experience you have which is related to your current type of business:

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- _____ None
- _____ Under six months
- _____ 6 months up to a year
- _____ 1 to 2 years
- _____ 3 to 5 years
- _____ 6 to 10 years
- _____ 11 to 20 years
- _____ Over 20 years

SECTION II

Directions: Circle the appropriate response as indicated by: A (always); S (sometimes); N (never); and NA (not applicable).

- A S N NA 1. On-the-job training is provided for all new office employees.
- A S N NA 2. On-the-job training is provided by a person both skilled in office operations and in "how to train."
- A S N NA 3. Tests are used when hiring office employees.
- A S N NA 4. Performance criteria for office employees have been established.
- A S N NA 5. Performance criteria are discussed with all office employees prior to the time of evaluation.
- A S N NA 6. Office employees understand how their performances are to be evaluated.
- A S N NA 7. Evaluations are discussed privately with each office employee.
- A S N NA 8. Written procedures are used for describing major office duties.
- A S N NA 9. Company policies (sick leave, vacation time, etc.) are discussed at some point during the hiring process.
- A S N NA 10. Office employees are given a written copy of company policies.
- A S N NA 11. Area salary surveys are used to determine the salary range for new employees.
- A S N NA 12. Important records are kept in a place which is safe from fire and theft.
- 13. Office employees are qualified:
 - A S N NA a. to answer in-coming telephone calls promptly.
 - A S N NA b. to answer customer inquiries.
 - A S N NA c. to resolve customer complaints.

13. Office employees are qualified:

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A S N NA d. to quote cost information.

A S N NA e. to make service appointments.

14. When shopping for office equipment:

A S N NA a. I check retail office equipment suppliers.

A S N NA b. I check wholesale office equipment suppliers.

A S N NA c. I read consumer reports regarding office equipment.

A S N NA d. I rely heavily upon salesperson information.

A S N NA e. I compare prices between new and used equipment.

A S N NA f. I check maintenance services available.

A S N NA g. I purchase on a bid basis.

A S N NA h. I compare rental cost to lease cost.

A S N NA i. I compare lease cost to purchase cost.

15. Office suppliers are purchased:

A S N NA a. from retail office supply houses.

A S N NA b. from wholesale office supply houses.

A S N NA c. in quantity to receive discounts.

A S N NA d. from national contractors.

16. When shopping for office furniture:

A S N NA a. I check retail office furniture stores.

A S N NA b. I check wholesale office furniture stores.

A S N NA c. I compare prices between new and used furniture.

A S N NA d. I select in terms of durability.

A S N NA e. I consider whether the furniture will aid completion of the office work.

A S N NA f. I consider availability of complementary pieces for potential growth.

A S N NA g. I take into account the aesthetic value of the office appearance.

A S N NA h. I select furniture that conforms to certain standards of comfort.

- A S N NA 17. An external accounting or bookkeeping service is utilized for financial recordkeeping.
- A S N NA 18. External tax counseling is utilized.
- A S N NA 19. The person or agency keeping the books is also qualified to prepare all tax forms.
- A S N NA 20. Letters and reports are handled in the office.
- A S N NA 21. A commercial service is used for all important letters, etc.
- A S N NA 22. New postage regulations relevant to this business are made easily accessible to the office staff.
- A S N NA 23. Promotional mailings are sent by the least expensive class available.
- A S N NA 24. Only designated persons may use the copying equipment.
- A S N NA 25. Training beyond the routine on-the-job training is provided for those who will operate the photocopying and duplicating equipment.
- A S N NA 26. A pleasant, cooperative atmosphere is one of the goals of this office.
- A S N NA 27. Standard procedures for filing business records have been developed.
- A S N NA 28. Old files are weeded from active files periodically.
- A S N NA 29. Old records are destroyed periodically.
- A S N NA 30. Proximity to where the work is done is considered in deciding where files are located.
- A S N NA 31. Records are kept only as long as needed for tax purposes.
- A S N NA 32. There is no difficulty in finding records after they are filed.
- A S N NA 33. If a record is lost, a set procedure is followed to find the missing record.
- A S N NA 34. Receipts are filed in a designated place.
- A S N NA 35. Statements for services rendered are sent out when the work is completed.
- A S N NA 36. Guides for written communications are available in the office.

Directions: Indicate your choice by placing a checkmark in the blank space beside the appropriate response.

37. Which of these categories do you view as the number one problem in your office:

- Office personnel practices
- Files and record management
- Reception, telephone, customer relations
- Equipment, furniture, supplies
- Financial recordkeeping
- Letters, forms, reports
- Mail, copying, duplicating

SECTION IV

Directions: Please respond as completely as possible to the following questions:

1. If you could plan a course or series of courses designed to meet the needs of small business owner-managers, what are some of the suggestions you would make? (Include comments on topics you would like offered, scheduling you would like, etc.)

2. As an owner of a small business, what are some of the most difficult decisions you have had to make regarding office practices and procedures? What stronger educational background would have helped?

3. What are some of the services you would like to see an educational institution offer other than routine scheduled courses? (example: workshops, seminars, consulting services, etc.)

INTERVIEW GUIDE

BUYING OR STARTING A BUSINESS

1. If you had it to do over again, would you go into business for yourself? What would you do differently?
2. Did you have any assistance (professional or otherwise) in buying or starting your own business? If so, what kind and how much?
3. Have you had benefit of counseling or assistance in running your business?

PRIOR TRAINING

1. Did you take any business courses prior to starting or buying your own business? If you did, which were the most helpful? If not, what courses or training would have helped?
2. Did you have any preparation in any high school or college course to prepare you to be a business owner?

PROBLEMS AND REWARDS

1. What do you like most about being in business for yourself?
2. What do you like least about being in business for yourself?
3. What are the major problems you have encountered in being in business for yourself?
4. What are your expectations for your future as a small business owner? For the business?