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ABSTRACT

Examination of numerous studies of executives of small manufacturing firms in Iowa offered insights on their attitudes and actions regarding educational seminars. Findings showed that 62.7 percent of manufacturers attended at least one seminar in the last year. The term "seminar" had a better customer satisfaction rating than "workshop" did. The term "class" did not appeal to them. Workshops were not the preferred method of gaining knowledge; personal contacts were. Associates and suppliers offered more competition than consultants, degree-oriented courses, or government-sponsored programs. Manufacturers were not interested in for-credit courses. Relevance of the course was the primary criterion used when selecting programs. Long-term use was more important than immediate use. Program cost ranked eighth out of 10 in terms of importance. High technology firms were a good market because they were more education oriented than other firms. Most manufacturers heard about programs through direct-mail campaigns. The primary challenge was to prove the value of education. Manufacturers did not assume that additional education could influence their firm's profit picture or competitive posture. (YLB)

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SBDC PROFESSIONAL ENRICHMENT

Why Manufacturers Do — and Do Not — Attend Educational Seminars

David Swanson

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Why Manufacturers Do — and Do Not — Attend Educational Seminars

David H. Swanson, Ph.D.

Dr. Swanson became the chief of the Economic Development Division at the Georgia Institute of Technology in 1989. Previously, he had directed the Center for Industrial Research and Service at Iowa State University and had founded Iowa's Small Business Development Center. He has served as the chair of the Iowa High Technology Council, Director of the Iowa Development Commission, President of the Iowa Sister State Committee and President of the National Association of Management and Technical Assistance Centers.

What barriers do we need to overcome in order to increase enrollments in our educational seminars? Does participation depend upon the topic offered? Who offers it? How the seminar is marketed? Or, does the decision ultimately depend upon how useful "education" itself is perceived to be?

I have been asking these questions for many years because I believe that their answers can help us get the results we want. Our shared goal is to help small-business owners gain the knowledge that is necessary for them to be able to improve their operations and controls.

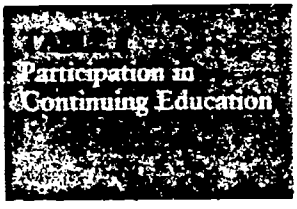
I don't have all the answers. However, I can tell you what I have learned after conducting numerous studies of small-manufacturing executives in Iowa. Can this group speak for all small-business owners nationwide?

No. But perhaps by examining their attitudes and actions, you may have some insights on how and why you should conduct similar research on your own territory.

After considering the applications and implications of my findings, I am prepared to offer the following summaries:

Attendance

You can assume that most manufacturers have attended at least one seminar in the past year. This observation gets to the bottom line quickly. As can be seen from the chart below, manufacturers do attend courses:



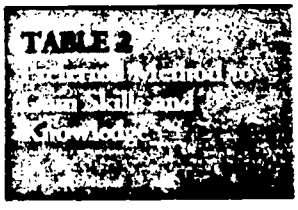
	Attend	Not Attending
Credit Classes	8.3%	91.7%
Conferences	69.7	30.3
Workshops	41.3	58.7
Non-Credit Classes	12.8	87.2
Seminars	62.7	37.3

SOURCE: Author's Dissertation (1987). *A Study of the Relationships between Manufacturing Executives' Attitudes and Participation in Adult Continuing Education.*

The fact that 62.7 percent of manufacturers have attended at least one seminar in the last year means that we cannot say "Attendance was low because no one will take time off from work to go to these things." They do go — at least to the best ones they can find.

Let's take a moment to look at another interesting bit of information this question turned up. The term *seminar* has a better customer-satisfaction rating than workshop does. The term *class*, even when non-credit, does not appear to appeal to the manufacturers.

Returning now to the subject of attendance, before we get too optimistic, we need to note that workshops are not the *preferred* method of gaining knowledge. As the chart below shows us, personal contacts are the method of choice:



		Rating scale — Percentage		
Method	Not Acceptable	Acceptable	Preferred	Mean
Conferences	1.8%	60.6%	31.2%	2.314
Workshops	4.6	55.0	33.9	2.314
Classes—Credit	18.3	61.5	6.4	1.862
Classes—Non-credit	15.6	67.0	2.8	1.849
Personal Contacts	2.8	38.5	53.2	2.534
Reading	5.5	51.4	37.6	2.304
Television	34.9	50.5	3.7	1.649
Independent	17.4	57.8	19.3	2.019

Not acceptable = 1; Acceptable = 2; Preferred = 3. SOURCE: Author's Dissertation (1987).

The fact that your clients would rather talk to you individually than attend one of your courses probably doesn't surprise you. What probably does surprise you is how highly the manufacturers rated reading. This finding, I believe, can help us decide what role our printed materials can play.

Competitors

Associations and suppliers offer us more competition than consultants, degree-orientated courses, or government-sponsored programs.

Rating of Education Providers (N = 109)

	Percentage of Respondents			
	Not Important	Somewhat Important	Important	No Answer
Cost of program	11.9%	63.3%	18.4%	6.4%
Travel time and cost	9.2	47.7	39.4	3.7
Time away	7.3	32.1	56.9	3.7
Relevance of topic	0.9	4.6	91.7	2.8
Personal interest	27.5	45.0	27.5	0
Immediate use	6.4	46.8	44.0	2.8
Long-term use	1.8	40.4	55.0	2.8
Academic credit	83.5	10.1	1.8	4.6
Program sponsor	62.4	26.6	6.4	4.6
Speakers	16.5	33.9	46.8	2.8

SOURCE: CIRAS Management Guide 59 (December 1986).

Our shared goal is to help small-business owners gain the knowledge that is necessary for them to be able to improve their operations and controls.

All of the tables we've seen so far show us that the manufacturers are not interested in for-credit courses. In addition, we keep seeing that associations and suppliers (and the conferences that they presumably sponsor) are well-respected.

A practical suggestion, then, would be to consider the associations as possible co-sponsors of your seminars. At the same time, governmental co-sponsors should be avoided, as 60 percent rated the government as a poor provider of services.

Relevant Topics

When we asked about the criteria used when selecting programs, it came as no surprise that th relevance of the course was primary:

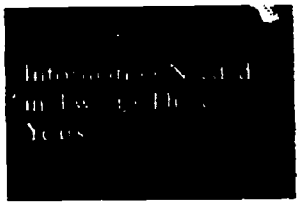
Factors Important to Attending Educational Programs (N = 109)

	Rating and percentage of respondents				
Providers	Poor	Fair	Good	Very Good	No answer
Associations	7.3%	27.5%	44.0%	18.3%	2.9%
Suppliers	17.4	36.7	35.8	5.5	4.6
Universities	8.3	23.9	49.5	12.8	5.5
Community colleges	18.3	32.1	36.7	6.4	6.5
Consultants	27.5	33.9	29.4	1.8	7.4
Government	59.6	28.4	6.4	0	5.6
Other	0.9	0	2.8	0	0

SOURCE: CIRAS Management Guide 59 (December 1986)

Before we discuss topic relevancy further, I want to point out two other interesting findings from Table 4. Long-term use was considered more important than immediate use. In addition, the numbers show that the cost of the program ranks eighth out of ten in terms of importance.

Because topic relevance was so overwhelmingly noted, we conducted another survey to find out what information they felt they would need in two to three years. The results of that survey appear on the next page. It should be noted, this kind of information becomes dated rather quickly. I therefore recommend that you conduct a similar survey of your targeted audiences.



The fact that your clients would rather talk to you individually than attend one of your courses probably doesn't surprise you.

	No	Probably Not	Probably	Yes
General Management				
Insurance	16.2%	27.6%	42.6%	13.6%
Computers	13.8	21.0	45.1	20.1
Problem solving	14.9	30.0	45.9	9.2
Supervisory skills	13.9	29.4	44.8	11.9
Employee motivation	12.9	29.4	44.7	13.0
Business planning	11.2	25.5	47.9	15.4
Handling inflation	11.8	39.2	40.0	9.0
Handling recession	11.9	34.5	41.6	12.0
Finance				
Borrowing money	27.5	32.8	27.9	11.8
Cost accounting	23.2	34.5	33.5	8.8
Accounting	30.4	46.8	18.3	4.5
Computers	19.9	24.2	39.8	16.1
Financial management	20.7	32.1	37.9	9.3
Collections	25.4	40.6	25.9	8.1
Receivables	25.1	43.9	23.4	7.6
Marketing				
Pricing	17.6	32.3	38.6	11.5
Administration	22.0	40.8	30.4	6.8
Distribution	19.0	38.6	33.7	8.7
Sales management	18.3	29.9	41.8	10.0
Dealers	29.5	35.7	25.8	9.0
Packaging	32.1	39.8	21.7	6.4
Exporting	39.2	31.8	21.4	7.6
New markets	16.3	18.3	44.3	21.1
New product development	18.8	23.5	37.7	20.0
Diversification	18.5	24.0	40.3	17.2
Production & Manufacturing				
New equipment	13.3	24.7	46.5	15.5
Integrated manufacturing	26.8	39.8	27.5	5.9
Robotics	40.1	40.3	16.6	3.0
CAD/CAM	35.3	35.6	20.9	8.2
Process control	31.6	35.1	26.6	6.7
Material handling	24.1	39.0	30.7	6.2
Supervisory	20.8	33.7	38.5	7.0
Cost control	15.2	27.1	47.0	10.7
Plant layout	25.4	41.7	26.7	6.2
Work flow	24.7	39.1	29.8	6.4
Energy management	22.9	43.3	29.4	4.4
Maintenance	20.8	42.5	30.5	6.2
Safety	17.5	33.6	40.9	8.0
Waste management	24.8	36.5	27.7	11.0
Other				
University research	32.7	32.5	27.6	7.2
University research park	39.3	40.3	16.6	3.8

SOURCE: CIRAS Management Guide 66 (October 1988)

Target Audience

High-technology firms are a good market because they are more education-oriented than other firms.

At the risk of inundating you with tables, I am going to offer you another one because these numbers can speak for themselves.

Pearson Correlation Coefficients Between Measures of the Industry Compared to Other Industries and Participation in Continuing Education

Continuing Education	Management system	Manufacturing employees	Industry rating of skill level: Other employees	Management skill
Participation				
Correlation	0.2336	0.1042	0.1928	0.1136
Cases	109.0	109.0	109.0	109.0
Significance	P=0.007	P=0.41	P=0.027	P=0.120
Participation in >3 events				
Correlation	0.109	0.1781	0.2218	0.1748
Cases	109.0	109.0	109.0	109.0
Significance	P=0.129	P=0.032	P=0.010	P=0.035

SOURCE: Author's dissertation (1987).

High-technology firms are a good market because they are more education-oriented than other firms.

Marketing

Good direct-mail campaigns are important because that's how most manufacturers hear about our programs.

Looking at this data may convince you to make sure you have the best brochures and mailing lists you can get:

Obtaining Information on Continuing Education

	Never	Seldom	Occasionally	Often	Mean
Mail	0	6.7	17.1	76.0	3.695
Meetings	5.8	32.0	48.5	13.6	2.699
Friends	14.6	40.8	41.7	2.9	2.330
Request Programs	13.1	49.5	36.4	1.0	2.253

Never = 1; Seldom = 2; Occasionally = 3; Often = 4
SOURCE: Author's dissertation (1987)

Our Challenge

Our primary challenge is to prove the value of education. Unfortunately, the biggest barrier that we face is the fact that we have to prove the value of continuing education. Observe the low rating that education received in the next table:

Companies in Comparison to Competitors (N=109)

Topic	Mean
Products	3.500
Level of technology	3.296
Competitive ability	3.262
Manufacturing processes	3.198
Skill level of management	3.185
Distribution system	3.121
Skill of manufacturing employees	3.095
Management system	3.056
Skill of other employees	3.043
Fringe benefits	3.028
Positioning for future	3.019
Research and development	2.698
Education for management	2.343
Education for employees	2.292

Poor = 1; Fair = 2; Good = 3; Very Good = 4
SOURCE: CIRAS Management Guide 59 (December 1986).

Is education an important competitive tool or advantage? Apparently, the manufacturers do not think so. It appears that the manufacturers do not assume that additional education can influence their firm's profit picture or competitive posture.

For a re-statement of the same information:

The biggest barrier that we face is the fact that we have to prove the value of continuing education.

TABLE 9

Importance level	Percent
Not important	26.6%
Somewhat important	24.8
Important	26.6
Quite important	17.4
Very important	2.8
No	1.8
TOTAL	100.0

SOURCE: CIRAS Management Guide 59 (December 1986).

Our challenge, then, is to prove that there is a direct connection between continuing education and competitive advantages.

If you are like me, you may feel inclined to guess that they rate education so poorly because they themselves had bad experiences in high school or college. However, that guess is not accurate. Look at this final chart:

Rating of Executives' Educational Experiences

	Rating scale Percentage of responses				
Area of experience	Poor	Fair	Good	Very Good	No answer
Elementary school—N = 106	0.9	11.0	37.6	47.7	2.8
High school—N = 104	0.0	11.5	36.5	47.1	4.9
College—N = 87	2.4	6.0	28.9	62.7	0.0
Conferences —N = 100	4.3	27.7	45.7	22.3	0.0
Workshops—N = 98	8.5	23.4	48.9	19.1	0.1
Other continuing education—N = 72	10.3	26.5	47.1	16.1	0.0

SOURCE: CIRAS Management Guide 59 (December 1986).

Call for Action

We have work to do. It's clear that conferences and workshops simply are not rated very highly.

Instead of finishing with a conclusion, I would like to offer this call for action: Our future as providers of education for professionals depends upon how well we can meet our students' expectations. We must take dramatic steps to find out how we can improve our assistance. Now is the time to begin to re-think our approach, our methods, and our subjects. Colleagues, let's get started.

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