

Research Report on Leadership and Management Practices and Development of Leadership Programme for Small and Medium Enterprises

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Purpose of Report

Small and Medium-sized Enterprises (SMEs) are integral to the Mauritian economy, contributing significantly to Gross Value Added (GVA) and serving as a key driver of employment. However, despite their economic importance, many SMEs continue to face systemic challenges in leadership and management, which constrain their productivity, competitiveness and capacity for sustainable growth.

In light of this, the National Productivity and Competitiveness Council (NPCC) launched a two-phase Research on Leadership and Management Practices and Development of a Leadership Programme for SMEs.

The first phase focused on assessing the leadership development needs of SMEs in Mauritius and evaluating prevailing management practices to identify critical areas for improvement. The second phase built upon these findings to design, implement and pilot a targeted leadership development programme with a selected cohort of SMEs.

This report presents the integrated findings of both phases. It provides a detailed analysis of the leadership and management landscape within the SME sector and evaluates the outcomes of the pilot intervention. The insights offered herein are intended to inform evidence-based policymaking and support the formulation of strategic initiatives aimed at strengthening SME leadership and driving long-term economic advancement.

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Abbreviations



Abbreviations

ADDIE	Analysis, Design, Development, Implementation, Evaluation (training model)
EDB	Economic Development Board
GVA	Gross Value Added
LDP	Leadership Development Programme
MCCI	Mauritius Chamber of Commerce and Industry
NPCC	National Productivity and Competitiveness Council
OCB	Organisational Citizenship Behaviour
OECD	Organisation for Economic Co-operation and Development
R&D	Research and Development
SDGs	Sustainable Development Goals
SHRM	Society for Human Resource Management
SME	Small and Medium-sized Enterprise

1. Introduction

The small business sector is crucial for economic growth, and the role of small and medium-sized enterprises (SMEs) in economic development has been globally recognised. According to Statistics Mauritius, there are 127,000 SMEs in Mauritius, making up a significant portion of the economy and accounting for 54 percent of total employment. SMEs are also important drivers of local innovation, offering unique products and services that contrast with the standardised offerings of large corporations.

SMEs play a key role in addressing the Sustainable Development Goals (SDGs) and aligning with sustainability reporting requirements. Their local, small-scale operations contribute to goals such as poverty reduction, women's economic participation, social inclusion and employee wellbeing (Onugu, 2005). Furthermore, the revenue generated by SMEs tends to remain within the local economy, reducing economic leakages when compared to sectors like outsourcing, information technology, tourism and real estate. Given these contributions, it is crucial to support the growth of SMEs, especially in the face of challenges such as resilience, technological adaptation and environmental pressures.

SMEs in Mauritius face several challenges, including limited access to finance, technological resources, skilled labour and navigating the regulatory environment. There is also low visibility in terms of market access and a lack of female entrepreneurship.

Despite their size, SMEs require the same business capabilities as larger enterprises to grow and improve efficiency, manage employees, innovate and effectively utilise resources, including financial, human, technological and organisational resources (Barney, 2001; Wright et al., 1994; Penrose, 1959).

As businesses increasingly recognise the importance of sustainability and governance in light of global environmental and social issues, large companies have led the way in setting and reporting on sustainability goals. SMEs are now beginning to adopt similar practices, though they face challenges due to limited resources and capabilities. In terms of technological transformation, Mauritian businesses, including SMEs, must adapt to a more interconnected global economy. Technologies like digitalisation, automation and artificial intelligence offer opportunities for SMEs to improve productivity, optimise operations, and scale without proportional increases in labour costs.

However, the ability to actually face and respond to such roles and challenges is quite a different matter, and requires certain leadership capabilities. This is the starting point of this study. Not only is there the necessity to survive and grow in their existing area(s) of activity, small businesses must also have the know-how and the mindsets to be able to position themselves to act on new industrial and social developments, to inject new life in their businesses, to create and provide new products and services, diversified offerings and technology-enabled options to their markets. As the world undergoes small as well as tremendous changes on the economic, social and political fronts, there are numerous opportunities being presented to entrepreneurs of the SME sector to scale up and "smarten" up, unlocking new potential and eventually enhance the entire economy's competitiveness and value. The research study was undertaken following a methodology inherent to a systematic training, involving an identification of training needs, the analysis thereof, in order to form a valid basis for the development of the resulting SME leadership training programme.

2. Methodology

The research was conducted in two phases over six months to create a comprehensive and adaptable Leadership Development Programme that addresses the specific needs of SMEs in Mauritius.

Phase One began with desk research, which involved reviewing existing literature on small business leadership, the challenges faced by SMEs and best practices for addressing these challenges. This step laid the foundation for understanding the specific context in which SMEs in Mauritius operate. Following the desk research, in-depth interviews were conducted with key individuals from both the private and public sectors. These interviews provided valuable insights into the leadership development needs of SME owners and leaders in Mauritius. The information gathered was used to create an initial leadership competency framework that could be tested in the context of Mauritian SMEs. [\(Refer to Annex 1\)](#)

Next, a group of 15 SME leaders and owners was selected to participate in focus group discussions, where the leadership competency framework was tested. These discussions helped identify the internal and external factors that either supported or hindered effective leadership in the businesses. The feedback from these sessions was crucial in refining the framework and ensuring it was practical and applicable to the needs of SMEs in Mauritius. [\(Refer to Annex 2\)](#)

In **Phase Two**, the data collected in Phase One was used to develop the full Leadership Development Programme. The programme consisted of five core leadership modules, designed to be relevant to all SMEs, regardless of their size, industry, or stage of development. In addition, fourteen supplementary modules were created to address the specific leadership needs of SMEs over the next five years.

To ensure the internal validity of the programme, two of the core modules—Fundamentals of Strategic Management and Introduction to Leadership Excellence—were pilot-tested with a group of ten participants who had taken part in the earlier focus groups [\(Refer to Annex 3\)](#). The pilot was conducted over a month, involving two full days of workshops. These workshops included activities such as Action Learning Projects and Reflective Summaries. Feedback from participants, along with observations from the training sessions, were used to further refine the content and delivery methods of the programme.

The feedback from the pilot phase provided valuable insights into how the content could be better structured and how the delivery methods could be improved to enhance engagement and learning outcomes. It also confirmed the need for a flexible and scalable programme that could be adapted to meet the needs of different SMEs as they grow and face new challenges.

The LDP (leadership development programme) was designed to be a long-term resource for SME leaders, with the aim of not just providing immediate solutions but also developing a sustainable leadership pipeline for the future. To ensure its reach and effectiveness, the programme is intended to be offered through the National Productivity and Competitiveness Council (NPCC), which will act as the main platform for delivery. Continuous evaluation and adaptation based on participant feedback will ensure the programme remains relevant as the needs of SMEs evolve.

3. Conceptual Background

3.1. The Importance of Leadership in Small and Medium-Sized Enterprises (SMEs)

3.1.1. The Central Role of Leadership in Organisational Success

The field of leadership has been an integral section of the knowledge base of organisational management since the beginning of the 20th century. Leadership is thus universally assumed to make a special, significant and positive contribution to action processes in most organisations, and organisational leadership as an academic discipline has been preoccupied with the identification of characteristics and practices related to successful leadership. In this literature, leadership occupies a central place among the most significant assets any organisation can possess, in enforcing principles, creating and sharing a vision, motivating employees, creating culture, strategising priorities and communicating future goals and visions. As such, leadership studies and research has tended to be preoccupied with the never-ending task of identifying personal characteristics, behaviours or practices related to successful leadership in organisations. The leader, then, is that individual with the ability to guide, influence and direct organisational members, and the business itself, toward achievement of mission and goals, especially through times of change and challenge.

3.1.2. Leadership Demands in SMEs: Multifaceted Roles

Small businesses are by no means spared this kind of pressure. As a matter of fact, a leader of a small business is even more pressured to lead her/his business like a ship's captain: personally, dynamically and very visibly. S/he must by all means be both a manager and a leader, setting strategy, plans, actions, being visionary, innovative, inspirational, a mentor-guide to all her/his organisational members,

as well as being able to be totally involved in the day-to-day operations of the business. A strong leader within a small business needs to have the confidence and skill to wear a number of different hats and still perform to a high level.

3.1.3. Self-Leadership and Resilience

In self-leadership, a high degree of resilience, and particularly developed competencies in juggling operational and strategic demands of the business, as well as the ability to inspire, motivate and communicate, are sine qua non conditions to enable the business itself, through the enabling interventions of the leader to navigate crises and changes and to innovate and cultivate uniqueness and competitiveness.

3.1.4. The Need for Continuous Leadership Development

Small business owners and leaders are likely to already have many entrepreneurial attributes, and be typically all-rounders and problem-solvers. However, it is not to be assumed that they come to the business world equipped with the requisite skills to be effective leaders with both "hard" and "soft" attributes necessary for surviving and thriving in their increasingly challenging environments. Given that all human expertise within organisations, and which also includes leadership competencies, underpins the organisational capabilities that represent what an organisation does well and enables it to outperform its competitors, leadership attributes may therefore require some reviewing, updating or refining from time to time. Leadership competencies refer to a specific set of knowledge, skills (technical/hard and soft), and attributes that make a person an effective leader.

3. Conceptual Background *(continued)*

3.2. The individual-focus on leadership

3.2.1. Leadership Models and Best Practices

Ranging from the most straightforward models of management-and-leadership competencies for small business to the most elaborate multi-variable academic models, the Best Practice school of leadership for small business success is abundant and provides a useful starting point to consider the parameters for understanding leadership (and management) success factors, with their concomitant implications for the development of leadership excellence in SMEs.

3.2.2. National Context and Leadership Responsibility

To place the importance of leadership in practical context, we shall circle back to the business landscape in Mauritius within which SMEs operate. In fact, all over the world, state-led support mechanisms do exist with a view to contribute to the survival and success of SMEs, and various policies and measures exist, including in Mauritius, to address the types of challenges mentioned above. Some such policies and mechanisms include: innovation boosts, new technology adoption schemes, export skills development and facilitative measures for exports, encouraging networking, women entrepreneur empowerment, SME financing and generally encouraging production, productivity, efficiency and quality.

3.2.3. Overreliance on External Support

That said, seizing such opportunities and growing the skills needed to propel the business onto higher planes of performance and long-term resilience lies squarely in the domain of leadership. While being useful, support and facilitation schemes and measures, should not be considered as a panacea for addressing the weaknesses and problems of the SME sector, or for enabling SMEs to seize opportunities and face challenges.

Several authors have noted that a focus on such support and facilitation measures and schemes may cause other important factors to disappear from view and receive little or no attention (Stokes and Blackburn, 2002; Longnecker et al., 1999; Kiggundu, 2002; Beaver and Jennings, 2005). In terms of impact on business performance, Jones (2003) and Walker et al., (2007) attributed SME failures to poor management competencies. As such, the lack of managerial and leadership competencies amongst those who manage the small business has been found to be the single most common reason for failure amongst small businesses. In the face of environmental challenges (and opportunities), those leading small businesses must be equipped, as individuals and as teams, with the relevant skills and abilities, to minimise blows and negative impacts and also identify and seize opportunities as they arise and take quick action (Wasilcuk, 2000).

3.2.4. Skills Deficits and Their Impact on Leadership

In a project conducted among Australian and Malaysian SME leaders, Ahmad et al. (2009) found that themes appearing to be common amongst the surveyed leaders that could explain their lack of success as business persons were: lack of strategic planning skills; failing to conduct proper research before jumping into projects and investments; poor organisational and people-management skills; failing to recognise opportunities and being unprepared to seize them; and lacking the ability to make sound judgments. A study of Australia's policy framework for supporting SME growth shows that managerial and leadership development has long been recognised as a key factor in the success, growth and resilience of small business owners and managers (OECD, 2002).

3. Conceptual Background *(continued)*

3.2.5. Recognising and Enhancing Everyday Leadership

However, whilst leadership is happening all around, it might often be a vague or abstract term and represent little to the individual or individuals running an SME, even though they are "doing" leadership everyday (Stewart et al., 2015). Too often, the SME person "in charge" is completely absorbed "in" the day-to-day operations, providing support and guidance and problem-solving, but has little time or inclination to work "on" the business, its strategic growth, focal action areas like employee engagement, culture crafting and technological transformation, and on long-term orientations (Jones et al., 2007), and this, precisely, is what leadership of an organisation is all about.



3. Conceptual Background *(continued)*

3.3. Leadership and/or management

3.3.1. The “3-P” Model: People, Process, and Product

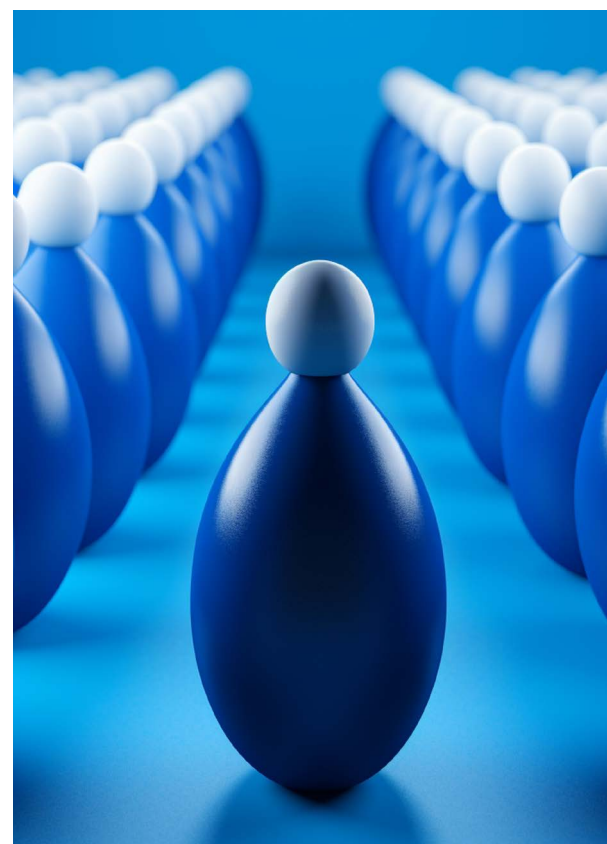
A “3-P” model of small business leadership (Lemonis, 2024) acting as the cornerstone for “everything inside a business”, comprises the three categories of: People, Process, and Product, with people skills standing for relationships with internal and key external stakeholders such as employees, customers, vendors, suppliers, advisers, partners, investors, etc., on the premise that trust and engagement with people in these stakeholder groups are the foundation for long-term, sustainable business success. As Lemonis puts it, *“if you have trust with somebody, it can survive any downturn, any mistake, any problem. And if you don't have trust, it won't matter how good the business is, it will fall apart eventually.”*

3.3.2. The Interplay Between Leadership and Management

Such an argument is reminiscent of the dichotomy much touted in the leadership literature over the difference between management and leadership, with the “product” and “process” foci representing the entrepreneur's desire to offer something of value to society that drives entrepreneurship in the first place.

The product or service being the window of the organisation, that which is noticed – or not – by the market, is of the managerial, or “hard skills” realm, as it focuses on strategising, competitive tactics, marketing, branding, customer service excellence, market intelligence, and related competencies contingent on the nature of the product or service. This is a highly simplified and practical model of leadership and management which stands alongside a rich and ever-growing body of knowledge and insights on organisational leadership.

As is now well-known, the leadership literature abounds with a number of typologies and models, ranging from the qualities that leaders are meant to possess (the Trait theory) (confidence, optimism, charisma, and so on), to the behaviours that they ought to be demonstrating (inspirational, role model, and so on), to the intelligences they need to grow (IQ, emotional intelligence, social intelligence); to the orientation they require to be clear about (task or person), to the nature of the work at hand (interpersonal, adaptive, strategic, and so on). Many models lay emphasis on leadership styles (transformational, servant, authentic, values-based, ethical, and so on), and the competency literature has added a number of skills, tools and competencies to tease out (and use as training pointers) the expectations of what needs to be mastered (Carroll et al., 2008: 10).



3. Conceptual Background *(continued)*



3.3.3. Engaged Leadership and Organisational Culture

Among the style models, “engaged leadership” has also emerged with significant impact on the mind and practices of business leaders, with emphasis on inspiring and motivating employees and promoting employee wellbeing generally (Carasco-Saul, 2015; Erasmus, 2018; Swindall, 2011; Rahmadani et al., 2020;). The competencies associated with engaged leadership are: active listening, role modelling, practising empathy, and creating a team-based, collaborative work culture in which employees feel engaged and valued. They are also crystal-clear about the vision and goals of the company, and seek feedback with an open mind. When employees are actively engaged, they are more productive, creative and more likely to exhibit loyalty and stay with their company. They also tend to be more responsible and be more rarely absent from work. In turn, the theorists explain, this will positively impact customer satisfaction, quality and productivity which can lead to increased and more sustained company success and growth (Schneider et al., 2018; Van Tuin et al., 2020).

3.3.4. Blurring Boundaries: Leadership Embedded in Management

From the above it is not difficult to see that many aspects of leadership are in fact embedded within models and frameworks of organisational management. The nebulousness of both concepts – management and leadership – and concomitant practices has prompted the development of practical or pragmatic operationalisations to help those who own and/or run organisations to identify when management or leadership is happening, when it is missing, and to feel and even accept that some form of education or training or development in these skills may be required.

If one is to credit any degree of notable difference between leadership and management, we would without much difficulty find that task futile when considered in a practical, organisational context of small business. What good would a business have for a leader if that individual were not also fulfilling a managerial role? And how competent may we expect a manager to be in her/his role without leadership qualities? True, some extreme definitions of management (such as Townley, 2002) see management as predominantly a technocratic, utilitarianistic, impersonal and instrumental function, but the models that have called the day have systematically included “process” and “people” aspects as well. Thus, the abundance of managerial frameworks to understand management, and by pragmatic extension, the development of managerial skills also offers up useful and convenient starting points for analysing the leadership and management skills required in entrepreneurship, or in SME contexts, given that the latter are organisations in their own right, after all.

3. Conceptual Background *(continued)*

3.3.5. Classic Theories and Thought Leadership

Alvesson & Sveningsson (2003), Kotter (1990), Yukl and Lepsinger (2005) and Zaleznik (1977), to name a few, have discussed this “distinction” in depth, and for the purpose of extracting relevant variables for the construction of our framework we shall review briefly the established body of knowledge on the matter, as follows:

While there is some overlap between the work that leaders and managers do, there are also significant differences, as explained by Harvard professor John Kotter:

The ultimate intersection between leadership and management is an appreciation for what motivates and causes individuals to behave the way they do, and the ability to draw out the best of them with a purpose in mind.

Warren Bennis proposes that the manager administers, maintain, deals with systems and structure, while the leader innovates, develops and focuses on people.

3.3.6. Leadership in Context: Small Business Realities

Given that leadership is “always concerned with change, seeking to improve existing situations through transformational practice ... whereas management has a stabilising influence” (NPCC 2018), the need for developing leadership competencies in small businesses is clearly critical and a matter of life and death of these businesses. However, a traditional skills development approach to building person-based leadership competencies may not be sufficient in arriving at the desired state of successfully navigating through crisis and change and seeking out (and seizing) opportunities as they present themselves.

This must be supplemented with the creation and maintenance of an enabling environment, of a state or climate in which continuous learning and collaboration, a collegial team spirit, within which “leadership is not bound to certain roles and positions ... but rather it is a potential that resides in every seat and at every desk throughout the organisation” (NPCC, 2018).

Effective leadership requires a perfect balance of “soft” skills and “hard” skills. The former relates to personal attributes, such as:

1. Effective communication
2. Emotional intelligence
3. Time management
4. Multi-tasking
5. Transformational leadership
6. Conflict management
7. Facilitative and coaching style of people management

Hard skills on the other hand, refer to specific knowledge such as of industry, products, the market, financial management and strategic planning.



3. Conceptual Background *(continued)*

3.3.7. Defining Leadership Competency

But what is a competency? Boyatzis (1982:21) defines a competency as “an underlying characteristic of an individual that is usually related to effective or superior performance in a job”, thereby explaining that the individual himself/herself is credited with primacy and agency, such that, from an explicit intention, some intervention or other, some purpose, principle, strategy or plan, results in the desired trait or behaviour or action.

Leadership competencies are the skills, behaviours, and attitudes that contribute to superior performance in a leadership role (Tenney, 2024). The competency school comprises a number of models of leadership competencies, typically presented as a list or “library” of competencies which managers/leaders build and then customise to meet the specificities of their own organisational situation. The literature does not fail to draw attention to the uniqueness of situations, the diversity across types of organisation, size, time of application, and other such extremely varied organisational characteristics which may not lend themselves well to a generic set of prescribed leadership behaviours to be adopted and trained for by SMEs (Bolden & Gosling, 2006; Grugulis, 2000; Loan-Clarke, 1996; Carroll et al.(2008).

These competencies form the foundation of effective leadership and can include such abilities as strategic thinking, effective communication, decision-making, problem-solving, emotional intelligence and the ability to inspire and motivate others, in effect a combination of “hard” business skills and “soft” people and culture skills. Some leadership competency models focus entirely on the individual manager/leader and others promote the development of competencies throughout the organisation.



3. Conceptual Background *(continued)*

3.3.8. SHRM Model: Organisational, Relational and Personal Competencies

The Society for Human Resource Management in the United States distinguishes three competency categories for a leader to lead his/her organisation, namely:

a) Competencies for leading the organisation, through:

- Social intelligence
- Problem solving
- Conflict management
- Decision-making
- Change management
- Setting and sharing a compelling vision
- Innovation
- Entrepreneurship

b) Competencies for leading others

- Interpersonal skills
- Emotional intelligence
- Coaching ability and trustworthiness
- Being a good coach
- Inclusiveness
- People management

c) Competencies for leading oneself

- Learning agility and adaptability
- Industry knowledge
- Managing yourself and time management
- Courage and character
- Organisational Citizenship Behaviour (OCB)

The above narrative on organisational leadership establishes a link between leadership qualities of the owner/manager and the growth and success of the business, placing emphasis on personal and behavioural qualities of optimism, dynamism, confidence, mentoring, role modelling, initiating change and innovation, communication and so on, and even on the types of intelligences they need to have, such as cognitive, emotional and social.



Also developed are ideas that some leaders may be adopt certain styles, either intrinsic or adapted, such as task- or people-oriented, transformational, visionary, authentic, engaged, spiritual and so on.

3.4. A focus on leadership as practice

3.4.1. Critique of Traditional Leadership Paradigms

Alevesson & Sveningsson (2003a:985) have criticised the manner in which traditional mainstream leadership (and management, as well as strategy) thinking and modelling has brought about a type of “ideologically loaded” labelling of what leadership is and where do we see it in action in organisations. Chia (2004:33) has thus called the approach of understanding and developing leadership from a practice perspective a way to get to the “nitty-gritty” details of the routine and context-specific actions and behaviours occurring in the life of a leader/manager before we may begin to comprehend the leadership that is or is not going on.

3. Conceptual Background *(continued)*

3.4.2. Leadership as Practice

Chia calls this “a practical logic”, a manner of understanding leadership in action by paying attention to dimensions of leadership thinking and practice that are often neglected, if not actually invalidated, by traditional mainstream “competency” paradigms. Crevani et al. (2010) also suggest a perspective within leadership research that has an analytical focus on leadership as it is practiced in daily interaction, rather than on individual leaders.

3.4.3. Emotional, Moral, and Relational Aspects of Leadership

Bolden and Gosling (2006:158) refer to these areas as the “subtle, moral, emotional and relational aspects of leadership”, in the same way Whittington calls the lived experience of leading/managing “managers’ real problems” (2004: 62), Chia (2004:30) “the scene of everyday action”, and Brass (2000) the creation of social capital by entrepreneurial leaders.

3.4.4. Limitations of Competency-Based Leadership

Bolden and Gosling (2006:147) claim that competencies are limited in addressing the distinctiveness of leadership, its vitality, life, and originality, and that competencies do not provide a “sufficiently rich vocabulary” (p.158) for the subtle, textured, highly complex, socially defined, embodied and highly contextual mindset that is required for effective leadership.

3.4.5. Leadership Logic and Practice

This logic of practice not only privileges practice over the characteristics of the individual actor (Bourdieu, 1977, 2002), but also objects to a “means-end analytical logic” (Chia, 2004:30), which privileges causal logic, intentionality, linear strategy, rules and plans, whereas in reality the hurly-burly of life is not shaped by an academic view of the world.

3.4.6. Leadership in the Context of SMEs

One can easily picture the daily practice of SME management and leadership to embody high degrees of such hurly-burliness.

Indeed, the practice perspective points out that the overwhelming majority of action involves “skilled, improvised in situ coping (Chia, 2004:33), and often takes place “unreflectively, on the spot and in the twinkle of an eye” (Chia & MacKay, 2007:238), carried out by the “unheroic work of ordinary practitioners in their day-to-day routines” (Whittington, 1996:734).

Brown and Duguid (2000:95) explain that leadership “needs to make the journey to the internal life of process, the practices by which work is actually done”.

3.4.7. Reconciling Practice and Competency-Based Approaches

So how do we reconcile this paradigm with the competency school? Or is it necessary to consider them as mutually exclusive?

One way of theorising the apparent divergence has been to start from the empirical observation that leadership activities often involve more than one person and that some organisations actually make formal arrangements to share leadership responsibilities and tasks (distributed/shared/collaborative leadership (Collinson & Collinson, 2007; Bradford & Cohen, 1998; Parry and Bryman, 2006 Lambert, 2002; Pearce & Conger, 2003; Wilhemson, 2006; Woods, 2004).

3. Conceptual Background *(continued)*

3.4.8. Shared and Collaborative Leadership

This suggests that leadership may, in certain situations, be more of a collaborative and collective responsibility, not precluding the presence and role of a central or “hierarchical” leader, and implying a shared set of responsibilities, competencies and decision-making processes amongst several individuals rather than one, much in line with what democratic or engaged leadership styles have advocated.

3.4.9. Agency and Leadership Influence

In this sense, leadership is a shared process focusing on the collective capacity of people to accomplish their work together than on their individual achievements (Yukl, 1999). In this discussion, the notion of agency is relevant – the manner in which we make a difference in the world by mobilizing social actions, or the influential process within which one person may help others see their potential to bring out their own agency (Coghlan and Brannick, 2005; Emirbayer and Mische, 1998). Thus, leadership in an organisation can become a process in which one harnesses the agentic capabilities of others to serve goals that lie beyond any one individual (Spender, 2008).

3.4.10. Implications for SME Leadership and Development

This evidently has implications for views and practices regarding not only leadership of SMEs but also the training and development of leaders in these types of organisations. Practice theory, as described in the previous paragraphs, can help to re-orient us to think about and explore the numerous leadership actions taking place in within the daily life of an organisation, so as to help leaders pay attention to and actually have leadership choices at their disposition without necessarily embarking on training programmes focussed on the acquisition of knowledge of leadership competencies.

3.4.11. The Role of Training in SMEs

The literature on skills development and training in SMEs is rich and varied, and somewhat inconclusive. The need for having competent and skilled employees is acknowledged by most SME owner-managers (Devins & Johnson, 2002; Skinner et al., 2003; Walker et al., 2007; Aragon-Sanchez et al., 2003; Loan-Clarke et al., 1999). However, the same literature has shown that SME owner-managers tend to adopt an ambiguous position regarding the spending of money on training in general, in terms of perceived value that training brings to their business, including their own training and development.

3.4.12. Impact of Leadership Training

Overall, the literature does support the argument that leadership training and development, whatever form and in whatever context it takes place, does influence business performance, and is generally manifested in improvements in productivity, quality, financial results, employee engagement, innovation and change management. With no specific reference to leadership training, Perren et al. (1999) did find that the value of SME training in general is complex and must be seen to be relevant and aligned to the business leader’s immediate and specific requirements, and provide relevant and practical solutions.



3. Conceptual Background *(continued)*

3.4.13. Flexible Training Needs in SMEs

This is of particular interest to the leadership-as-practice theory, as it highlights the necessity to consider training and development – whether for employees or the leader herself/himself – in relation to the needs of the enterprise itself. Other authors have noted the same tendency (Kotey & Folker, 2007; Hill & Stewart, 2000; Aragon-Sanchez et al., 2003; Westhead & Storey, 1996) that SMEs preferred an unplanned, reactive, informal, workplace-based, flexible, convenient and short-term focus on training. Such insights shed light on the propensity for SME leaders/managers to engage in their own skills training and development and on the methods, they would be partial to, or not.

3.4.14. Emergent and Democratic Leadership Styles

Thus, we have established that leadership is something that is taking place all the time and that leadership skills may be developed, with precise guidance, at all stages of the entrepreneurship experience or journey (Barnes et al., 2015). The emergent research orientation advanced here would resist closure on the familiar categories of leadership that are often individualistic and controlling in their account, tending leaders to predispositions about ‘being in charge’ and behaving accordingly, whereas in real time, leadership is happening in the group, rather than being solidified around an individual who is making decisions for others. The traditional leadership paradigm has slowly given way to the more democratic, engaged styles, which preclude the type of leadership happening “from behind a desk”, involving bureaucratic, procedure-based behavioural guidance and “the boss is always right” type of culture.

3.5. Understanding and growing the system from within

3.5.1. The Gap Between Leadership Theory and Practice

All the above place much less emphasis on the process or experience of leading, on the how of leadership (Chia, 2004). In fact, those who have studied MBA (Masters Business Administration) or been on management/leadership training courses or workshops are fairly well able to articulate what leadership is, in terms of being a coach, a mentor, a strategist, and so on, but few are able to say what they actually do in the pursuit of such ideals.

3.5.2. Two Modes of Learning and Their Impact on Innovation

Jensen et al. (2007) theorise that there are not one, but two “modes” of learning, relating to two different types of knowledge, practised in different intensities in different organisations and that businesses that combine them are more creative and innovative. This refers to the combination of tacit and explicit knowledge and to the necessity for being sensitive to the limits of codified knowledge that may be simplistically and presumptuously “transferred” to the learner through reading books or manuals, attending classes and accessing digital information, while there exist other kinds of knowledge rooted, as it were, in practical experience (Nonaka & Takeuchi, 1995).

3. Conceptual Background *(continued)*

3.5.3. The Importance of Know-How in Leadership

As such, formal, codified knowledge is of some use in order to be acquainted to the “know-what” and “know-why” of certain things in the area of management and leadership, but the “know-how” of leadership is what separates the first-rate business manager from the average one, know-how being learnt in social practice and to some extent in carefully-crafted training environments (Carter, 1989). Coming together in reunions, conferences, discussions of experiences and information sharing, as well as in day-to-day dealings with customers, contractors and institutions., just as relational learning may be developed as social bonds of fellowship.

3.5.4. Leadership Thinking and Its Impact on Self-Esteem

Therefore, leadership thinking and speak does give individuals a sense of self-esteem and significance, but less of a specific set of practices in real organisational life (Alvesson and Sveningsson, 2003). Chia (2004) goes as far as claiming that the academic narrative is so pervasive that individual managers are able to provide accounts of their practices in a quasi-theoretical style, concealing, even from their own eyes, the true nature and degree of their mastery in leadership.

3.5.5. The Role of Leadership Competency Frameworks in Small and Medium Organisations

It would be judicious, therefore, that small and medium organisations work with a leadership competency framework, which is a collection of competencies they have consensually identified as key to success for leadership of their organisations. This brings to mind again that organisational forms also varying significantly, this may pose specific leadership demands on the leader and other members of the organisation.

3.5.6. The Necessity of Practical Proficiency in Leadership

In growing their leadership competencies, it is necessary that leaders also have practical proficiency or know-how, in short, a mastery of the art of leading. The development of leadership practice, as we have amply discussed, would appear to be acutely experiential, in situ, socially grounded and situated, sustained and vastly relational and collective, creating a special sort of engagement with self, others and the world.

3.5.7. The Application of Conventional Competencies in Real Leadership Practices

Whereas the conventional competencies, disembodied from the messy day-to-day life of SME leaders are useful in some ways and instances, they must be used only in as much as they facilitate and further leadership richness, possibility and true action.



3. Conceptual Background *(continued)*

3.6. Collectively leading the organisation

3.6.1. The Concept of Leaderful Practice

A team within which members each had a specific functional role but seemed to support each other when necessary does not have to be “leaderless”. (Costigan and Donahue, 2009; Raelin, 2003). In fact, it is full of leadership, because everyone, collectively, is participating in the process of leading the organisation to its mission and goals, in identifying the priorities and wishes of the whole community of members and upholding commonly-held values.

Not sequentially, but all together and at the same time (Raelin, 2003). The “leaderful” model thus proposes to conceptualise the practice into four C’s:” collectiveness, concurrency, collaboration and compassion (Raelin, 2003). Collectiveness refers to the extent to which everyone in the entity can serve as a leader. Concurrency considers the extent to which members of the unit or organisation are serving as leaders at the same time; collaboration considers the extent to which members are co-creating their enterprise. It also reviews the nature of the dialogue in which members determine together what needs to be done and how to do it. Finally, in compassion, there is interest in the extent to which members commit to preserving the dignity of every single member of the entity regardless of background, status, or point of view.

3.6.2. Democratic Ideology and Leaderful Practice

Leaderful practice is based on a democratic ideology that calls for the co-creation of a community by all who are involved interdependently in its development. It is democracy by direct participation by involved parties through their own exploratory, creative, and communal discourses (Starratt, 2001).

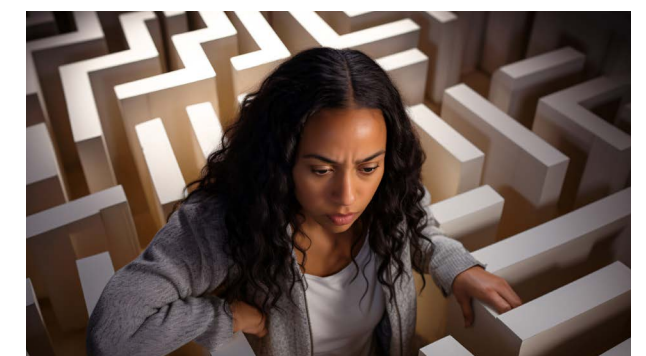
As we reach the point where we are able to tease out the competencies and the leadership-as-practice variables to form our framework, let us consider some points of view regarding the leadership styles of some famous business persons who started off small.

3.6.3. Indra Nooyi’s Leadership Framework

Indra Nooyi was the Chairperson and CEO of PepsiCo from 2006 to 2019. She was the creator of Performance with Purpose, PepsiCo’s declaration to create successful businesses by paying attention to the world’s needs. Initiatives from this pledge included adding more nutritious products to their portfolio, becoming more environmentally sustainable and revolutionising the business by highlighting the importance of design.

Indra Nooyi calls her list of essential skills for leaders the “Five Cs”:

1. Competency (become the go-to person for a particular skill)
2. Courage and Confidence (be willing to speak up and out)
3. Communication skills (you cannot over-invest in becoming a better communicator)
4. Consistency (you can change your mind, but only against a consistent framework)
5. Compass (integrity is critical in a leader’s job)



3. Conceptual Background *(continued)*



3.6.4. Anita Roddick's Vision and Values-Based Leadership

Anita Roddick, the founder of The Body Shop and a worldwide business role model, is well-known for her vision and values: money should not be the priority, and passion should come in what you do; speak out your ethics and values, listen to team members' concerns and ideas and practice care towards everything and anyone, including employees, animals, and people across the world you have never even met.

3.6.5. Gordon Ramsay's Leadership in Adversity

Gordon Ramsay is an entrepreneurial "rock star" and has amassed a fortune from his restaurants, TV work and books. He is well-respected for his tenacity and ability to adapt in the face of adversity and his ever-striving passion to be the best he can at everything. He believes there is no compromise in quality and enthusiasm when it comes to business.

3.6.6. Evan Spiegel's Strong Leadership Commitment

Evan Spiegel turned down a \$3 billion offer from Facebook to buy Snapchat. His strong belief in himself and in his company crafted his resolve to stay the course. He knew he had a great team with which he worked enthusiastically and engagingly, brushing aside the "small stuff" and remaining focused on the mission and objectives commonly set and agreed upon.

3.6.7. Mike Adenuga's Leadership Journey and Determination

Mike Adenuga, the Nigerian billionaire had a modest and difficult start as a businessman. When he had his eyes set on the prize of obtaining a license to operate his telecommunications firm in Nigeria, the opposition was fierce and his adversaries were many. When his application was rejected, he knew he had to contend with forces that had the capacity to destroy him. With unwavering determination and cunning, and his vast network of contacts, he was able to navigate the treacherous landscape and emerged victorious, all with his famous modesty.

3.6.8. Christopher Park's People-Centric Leadership in Hospitality

Closer to home, Christopher Park, Chief People Officer of Veranda Resorts in Mauritius, stated that the success of their resorts was attributed squarely to the wellbeing and fulfilment of employees, to whom he insisted flexible work schedules, balance and growth be offered as a matter of priority. To achieve this, he re-engineered internal processes and redesigned jobs and tasks to ensure flexibility, balance and harmony in teams. The new standard of employee wellbeing, he said, has become the cornerstone of performance and success of all their resorts.



Findings from the Study

4. Findings from the Study

The rich data emanating from the data collection process involving key informant interviews, interviews with SME leaders as well as focus group discussions with SME leaders, have been sorted, arranged and synthesised using a thematic approach which is the most appropriate methodology to make sense of significant volumes of qualitative data. A large number of data categories have emerged, which have been further refined into three major themes of training needs in leadership for SMEs, as follows:

1. The Business Ecosystem of SMEs and its implications for SME leadership
2. The Necessity for Strengthening SME Capabilities
3. Required SME Leadership Competencies

The insights, opinions, and suggestions collected with a view to determining the needs of SMEs for leadership skills and knowledge are presented under these themes, and described in detail below. They represent the body of findings as emanating from the data collection process, validated through the pilot programme and have been incorporated within the subsequent adjusted leadership competency framework to form the basis for the drafting of the SME leadership development programme. The framework is presented as a diagram in Section 5 of the report.

4.1. The business ecosystem of SMEs and implications for SME leadership

4.1.1. Reconsidering SME Definitions in Mauritius

First off, there is a need to revisit the definitions of SMEs in Mauritius. The current definition, based on turnover, does not adequately capture the diverse needs of SMEs. The existing criteria overlook factors such as the number of employees, the volume of production, and the lifecycle stage of the enterprise. Many SMEs self-define by their employee count or production levels, making it essential to consider these aspects as well. Furthermore, an SME could be labour-intensive, knowledge-intensive, or capital-intensive. Some may be family businesses, while others could be micro-enterprises aiming to remain small or medium-sized businesses looking to expand internationally. A clear understanding of the different SME profiles would allow for more tailored support and recognition of the unique contributions these businesses make to the economy and society.



4. Findings from the Study *(continued)*

4.1.2. Understanding the Contribution and Challenges of SMEs

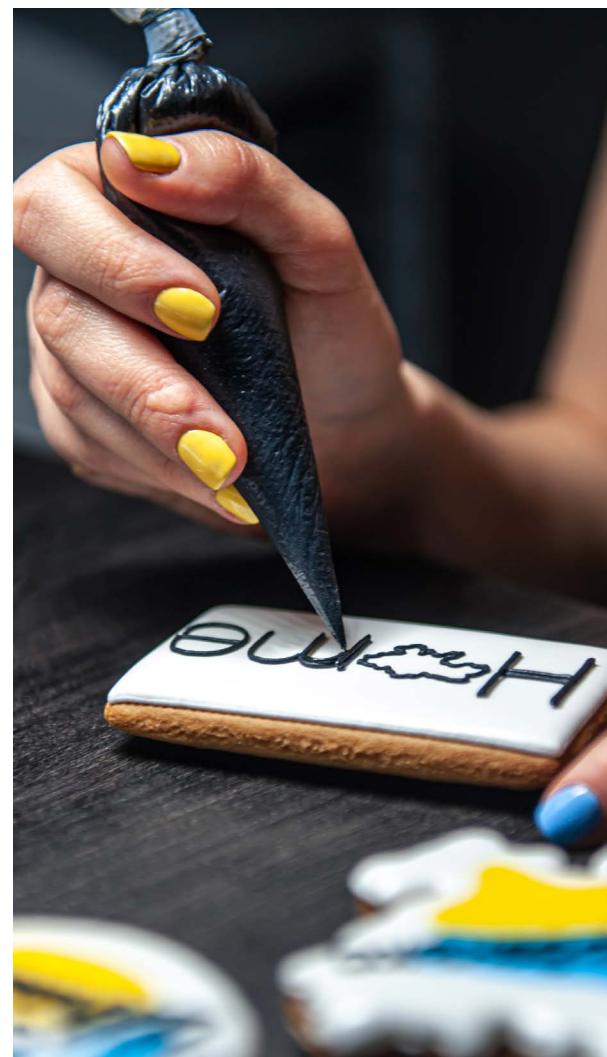
There is a necessity to capture a deeper understanding of SMEs, their contribution to the economy (GDP, employment, value-added, community development), and the challenges and risks that they face. This is framed as a “mapping” or “cartography” exercise to fully grasp the scope and impact of SMEs operating across sectors and made up of a diverse set of activities. Currently, Mauritius’ understanding of SME is not helpful in accurately profiling the vast diversity of business types within the existing parameters used in the definition of SME.

The blanket criterion of 50 million rupees annual turnover threshold is self-defeating as it acknowledges, within the definition itself, the existence of micro, small, medium and mid-market enterprises without disaggregating the diversity for the purpose of assistance and support mechanisms, such as fiscal or financial incentives and other schemes. This contrasts with the workforce parameter used in other parts of the world, which might prove more useful and helpful (example, in the US, a SME is one with 500 employees or less and in the European Commission uses not only workforce – up to 250 employees but annual turnover as well – EUR 50 million). For that matter, even studies such as this present study ought to, going forward, provide more useful data pertaining to the realities and needs of specific types and sizes of SME.

4.1.3. The Shift Towards a Service-Oriented Economy and the Leadership Gap

Mauritius is predominantly and increasingly a service-oriented economy, and SMEs contribute significantly to the national economy. However, there are growing concerns about the current and next generation of SMEs in terms of leadership capabilities so necessary to drive the businesses into the future in a sustainable and relevant way.

Many people in small business inherit businesses but lack the necessary skills and knowledge to modernise them to cope with new challenges and to seize the opportunities present in the environment. While SMEs in other countries are adopting technology and automation at a rapid pace, small businesses in Mauritius lag behind in terms of modernisation and business transformation. There seems to be a lack of awareness of new technologies and of technological trends, or a lack of capability and/or motivation to access such developments, which holds back many SMEs from reaching new levels of competitiveness.



4. Findings from the Study *(continued)*

4.1.4. Challenges in the Entrepreneurial Ecosystem

As for the entrepreneurial ecosystem in Mauritius comprising banking institutions, governmental and private support schemes and the existence of other business players on the markets of SMEs, it is seen as inadequate in fostering an environment for significant growth and innovation of small businesses. This is a major issue for the development of the SME sector because in such an environment, leadership is not able to grow or be exercised properly. There was even mention of “institutional failure”, given that existing policies and institutional frameworks are not conducive to SME growth and the seizing of opportunities, even if the desire to do so existed amongst SMEs. The current ecosystem of policies and frameworks is seen to be insufficiently empowering by entrepreneurs, thus hindering their development and success and preventing the rise of leadership talent that would drive the businesses to new heights of growth. Many SMEs said they struggled with the lack of consideration by various entities that were supposed to value and support them.

4.1.5. Business Ecosystem, Markets and SME survival

Successful SMEs are those that are willing to step out of their comfort zones, take risks, and innovate. However, the broader entrepreneurial ecosystem in Mauritius is fragmented, with insufficient attention paid to the necessity for practical knowledge and support systems badly needed by individual SMEs. The capacity of small businesses to expand, upscale and thrive is often limited, especially in the face of economic challenges. SMEs need stronger institutional support frameworks to become more resilient and competitive. Without this, many will continue to struggle merely to survive in an increasingly globalised and digital economy.

To remain competitive and sustainable, SMEs are called upon to embrace sustainable practices and explore avenues for growth, by starting with the local market. However, it was perceived that the local market was not developing in ways that would offer interesting opportunities for SMEs. Given that SMEs often do not have the production capacity or internal capabilities to cope with international markets, they would have flourished by serving domestic market needs not only because the latter entailed fewer pressures and constraints but also because small businesses could serve local niche in specific ways, through their products, services and processes, that other, larger, businesses cannot or may not be able to achieve.

4.1.6. Fragmented and at times disconnected support system

The existing support structures for SMEs are fragmented and unappealing to small businesses, who often feel either discouraged, unheard, and even humiliated by the treatment received at some of the service and support institutions. Institutions like DBM, SME Mauritius or the MRA are not sufficiently supportive for entrepreneurs; many private incubators and support schemes exist and offer skills development and guidance to groups of entrepreneurs, like women in particular, but Government institutions such as SME Mauritius do not offer customised practical and realistic hand-holding to help SMEs with managerial, technological and legal challenges, nor is ongoing support adequate. It was found that much of the focus across the various scheme and facilities seems to rest on the setting up of businesses and on the short-term needs of new start-ups.

4. Findings from the Study *(continued)*

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4.1.7. The Need for Ongoing, Tailored Support

However, what SMEs truly need is capacity and capability to survive and remain relevant in the longer term. The current model, found to be both cumbersome and unsupportive, offers limited engagement, which does not address the long-term challenges that SMEs face. Many SMEs fail to take their ventures into the future and end up merely struggling to survive. There is a need for continued support, including leadership coaching, mentoring, and business coaching to guide these small businesses through the critical life-cycle stages and as they transition from micro to small, from small to medium, to modernise, to export, and so on, in unique ways as the stages of growth require.

4.1.8. Lack of Relevant and Effective Institutional Support

Institutional services, such as those provided by SME Mauritius, often fail to meet the real needs of SMEs. For instance, SMEs face difficulties accessing green energy investments due to financial constraints and unfavourable lease terms from banks, which makes it hard to implement sustainable practices like solar panels. Some institutions could specifically address the needs of startups while other may offer services for upscaling and modernising, and yet others could offer specific support to all SMEs towards preparing to enter the international market.



4. Findings from the Study *(continued)*

4.1.9. The Need for Greater Synergy and Rationalisation

Greater rationalisation and synergy within the ecosystem is possible but not being exploited. For instance, connecting SMEs with organisations such as MCCI, NPCC and Made in Moris might be more appealing to SMEs. These organisations could play a role in helping SMEs by offering facilitation, consultation, capacity building and access to resources, including training programs like the Export Accelerated Programme (EAP) and business coaching.

4.1.10. Communication Gaps and Lack of Outreach

There is also an issue of outreach and genuine communication between the support mechanisms and the businesses. SMEs need to be sensitized to the services and support that institutions such as EDB (Economic Development Board) and others offer, by reaching out to them and making an effort to understand their needs and constraints. Some markets, such as Reunion Island, considered both more accessible and receptive by many small businesses, are not promoted by the support schemes, which might point to a lack of consultation with small businesses in the decision-making process with regard to which non-local markets might be tapped.

4.1.11. Streamlining Support Systems for Greater Efficiency

There is a need for a more streamlined and user-friendly support ecosystem, including a "one-stop shop" that would be able to assist SMEs more efficiently in dealing with their challenges, such as in marketing, branding, export, innovation, digitalisation, modernisation, compliance, and so on.

There is much talk about accessing export markets but the reality is very harsh and few small businesses have the set up and scale to be able to face the demands of the international market.

4.1.12. Ineffectiveness of Grants and Schemes

SME Mauritius does offer grants and schemes that SMEs can use to support their businesses. However, these grants are found to be insufficient in practice, and many are simply not noticed by entrepreneurs. At the same time, it seems that many grantees are not necessarily contributing to the economy nor providing jobs, while others in crucial sectors of activity ought to have benefitted from additional support. This points to an inefficient and unfocused nature of the grants and other scheme system. A more streamlined and synergistic institutional framework is needed to help create a more effective and efficient SME support ecosystem. Processes and services within institutions have been found to be bureaucratic and time-consuming, which can delay progress for SMEs and even discourage them altogether.

4.1.13. Challenges in Accessing Finance

Given that access to finance is a major obstacle for SMEs, particularly in terms of securing loans requiring collateral, as well as topping up the amounts that grant schemes provide, limits their ability to grow and scale their businesses. The reality is that, even with a desire for growth, small business owners have to have the skills to craft proper business plans for convincing banks to provide financial support, but for every visit to the bank, a certain amount of education and sophistication is required, which is at odds with the profile of an entrepreneur who very often has entered into small business out of poverty and not as a strategic choice or a passion project. In short, there is a need for a more accessible, responsive and sensitive approach to financial help and grant schemes.

4. Findings from the Study *(continued)*

4.1.14. The Need for Inclusive Policy and Economic Structure Reforms

A special attention and an inclusive policy should be in place to enable SMEs survive in the marketplace. The structure of the economy itself is seen as a problem, limiting opportunities for SMEs to enter and/or remain in certain markets, thus placing SMEs at a disadvantage. Larger companies, especially conglomerates, dominate the market, especially in retail, distribution, and hospitality, leaving little space for SMEs to operate, let alone grow and succeed. SMEs struggle to scale or sophisticate their operations and are often squeezed out of the market by larger firms. They face inherent challenges in accessing resources, markets, and financing, which prevents them from becoming competitive players in their industry. There is also a divide between EPZ (Export Processing Zone) and non-EPZ businesses, with the former benefiting from differential conditions, including higher wages for employees. This creates an uneven playing field that puts non-EPZ SMEs at a disadvantage.

4.1.15. Encouraging Collaboration and Community Awareness

There is a need for modesty and less greed on the part of larger corporations in order to foster inclusion and collaboration within a diverse business environment where all sizes and types of businesses are empowered to thrive. Also, the local community must be made more aware of the products and services and the special attributes of SMEs to allow the latter to serve the market in particular niches and specialities. The business ecosystem should include the spirit of community development through specific policies and schemes, such as providing plots of land for local farming and organic vegetable growing initiatives.

4.1.16. The Need for a Growth Mindset in the SME Sector

It seems that the SME sector is trapped in survival mode rather than a growth, expansion or specialisation mindset. SMEs in Mauritius face a lack of economies of scale, synergy, and market expansion. Many SMEs are not ready to scale or expand because they remain stuck in operational challenges, focusing on micro-level issues rather than strategic management or long-term planning.

In the market configuration and considering the inherent challenges of being small, SMEs require a strategic mindset, and learn how to navigate, through innovation and growth plans, the limitations of the market and continue to innovate and remain competitive. As such, SMEs need practical support to navigate business challenges, including financial literacy, understanding the business lifecycle, and strategy development. However, many are either unaware of facilities and resources, are unable to afford the training, or lack the confidence and drive to identify and seize opportunities.



4. Findings from the Study *(continued)*

4.1.17. Addressing Compliance and Operational Challenges

The increasingly complex and demanding compliance requirements add to the burden of SMEs that are already resource challenged. SMEs face difficulties in areas such as essential business services, legal services, human resource management, digital marketing, and financial advice, as their financial situation and lean structure do not allow for the recruitment of experts in such fields. For instance, the permit process for businesses is complicated, and there is no centralized or "one-stop-shop" for SMEs to access support, leaving SMEs in a confusing and even chaotic state, inhibiting their potential to invest and grow.

4.1.18. Attracting and Retaining Talent

In addition, young graduates are not particularly interested either in working for SMEs or in being multi-disciplinary, and SME leaders are at a loss with regard to attracting and retaining the needed talent that would help them drive the business to greater heights. For instance, while technology has the potential to make a significant difference in efficiency, quality, and innovation, technology implementation often falls short of the potential and promise of such innovations and techniques. For technology to truly support SMEs, it requires competent personnel, resources, and proper management to be executed effectively.

4.1.19. The Need for Entrepreneurial Education

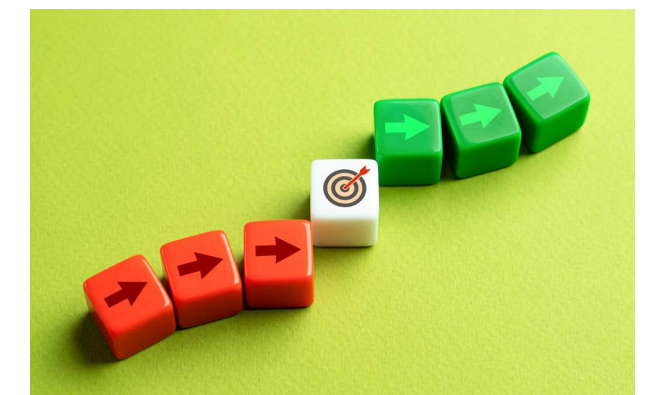
Entrepreneurs would require education in areas such as business strategy, branding, and people management. The educational system should shift from rigid methods to fostering creativity, open-mindedness, and critical thinking, which can be learned through practical experiences and shared stories. The educational system should be providing leadership competencies to everyone.

4.1.20. Benchmarking and Models for Leadership Success

The SME ecosystem needs role models and benchmarks for leadership success. There is a need to identify successful SME leaders and use them as examples to inspire others in the sector. By studying their general knowledge and common traits, successful leadership models can be established within the ecosystem.

There is a lack of international workshops, local and foreign study tours and shared success stories to inspire and encourage new entrepreneurs.

Finally, several mentions were made during the consultations of the need for a strong national leadership "ecosystem" or culture, comprising existing successful leaders, managers and mentors who can facilitate the development of leadership. In Mauritius, however, the culture tends to favour staying within comfort zones, which makes it challenging to encourage entrepreneurship. People are often more focused on stability and security rather than innovation, leading to frustration for entrepreneurs trying to push boundaries. For real growth to occur, there needs to be a cultural shift where stepping outside comfort zones is seen as essential for both personal and professional development.



4. Findings from the Study *(continued)*

4.2. The necessity for strengthening SME leadership capabilities

Effective capacity building is essential to foster long-term success for any business. However, the building of the skill and competency base is often not felt as a priority by SMEs.

4.2.1. Entrepreneurial Training and Education

The gap between the educational system and needs of industry is a significant issue. While universities are producing skilled professionals, many graduates do not end up in the industries that need their expertise. The education system is not aligned with the current demands of entrepreneurship and innovation. A greater focus on practical, hands-on learning and entrepreneurship-focused courses is necessary to equip students with the skills needed to thrive in modern business environments. Tailor-made courses can help aspiring entrepreneurs build their identity and enhance their self-esteem, preparing them for the challenges they will face in the business world.

4.2.2. Capacity Building and Practical Tools

The capacity-building efforts for SMEs need to be more targeted and practical. There is a lack of skills in key areas like Human Resource (HR), marketing, and legal advice. SMEs often lack the internal resources to handle these functions and must turn to external professionals for support.

Government institutions could play a significant role in offering services that help SMEs navigate complex areas such as legal and HR issues. For example, providing practical tools and advice and having experts at hand on new employment laws would assist SMEs in avoiding costly mistakes through ignorance.

4.2.3. Financial Barriers to Growth

Many small and medium-sized enterprises struggle to scale due to financial constraints and limited resources. They are faced with tough decisions about whether to continue operations or exit the market. This highlights the need for targeted support to help SMEs overcome the challenges they face during the growth stage.

4.2.4. Limited Access to Funding

Despite the availability of some financial grants, SMEs often find it difficult to access the capital they need for growth and innovation. Grants currently offered are insufficient for substantial business development, and many entrepreneurs lack the education, confidence, or resources to take advantage of available funds.

4.2.5. Strategic Funding and Visioning

With proper visioning and strategising, SMEs might also learn to explore available funding opportunities from external sources and to integrate these resources to drive the growth of their business.

4.2.6. Technological Advancement and Digital Integration

The COVID-19 pandemic highlighted significant weaknesses in the SME sector, especially in terms of business continuity and the underutilisation of e-commerce tools. There is an opportunity for SMEs to improve their productivity by adopting digital tools, such as social media platforms.

4.2.7. Support for Green Innovation

SMEs need more access to funding, particularly for green energy initiatives and other sustainability projects. Current financial products, like DBM's five-year leases for solar panels, are insufficient for SMEs to make long-term investments in green technologies.

4. Findings from the Study *(continued)*

4.2.8. Need for Capability Development

Capability development for SMEs is crucial, particularly in areas such as project management, time management, asset management, and HR management. The shortage of skilled workers with diverse expertise limits the capacity of SMEs to grow or even to meet their current challenges. SMEs are struggling to keep up with technological advancements like AI, automation, and robotics. There is a call for better support in upgrading SMEs, especially those in manufacturing, to adopt new technologies that can help them stay competitive.

4.2.9. Moving Beyond One-Size-Fits-All Support

Generic, one-size-fits-all approaches to SME support are not effective. SMEs need personalized support, especially micro enterprises that need guidance to grow into small and medium-sized businesses. Handholding, life-cycle-stage and sector-specific training are essential to help businesses with unique profiles. Entrepreneurs must believe in their mission and values, and it is critical that the systems supporting them nurture these qualities. A culture of ongoing follow-up is vital to ensure that entrepreneurs receive the guidance they need to succeed, especially in the face of evolving market demands.

4.2.10. Leadership as a Survival Skill for SMEs

Developing leadership capabilities is seen as essential for SMEs to survive in a competitive environment. Intensive, practical training and on-site business coaching are essential for developing the leadership skills required for success. Programs should be tailored to specific business needs and incorporate feedback from participants.

4.2.11. Mentorship and Continued Coaching

Mentorship programs and continued coaching should be provided, especially for younger entrepreneurs who would gain from guidance from experienced business leaders.

4.2.12. Gaps in Formal Education

Leadership skills are not adequately taught at schools or universities. There is a need to start with leadership education at the school level to build a foundation for entrepreneurship. Universities should focus more on developing viable entrepreneurial projects and helping students understand the fundamentals of leadership and strategic thinking, including self-leadership, emotional intelligence and character development.

4.2.13. Strategic Leadership and Innovation

There is a need for specific leadership training for SMEs, particularly in guiding them through the strategic aspects of business development, sustainability and innovation. Leadership capabilities, such as resilience, grit, and strategic thinking, need to be developed through focused training programs. Programs like the SME accelerator program provide continued coaching and mentoring, but SMEs need to be "groomed" over time to build strong leadership capabilities.



4. Findings from the Study *(continued)*

4.2.14. Assessing the Impact of Leadership Programs

Although UTM offers leadership and management courses in collaboration with SME Mauritius, there is uncertainty about whether these programs are effectively developing the leadership skills that SMEs need. It is critical to trace and evaluate these programs to ensure their relevance and effectiveness in the current SME environment. In fact, the effectiveness of all leadership programs needs to be measured in terms of their ability to build scalable and sustainable capacity. The programs should focus on developing entrepreneurs who can inspire their teams and expand the reach and impact of their businesses.

4.2.15. Strategic Management as a Leadership Competency

Many SMEs fail to use strategic management tools. Developing the capability to plan and execute strategies effectively is essential for growth, yet SMEs often neglect this leadership competency in favour of focusing on immediate operational concerns.

4.2.16. Defining Core Competencies

There is a need to establish a baseline of core competencies that all SMEs should possess. Training programs should first focus on these core skills before expanding to ancillary competencies.

4.2.17. The Importance of Continuous Learning

Entrepreneurs must be willing to constantly learn and relearn, adapting their skills and knowledge as their businesses evolve. This continuous learning is necessary to meet the challenges that come with scaling a business.

4.2.18. Time Constraints and Operational Pressures

SMEs struggle to dedicate time to training due to their involvement in daily operations. This makes it challenging to implement continuous training programs that address their evolving needs.

4.2.19. Structured Learning Progression

SMEs must first acquire a baseline of fundamental knowledge before progressing to more advanced topics related to their own specific needs.

4.2.20. The Role of Mentoring and Advisory Services

Mentoring and advisory services are crucial for SME development, especially when building trust between SMEs and support organisations. SMEs need ongoing guidance and support to navigate the complexities of their operations and growth.

4.2.21. Leadership Development as Capacity-Building

Capacity-building through leadership development programs is identified as a key intervention to strengthen SMEs. These programs should aim to scale up leadership abilities and build capacity at all levels of the enterprise. The ideal participants for these programs are those who are open-minded and willing to grow and improve.

4. Findings from the Study *(continued)*

4.2.22. Managing Growth and Complexity

As SMEs grow, they face increased complexity in their operations. Entrepreneurs must develop their capacity to manage this complexity by introducing new systems, practices, tools and mindsets. For example, adopting ISO standards or new project management tools is critical as businesses seek to improve and scale their operations. Using tools like timesheets, project management systems, and asset management solutions can streamline operations and improve business efficiency. As SMEs grow, they require more control and monitoring systems to manage their operations effectively.

4.2.23. Cost Control and Resource Management

Other capacity development areas are cost control, including managing production costs, hidden costs, and wage increases. This includes a focus on cost-effective management of resources like labour, equipment, and production inputs, not forgetting hiring, development and retention of people. Entrepreneurs must figure out how to support the new costs associated with the scaling-up and growth of their businesses while maintaining their unique value proposition.

4.2.24. Leveraging Technology for Efficiency

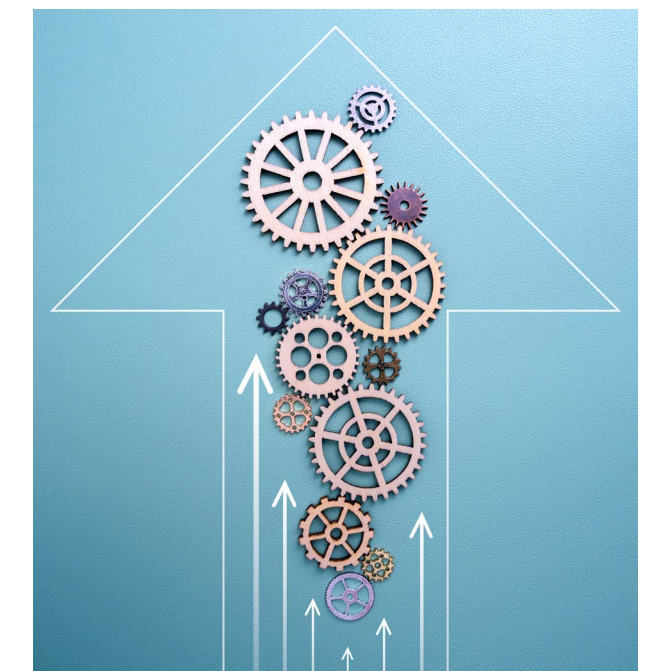
Technology can play a major role in enhancing operational efficiency, but it requires the right resources and competencies to implement. SMEs must continuously evaluate and adopt the right technological solutions to streamline their processes, reduce costs, improve quality and adapt to market evolutions.

4.2.25. Developing Problem-Solving and Leadership Skills

Problem-solving is recognized as both a generic and acquired skill. The development of this competency is vital for SMEs to navigate challenges without becoming discouraged. Leaders need to develop the ability to empower others and spread their skills, thus compounding the team's overall capacity.

4.2.26. Understanding the Product Life-Cycle and Strategy

SMEs often lack an understanding of the product life-cycle, which is critical for knowing when to pivot or adjust strategies. Entrepreneurs must be educated about different strategies for different phases of the business lifecycle to navigate growth carefully and effectively.



4. Findings from the Study *(continued)*

4.2.27. Innovation and R&D for Growth

With regard to finding opportunities for new products, services or processes, a mindset of innovation and Research and Development (R&D) is required. There are simple and cheap methods that SMEs can think of to improve their processes and services, but it requires a R&D mindset and a desire to embrace change. This highlights the importance of innovation and continuously improving products and services.

4.2.28. Technological Capacity and Sector-Specific Solutions

SMEs, especially in sectors like agriculture, can benefit significantly from using software to define and optimize their operations. Software can help map terrain, work processes, and provide insights into sector-specific challenges. This emphasizes the need for technological capacity in SMEs to enhance productivity and innovation.

4.2.29. Branding, Communication and Market Differentiation

As SMEs begin to curate and establish their uniqueness, they need to understand the importance of branding, clear communication, and visibility to differentiate their products and services on the market and cultivate their uniqueness. Investing in branding and learning how to market and position products are essential steps for sustainable success and growth. As they understand the necessity for bringing in new solutions, they also require the competencies to manage change smoothly and effectively.

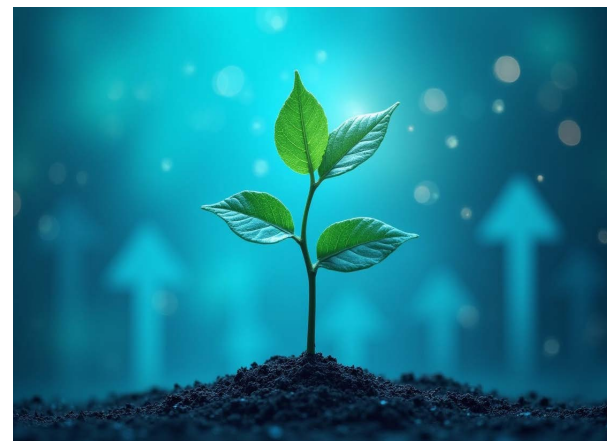
4.2.30. Change Management and Targeted Interventions

The capacity for change management and small, targeted interventions that lead to broader systemic transformations is suggested. There is a focus on gradually building up SMEs through continuous yet impactful interventions that are carefully measured and tailored to specific needs.

4.2.31. Embracing Green Initiatives for Sustainable Growth

Finally, there is currently a strong focus in the business environment on green initiatives and long-term investments that promote sustainability while also generating visible profits.

SMEs are encouraged to adopt environmentally friendly practices that align with global trends and have a positive community impact.



4. Findings from the Study *(continued)*

4.3. Required SME leadership competencies

4.3.1. Breaking Away from Traditional Mindsets

Successful entrepreneurs are those who can break away from traditional mindsets and embrace challenges. The entrepreneurial culture in Mauritius is still developing, with many individuals expecting to be guided rather than taking the initiative themselves. This dependency hinders the growth of entrepreneurial skills.

4.3.2. Qualities of Successful Entrepreneurs

Entrepreneurs need to possess qualities such as tenacity, the ability to take risks, and a deep curiosity to explore new ideas. There is a need to cultivate an entrepreneurial mindset where individuals are motivated to search for solutions and innovate, rather than relying on others for guidance.

4.3.3. The Struggle for Purpose and Commitment

A key challenge is to develop a clear purpose and commit to their ideas. In a competitive landscape, businesses must adopt modern practices and invest in technology struggle to keep up. A culture that values passion and ambition for the entrepreneurial journey, encourages risk-taking, and supports individuals who want to build something meaningful and sustainable must be built, as opposed to seeking comfort.

4.3.4. Entrepreneurship as a Default, Not a Choice

However, the majority of SMEs in Mauritius emerge by default, not by deliberate choice or passion. Only a small percentage of the population is predisposed to be entrepreneurs, and the education system does not foster entrepreneurship from an early age, unlike in countries such as Singapore.

4.3.5. Negative Perceptions of Entrepreneurship

Entrepreneurship is not viewed as a respected or viable career path by many, with parents discouraging their children from entering small business activity. This lack of positive role models and the scarcity of success stories lead to negative perceptions of entrepreneurship.

4.3.6. Shifting the Mindset and Promoting Growth

There is a need for a shift in mindset towards embracing entrepreneurship as a means of personal and national growth. The example of Rodrigues doing better than mainland Mauritius in entrepreneurial culture is seen as evidence that different personal, community and natural attitudes toward entrepreneurship can significantly impact the success of SMEs and the SME sector. Creating a positive culture around entrepreneurship is seen as essential for future growth.

4.3.7. Mapping the Impact of SMEs

There is a necessity to capture deeper understanding of SMEs, their contribution to the economy (GDP, employment, value-added, community development), and the challenges and risks they face. This is framed as a "mapping" or "cartography" exercise to fully grasp the scope and impact of SMEs operating across sectors and made up of a diverse set of activities.

4.3.8. Lack of Managerial Skills

A significant challenge for SMEs is the lack of managerial skills, which hinders their ability to grow and expand. The entrepreneurial competencies required to succeed, such as leadership, problem-solving, strategic thinking, and decision-making, are often missing, leading to operational inefficiencies.

4. Findings from the Study *(continued)*

4.3.9. Industry-Specific Knowledge Gaps

The general lack of experience and understanding in certain industries, such as niche markets or recycled products, further complicates SMEs' ability to succeed. Entrepreneurs may have ideas but lack the skills to bring them to fruition, especially in terms of sourcing, marketing, and distribution.

4.3.10. Reluctance to Take Risks

There is an ingrained reluctance to take risks, particularly among medium-sized businesses that are financially secure but hesitant to innovate or invest in new ventures. Many SMEs in Mauritius face a contradiction in their image and brand, such as businesses claiming to be environment-friendly, yet still selling or using plastic items.

4.3.11. The Need for Education System Reform

The education system does not adequately support entrepreneurial ambitions. The emphasis on traditional careers discourages young people from pursuing entrepreneurship. There is a need for a shift in the education system to make entrepreneurship a natural choice and a core part of education.

4.3.12. Lack of Role Models and Mentorship

The lack of success stories, role models, and mentorship within the SME ecosystem additionally acts as a deterrent to new entrepreneurs, and many existing entrepreneurs are intimidated by the challenges of growth and reluctant to invest in innovation.

4.3.13. Mindset and Entrepreneurial Spirit

The importance of cultivating entrepreneurial spirit from an early age was emphasized during the study, including the necessity for starting leadership education in schools and universities.

A significant gap in the "entrepreneurial" mindset was identified, notably demonstrated in the trend that many younger entrepreneurs struggle to complete their ventures, possibly due to a lack of courage and resilience, referred to as "grit". The entrepreneurial mindset is often underdeveloped, especially in government schools where the focus is not on drive and initiative but on passive acceptance of "teacher knows best".

4.3.14. Awareness of Leadership as a Concept and Practice

Leadership is not traditionally valued or taught, particularly in the SME sector. A mindset shift is required for SMEs to focus not just on operations but also on strategy and personal leadership, such as emotional intelligence. There is a need to emphasise leadership in all stages of a person's life cycle, from school to university and beyond. Leadership in general, self-leadership, character and resilience are vital qualities that need to be developed early on an entrepreneur's journey.

4.3.15. Issues of Delegation and Focus

Many SME owners and managers are focused on day-to-day operations and fail to pay attention to strategic leadership, succession matters, and competitive analysis. The tendency to do everything themselves can hinder growth and development of the business as a whole. In the case of family businesses, challenges linked to generational differences in vision and methods as well as poor succession planning are also very real blockages to growth and innovation.

4. Findings from the Study *(continued)*

4.3.16. Encouraging Adaptability and Openness to Innovation

The environment for SMEs needs to support continuous learning and adaptability, encouraging entrepreneurs to be open to new ideas and innovations. SMEs today require practical, hands-on training rather than traditional, theoretical approaches. If many SMEs are stuck in outdated ways, particularly when it comes to leadership and management practices, it might have something to do with the types and methods of the training they receive.

4.3.17. The Importance of Education in Entrepreneurship

There is a strong emphasis on the importance of education in entrepreneurship. Entrepreneurs who have pursued formal education, like those who attended workshops or diploma or degree programs in entrepreneurship, are more likely to succeed. However, many entrepreneurs started out with little or no formal education and may face challenges in coming to terms with leadership concepts. SMEs generally often lack basic knowledge in areas like trade, finance, regulatory frameworks, and export processes.

4.3.18. Foundational Knowledge and Practical Training

The development of foundational basics is needed to address these knowledge gaps, with a focus on practical business knowledge that SMEs can immediately apply. Training and development programs should cover essential topics to build strong business fundamentals. Some programmes cover a range of aspects but it must be first ensured that startups have acquired a foundational base of knowledge before advancing to more specialized training.

4.3.19. The Importance of a Growth Mindset

A growth mindset is crucial for overcoming challenges and successfully evolving as a business. Entrepreneurs need to be willing to change, un-learn and relearn, particularly when it comes to new technologies and new management ideas. Entrepreneurs must be willing to set aside their egos and learn to adapt to new leadership styles, tools, and practices. A leadership style that is flexible and respectful of employees will help retain talent and improve company culture. Effective leadership within SMEs is often organic and evolves as the business grows. Entrepreneurs must understand that their leadership style needs to adapt to meet the demands of each phase of business growth, and that their competency set may need to be adapted.

4.3.20. Bridging the Mindset Gap

Whether an entrepreneur starts out her/his venture out of default, to take up the family business, as a side-hustle, or with a passion for creating something unique, they must also continuously develop their mindset and skills for success: through strategic management, managing people, managing efficiency and quality, innovation and growth. Setting up a business is not enough; entrepreneurs must embrace a growth mindset that is adaptable and open to learning and improvement. Many SME owners, especially those without formal education or a background in entrepreneurship, have a mindset that focuses on day-to-day operations and immediate financial needs, rather than strategic learning or long-term growth. This limited scope hinders their ability to think beyond sales and basic operations.

4. Findings from the Study *(continued)*

4.3.21. Entrepreneurial Dreams vs. Market Reality

Entrepreneurs often have big dreams but are constrained by the market reality, such as the difficulty of expanding into export markets. They must therefore be encouraged to be open to risk-taking and to embrace the challenges that come with growing a business. This includes developing resilience, courage, and drive through real-life examples and stories that instil a sense of determination. Entrepreneurs need to be taught the value of persistence, of how to face challenges head-on, and navigate through difficult times. This includes understanding the importance of staying accountable and being honest about the foundations of their business. Entrepreneurs must also learn how to manage obstacles and remain motivated while striving for success. They must learn to be adaptable and resilient, particularly when facing challenges in production costs, labour shortages, and competition.

Entrepreneurs must learn to develop techniques like mindfulness, character development, and resilience, which are critical for personal growth and overcoming challenges. This includes understanding how psychological processes may affect their decisions and choices.

4.3.22. Work Culture and Employee Engagement and Retention

Building a strong work culture, treating employees well and growing a culture of wellbeing are key to retention and growth of talent. Entrepreneurs need to understand the importance of a motivated and engaged workforce and a positive workplace environment as foundations for long-term business success.

By fostering a culture of respect and by valuing the contribution of all employees enriches the workplace experience and enables the business, through an engaged workforce and participative decision-making, to take on challenges and new projects with confidence.

For example, entrepreneurs are encouraged to manage people effectively by understanding why they may be absent from work and addressing these issues rather than resorting to autocratic or harsh leadership styles.

A collaborative and supportive approach is emphasized over yelling or micromanaging employees.

4.3.23. Entrepreneurship for Local Community Development

The idea that local communities' needs have been sidelined in the development of the economy and of markets was highlighted in the context of small business activity.

Entrepreneurs feel a lack of consideration, and they themselves often lack the confidence, to see themselves as a cornerstone to community development and engagement.

Large corporations are seen as overlooking local communities' right to thrive and be offered high-value products and services to better their quality of life.

4. Findings from the Study *(continued)*

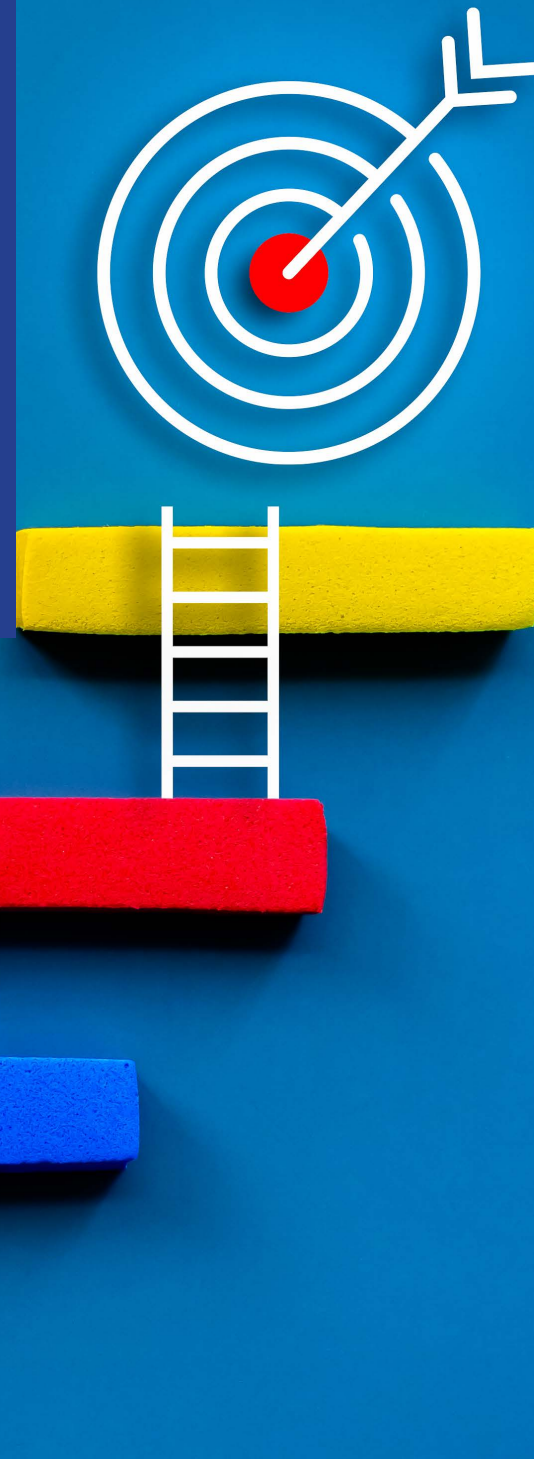
4.3.24. Leadership and Empowerment

The mindset of entrepreneurs regarding the success factors of their business is crucial to their success. Empowering teams, practising participative decision-making and adopting soft leadership approaches, or "debossing," is emphasized as a key cultural shift that will strengthen SMEs. Leaders who empower others create trust and consensus within their teams.

Entrepreneurs must also have clarity as to the basis of their business, and the their products or services. Being authentic and true to a common set of values and communicating the *raison-d'être* of their product and service offerings is highly inspiring to their workforce. Setting a clear and strong example of honesty and authenticity for their teams, who "walk the talk" and are transparent about the true state of things build credibility and trust within their organisations. Mental fatigue among entrepreneurs was systematically mentioned during the study and was linked to a lack of delegation skills, of employee empowerment and an over-focus on operational matters. An attitude shift towards empowering teams and delegation of roles and responsibilities, and allowing leaders to focus on strategic concerns is necessary for innovation and sustainable growth. Entrepreneurs need to inspire their teams by leading authentically and being honest about the challenges of the business, thereby appealing to all organisational members to participate in leading the business into effective problem-solving and strategising.



The development of a competency framework for leadership development for SMEs in Mauritius



5. The development of a competency framework for leadership development for SMEs in Mauritius

5.1. Leadership as a Process and Practice

The review of the leadership literature has shown that the focal point, or, more often, the focal person, is indeed the leader herself/himself. However, we have also seen that there exist certain collective dynamics, social processes, that also produce leadership. Learning is vital to leadership when we view leadership as a process and as a practice. The source of leadership is therefore as much as top-down between leader and team members it is across, connecting individuals with each other in practice. As team members engage collectively in learning as they lead, they commit to reflecting on their own actions. Gronn (2002) calls for the “moderation” of the “sacred relationship” between top and bottom to allow for organisational leadership that is spontaneous and intuitive as planned and conscientious. Drath et al. (2008), too, suggest processes that produce the functional outcomes of direction, alignment and commitment.

5.2. Singapore’s Framework for SME Development

If we consider the approach taken by Singapore to promote the transformation of SMEs as a key to achieving economic resilience, it represents a framework for SME development which, to some extent, embodies the various elements and variables reviewed in this chapter. This is the three-pillar People-Process-Technology framework, believed to hold great potential to help SMEs better position themselves to navigate business and technological challenges in an effective and sustainable manner.

Indeed, to remain competitive, SMEs must embrace digital transformation by investing in a skilled workforce (People), adopting clear and efficient workflow processes (Process), and integrating technologies (Technology) (Koh, 2024).

It makes sense, therefore, in the context of reviewing concepts of leadership with the specific purpose of developing a practical developmental/training agenda, that a composite perspective be adopted to enable a leadership-as-practice result. Viewed as a practice, a leadership developmental framework can take advantage of both broad approaches: without making the individual leader a fixation in terms of actionable skills development, we provide a tool to encourage both action at the individual and collective, or organisational, levels.

5.3. Rethinking Traditional Leadership Development Models

As well, leadership development must require a different approach from the more conventional classroom epistemology that pulls leaders/managers out of their workplace to attend classes that presume to teach leadership competencies, such as MBAs taught by Business Schools (Kitching & Blackburn, 1999). As we have seen, leadership is occurring at a particular site, all the time, individually as well as collectively. This implies, or at least raises the risk that, learners in classroom settings, while finding competencies interesting and even memorable, will not be able to apply these to the real problems as they happen in the organisational environment (Raelin, 2008; Salaman and Butler, 1990; Jones et al., 2013).

5. The development of a competency framework for leadership development for SMEs in Mauritius *(continued)*

5.4. A New Competency Framework

A composite competency framework will enshrine the concept of “withness” or the idea of “meta-competencies” to encourage leadership learners the understanding of how, using competencies, to apprehend the subjective, in situ conditions when interacting and learning with others and situations at the workplace (Shotter, 2006; Raelin, 2007). The way forward has to at least in part rely upon such approaches as case study analysis, action learning, situational learning, project-based learning, and reflective log-keeping, in which leadership learners are given the opportunity to stop and reflect on real-time /real-life conditions occurring in work environments.

5.5. The Need for Change Agency at Multiple Levels

Not many in an SME environment will be ready to take on leadership or leaderful properties, so change agency also needs to occur at multiple levels of experience, namely at individual, interpersonal, team, organisation, and network levels (Raelin, 2010; Wong et al., 1997). A coaching mindset would help team members make “collective and task-appropriate use of their collective resources in accomplishing the team’s task” (Hackman and Wageman (2005: 269). Carson, Tesluk, and Marrone (2007) also found that coaching, along with shared purpose, social support, and participation, provided the antecedent conditions that can lead to shared leadership and to ultimate team effectiveness.

5.6. Learning to Lead Collectively

Participants in this collective leading learn to listen to each other and listen to themselves through others. They also learn to engage honestly with the situation unfolding in front of them, occurring daily and over time.

The overarching approach is to endorse a culture of learning and participation within the system in question, they decide on what they hope to accomplish and organise their individual and team tasks required to achieve the agreed goals (Ketey & Meredith, 1997; Smith & Whittaker, 1999)). The idea is to commit to one another as a collective dedicated to agreed, validated outcomes.

5.7. Meta-Competencies in Leadership Development

All of these capabilities and attitudes may be developed, under competencies labelled as simple competencies or meta-competencies. These capabilities will empower SMEs to navigate the complex challenges of the global economy, seize new growth opportunities, and contribute to economic resilience and prosperity.

5.8. A Framework for Leadership Development

A sound leadership development framework serves as a roadmap for identifying, developing, and nurturing leaders at all levels of the organisation; it would help the organisation pave the way for effective leadership through a process that involves identifying key leadership competencies, assessing current leadership, defining leadership levels and “spots”, designing the development programs, implementing the framework, and continually evaluating and refining it.

5.9. Link Between Leadership Competencies and Firm Performance

In short, the link between leadership competencies and firm performance is a causal map of actions and results, as described below. This causal map of SME leadership competencies comprises a set of key or core pillars of leadership competencies for SMEs such as strategy skills and fundamental leadership skills, that would develop the necessary capabilities in the organisation, like the ability to develop and share a compelling vision.

5.10. The Role of External Forces in Leadership Development

These core competencies form the springboard from which more focused ancillary leadership competencies may be selected by SMEs to be the subject of their leadership development. Nevertheless, these developmental focus points are caveated by the presence of empowering and enabling driving forces in the external environment, given that determination and courage to succeed as a SME may rarely be sustained unless a broader business and policy ecosystem is maintained to act as a web of support, opportunities, networks and institutional arrangements. The framework was double-tested, firstly during the focus group meetings, then by feedback received from the pilot study.

FIGURE 1: LDP CONCEPTUAL FRAMEWORK



6. Leadership development curriculum for SMEs in Mauritius

The themes emerging from the findings of the study and uniquely conceptualised via the SME Leadership Competency Framework have formed a rationally-determined database of training needs assessment, in turn to form the basis for the articulation and elaboration of a leadership development curriculum for SMEs in Mauritius. As such, a curriculum made up of five core competency courses and fourteen ancillary courses was developed with the specific needs of SMEs of Mauritius in mind.

The five “core” competency units of learning and development for SMEs are as follows:

1. Fundamentals of Strategic Management
2. Decision making and problem solving
3. Positive Workplace and People Management
4. Understanding Leadership Excellence
5. Building a high-performance organisation

These comprise the essential competency areas for all small and medium businesses, and would bring about the ability to:

- acquire a working understanding of the importance of strategic planning and long-term orientation and to apply the basic skills of strategy;
- analyse potential solutions, and choose the best course of action to address challenges;
- adapt, grow, and operate effectively in a competitive environment;
- define and communicate the contribution of leadership in organisational excellence, and to learn the leadership approaches suited to specific context;
- understand and communicate the key ingredients of a high-performance organisation, high-performance culture and how high-performance teams may work;
- set the foundations for workforce engagement and motivation, and how to create a positive workplace environment for all, and
- understand the importance of effective and efficient decision-making and to apply tools of problem solving.

Additionally, fourteen complementary or ancillary courses were created with the aim of developing the competencies of entrepreneurs having completed the core courses and who have identified specific areas where knowledge, skills and insights were necessary in order to take their businesses to greater levels of productivity and competitiveness.

6. Leadership development curriculum for SMEs in Mauritius *(continued)*

Such developmental opportunities form an integral part of their continuous leadership development, subject to their own analysis of their developmental needs, in terms of contextual relevance and/or business life cycle stage as well as their personal choices.

The “ancillary” competency units of learning and development for SMEs are:

1. Environmental scanning and competitive analysis
2. Stakeholder analysis
3. Fundamentals of business financials
4. Leadership for times of change
5. Building Core Competencies from the Inside
6. Coaching and Motivating Staff
7. Self-leadership and emotional Intelligence
8. Building the leader-ful culture and crafting a compelling vision and common destiny
9. Family Business Growth, Opportunity and Challenges
10. Producing Strategic and Operational Plans
11. Improving Communication and Interpersonal Effectiveness
12. Time Management and Work-Life Harmony
13. Strategic Brand Management
14. Building organisational citizenship behaviour amongst employees

6.1. Training of Trainers

Each of the course units are delivered and facilitated in person, and none are self-taught. As such, trainers and facilitators will have to be prepared for the grasp of the content but more especially, for the teaching-and-learning approach to be adopted in order to render each and every learning experience for the participants relevant and actionable, in light of the very special nature of SME environments, notably resource and structural constraints, to name but two factors.

Trainers and facilitators will undergo a half-day preparatory workshop for each of the units and necessary follow ups and monitoring will have to be undertaken regularly to ensure that trainers and facilitators are offered the opportunity to provide feedback on the training process, and appropriate improvements may be brought about in a continuous manner. For instance, techniques such as Action Learning, Reflective Summary, or Case Study method, being quite particular in their manner of execution, must be effectively implemented by the trainers so as to be fully optimised in bringing about effective and impactful change through new skills and knowledge.

6.2. Training Evaluation

Following the ADDIE (analysis, design, development, implementation and evaluation) concept of effective training development, a continuous and iterative approach is being adopted for the SME Leadership Development Programme. Thus, regular check-ins will be performed by the implementing body, feedback will be collected both from participants and trainers, and any consequent and reasonable updates and adjustments will be made, be these in the form of additional learning units, re-actualised content or learning approaches, or different media and channels, to respond to changing needs and circumstances.



Recommendations and Conclusions



7. Recommendations and Conclusions

7.1. Recommendations

The present report has presented the rationale, conceptual basis, focus areas, methods and findings with respect to the research process, as well as the analysis of the findings with a view to form the solid foundation upon which a leadership development programme was constructed. What has emerged clearly from the collective wisdom of the study-participants is that small businesses in Mauritius (excluding Rodrigues) face numerous challenges, both on the internal, micro level, as well as on the external, macro level, with the general consensus emerging that the national ecosystem within which SMEs are operating is inadequate in providing the required information, communication, support and commitment towards empowering and valuing SMEs as key socio-economic players.



7. Recommendations and Conclusions (continued)

A large number of suggestions may now be made to address the issues raised during the study.

1. The necessity to redefine SME understandings and classifications, to identify the particular needs of each small business.
2. Developing a tracking and subsequent analysis of individual small businesses, their life-cycle stage, their sector of activity, their size, and so on, avoiding thus generic one-size-fits-all schemes;
3. Restructuring or introducing services – financial, fiscal, market, and so on – targeted to the specific needs of small businesses on the basis of a thorough understanding of their lifecycle stage, size of operations, product or service characteristics, workforce types, history and origin, and the traits and dispositions of the manager/leader.
4. The necessity for a centralised, streamlined and rationalised, “one-stop” mechanism to address the specific issues and needs of small businesses;
5. Special coaching for multi-generational small family businesses in areas of: succession planning, conflict management, visioning and strategic planning and interpersonal relation skills;
6. A national image enhancement and public awareness strategy aiming at a more responsive, respectful and supporting environment for small businesses to operate and thrive;
7. A new “No-SME-left-behind” policy to ensure a reversal of the trend for high rate of SME failure; the mission of such a policy would enhance the image of the SME “sector” but also be the means to uphold and value those SMEs that wish to remain small and offer high-quality, niche-market products and services, all the while offering necessary support to all SMEs wishing to scale up and even ambition to reach export markets;
8. Identify and remove all hindrances, encumbrances and excessive bureaucracy at all service counters and all institutions claiming to offer services to SMEs;
9. Governmental and private support schemes and/or grants must be rationalised and upgraded to offer more substantial, useful and impactful services and solutions to small businesses;
10. Reduce generic solutions to a minimum and introduce customised, process-consultation types of services and support schemes and programmes;
11. Focused resources to be earmarked for the development of the local market where small businesses may thrive and effectively offer extraordinary products and services to delight the local market;
12. Separate attention must be paid to the Rodrigues SME landscape, with the advisability of a study to determine both good, replicable practices as well as particular areas of challenge and difficulty;
13. Adequate outreach and purposeful communication on the part of support mechanisms and institutions towards SMEs that need to be sensitised and often coaxed and encouraged about the existing support schemes and facilities, thus enabling the SMEs to take full advantage of the latter;
14. A special-purpose, incentivised SME Employment Scheme to be designed and put in place to (a) make it attractive for young graduates to join the SME sector, and (b) offer cross-disciplinary skills enhancement programmes for existing or new SME employees.
15. A special technology-uptake scheme to be implemented to focus on SME needs and possibilities, encompassing awareness creation, identification of appropriate technological potentials, such as in robotics, AI or automation, and facilitation of implementation and follow-up;
16. Mandatory management and leadership development for all applicants to SME support schemes or grants;
17. Mainstreaming entrepreneurship education into the formal educational system in an appealing and interesting way;
18. Empower and promote small businesses specifically while curbing overt or covert strategies of large businesses, conglomerates, and MNCs to dominate markets.



7. Recommendations and Conclusions (continued)

7.2. The Need for Recognition and Individuality in SMEs

Clearly, it is cry from SMEs to be heard, understood and valued in their individuality, and not, as it seems has been the case so far, as a collective with a common profile. This is the backdrop against which they acknowledge the necessity to grow their aptitudes for strategising, identifying opportunities, developing uniqueness, attracting and building a talent pool, and growing their internal structures and cultures for continuous learning and upskilling.

7.3. The Role of Soft Skills in Leadership Development

In this vein, they have also acknowledged the crucial role played by soft skills that go beyond profitability and balance-sheet concerns. Self-management, inner personal development and personal dispositions and mindsets, such as keen emotional intelligence, openness to feedback, coaching, participatory decision-making, delegation, and employee engagement and teamwork, all which form a bundle of competencies under the umbrella of “leadership”, form a solid and sustainable foundation for successful corporate life for a small or medium businessperson.

7.4. Approaches for Leadership Competency Development

Several suggestions also emanated regarding the methods and approaches most suitable for the development of leadership competencies, such as the necessity to first develop a core and foundational knowledge and skill base, followed by a “menu” of training modules and activities from which individual SMEs would choose from and be guided towards, according to their specific adaptive challenges, needs and requirements.

If properly embraced and incorporated into the life of the business, strategic alignment, change management, employee engagement, and personal leadership will all become a natural process of organisational improvement and development over the long, sustainable term.

7.5. The Need for a Framework for Leadership Competency Development

What must logically follow from this is, first of all, the existence of a framework for the development of leadership competencies to guide the deep, systemic transformations in leadership and management of SMEs over the long term, starting by the foundational core competencies for all SMEs. The idea to be sold is that, to achieve leadership excellence, SMEs must integrate a small number of foundational leadership competencies all the while grooming their personal dispositions/ mindsets and creating a workplace environment conducive to excellence. They must internalise and take ownership of all the components of the framework and chart their leadership journey at the point of the core learning units and make their way around, over time, to all the other components.



7.6. Tailored Leadership Development for SMEs

Such core, or foundational, competencies cut across multiple domains and sectors of activity. Following a careful and necessary mapping of SMEs according to their life-cycle stage and specificities, the “menu” of ancillary competencies is offered to SME leaders having acquired the foundational skills, mindset and knowledge base, to attend to their specific needs for leadership competencies and customised both in terms of content and approach. Such targeted developmental interventions would yield enterprise-specific impacts that would also accommodate the time constraints of individual entrepreneurs. Around this micro-oriented methodology, a multi-provider, multi-stakeholder approach is necessary so as to address all the identified needs as well as constraints of SMEs as a whole but more especially, each individual SME, taking into consideration the parameters within which each provider or player is able to operate for the sake of grants, schemes, facilitation, and so on.

7.7. The Role of Competent Facilitators and Support Programs

Facilitators, mentors and trainers must be themselves committed and competent to the mission of growing and empowering SME entrepreneurs. Governmental or private schemes, programmes and entities can come together to fulfil the terms of reference of this challenge, as it would not be feasible for entrepreneurs to equip themselves with knowledge and skills only to find that the business and/or policy landscape is disabling or insufficiently empowering.

7.8. A Long-Term, Adaptive Approach to Leadership Development

Such a developmental journey is necessarily long-term, with no specific finish line or conclusion. As such, the framework developed in this research project is the basis for any SME leadership development activity that starts with the foundational competencies, and grows organically with the needs of the business over time, as the latter adapts to changes in the environment as well as to emerging priorities and focus. The journey must therefore be undertaken in phases, taking an iterative, adaptive approach, with check-points for evaluation and redirection.

7.9. Policy and Business Action for Sustainable SME Growth

It is hoped therefore that necessary and appropriate actions, both at the level of policy – national and sectoral – and at the level of individual small business as well, will be led to respond immediately and in a sustained fashion, no excuses accepted.



Annex 1 List of Key Informants Consulted

SN.	Name	Title and Organisation
1	Mr. Geerish Bucktowonsing	Director of Industry, Economic Development Board (EDB)
2	Mr. Amar Deerpalsing	Entrepreneur and President, Federation des petites et moyenne entreprises
3	Mrs. Maya Sewnath	Managing Director of SSS Furniture Ltd
4	Dr. Drishtysingh Ramdenee	Secretary General, Mauritius Chamber of Commerce & Industry (MCCI)
5	Mrs Rooma Narrainen	Head of Advocacy, Mauritius Chamber of Commerce & Industry (MCCI)
6	Mr Ravin Rampersad	CEO, SME Mauritius
7	Mrs. Benita Baichu	Director, Zapproach Ltd
8	Mr. Jean-François Lagesse	Managing Director, Domaine de Labourdonnais
9	Mr. Subheer Ramnoruth	Director Academic & International Affairs, Whitefield Business School
10	Mr. Jacques Gilbert Ricot	Managing Director, Pik Pik Studios Ltd
11	Mr. Raj Makoond	Program Director, Eclosia
12	Mrs. Shirin Gunny	CEO Association of Mauritian Manufacturers & Made in Moris

Annex 2 List of Participants in Focus Group Discussions

SN	Name	Organisation	Sector
1	Jean Michel Quevauvilliers	ETMS Ltd	Consultant in Engineering
2	Vivian Moutou	Pom D'or Ltee	Food processing
3	Meghna Raghoobar	HolistiZen	Wellness
4	Joanna Curpanen	Furniture Elegancy	Manufacturing - Furniture
5	Yego Gontran	Black Pot Ltd	Manufacturing-pots fibre de verre
6	Everie Gontran	Black Pot Ltd	Manufacturing-pots fibre de verre
7	Richard Foiret	Oxygen for Life Co. Ltd	Manufacturing - Medical Gas
8	Kenny HEERAMUN	Ken & Nish Co Ltd	Bakery & Pastry
9	Faheem Toorabally	Estee Co Ltd	Manufacturing
10	Devarajen Chettiar	Bagyalakshmi Co Ltd	Food processing
11	BAHADOOR SOODHEER	BAHADOOR PRINTING LTD	PRINTING
12	DEEPTA SOODAYE	DEE CRAFT ENTERPRISE LTD	HANDI CRAFT ITEMS
13	Nitish Nalam Nastili	BN SAFETY LTD	Civil Engineering Construction Works (Road Traffic Signs)
14	Zabeel Rahiman	Maubee Cooperative Society Ltd	Agro Processing
15	LO HUN Jean-Mée	Clido Catering Ltd	Agro Alimentaire

Annexes (continued)

Annex 3 List of Participants in Pilot Training of the two (2) Modules

SN	Name	Organisation	Sector
1	Jean Michel Quevauvilliers	ETMS Ltd	Consultant in Engineering
2	Vivian Moutou	Pom D'or Ltee	Food processing
3	Meghna Raghoobar	HolistiZen	Wellness
4	Joanna Curpanen	Furniture Elegancy	Manufacturing - Furniture
5	Yego Gontran	Black Pot Ltd	Manufacturing-pots fibre de verre
6	Richard Foiret	Oxygen for Life Co. Ltd	Manufacturing - Medical Gas
7	Devarajen Chettiar	Bagyalakshmi Co Ltd	Food processing
8	BAHADOOR SOODHEER	BAHADOOR PRINTING LTD	PRINTING
9	DEEPTA SOODAYE	DEE CRAFT ENTERPRISE LTD	HANDI CRAFT ITEMS
10	LO HUN Jean-Mée	Clido Catering Ltd	Agro Alimentaire



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