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## The Small Enterprise in the Training Market

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#### **Abstract**

**Purpose** – The paper presents empirical evidence outlining the ways in which small businesses orientate themselves towards the training market. The primary aim is to illuminate the factors influencing small firms' (non-) participation in formal, externally-provided training.

**Design/Methodology/Approach** - Data were collected via semi-structured interviews with senior managers, observation and documentary analysis in 25 small firms in South Wales. Follow-up interviews with employees were conducted in 9 of these firms.

**Findings** - The findings suggest that the small firm's behaviour in relation to the training market is embedded in a complex web of social relations and subjective orientations.

**Research Limitations/implications** - The research focuses upon one specific regional area. In addition, retail organisations were not represented in the sample.

**Practical implications** – The findings have implications for policy and also for providers of training in terms of the way in which formal training is presented and marketed to small businesses. In particular, the importance of accessing 'insider networks' is emphasised.

**Originality/value** – In highlighting the importance of social and subjective factors in constructing the small firm's behaviour in the training market, the paper goes beyond the narrower, more conventional focus on financial costs and returns.

**Keywords** - Training, Social construction, Small enterprises, South Wales.

Paper type - Research Paper.

#### Introduction

Recent years have seen significant advances in our understanding of how learning occurs in the small business. A growing and compelling body of evidence suggests that the relatively low levels of formal training recorded among small firms (see, for example, DfES, 2003) may not be quite as alarming as they might appear, given that such firms tend to rely more on *informal* modes of skill acquisition. Informal learning, it is argued, is more resonant with the internal environment of the small business, more suited to its needs and potentially more supportive of high performance (see, for example, Gibb, 1997; Doyle and Hughes, 2004; Ashton *et al.*, 2005).

Yet there may be a danger in over-extending this enlightened position to create an orthodoxy that neglects formal training altogether. While it is crucial that we recognise the importance of informal aspects of learning in small firms (as in all organisations), it would be hazardous to advance a position that accords *no* importance at all to formal training. As Ram (1994) points out for example, a lack of externally-accredited training in small firms can place employees at a serious disadvantage in the external labour market. Rabemananjara and Parsley (2006) demonstrate that a tendency towards informal learning has more to do with product market and growth strategies than with smallness

per se. Others have emphasised that formal training *can* have a central role to play in promoting business success among small enterprises, if delivered and presented in appropriate, carefully targeted ways (see, for example, Bisk, 2002; Robertson, 2003; Webster *et al.*, 2005; Barrett, 2006).

Against this background, the paper proceeds on the principle that formal training is important to the small firm sector. There is hence a need to achieve a deeper understanding of how small firms perceive and participate (or not) in formal training, and how they engage with the training market and VET (vocational education and training) providers. It is with these issues that that this paper is concerned; what processes are involved in orientating the small business to the training market? How is its approach to formal training constructed? As will be seen, the conventional answers to which policy-makers have often turned may address only part of the issue, ignoring as they do the importance of social and subjective influences upon learning behaviour within small firms.

#### **Explaining (Non-) Participation in Training**

Typically, participation in formal education and training has been understood essentially from the perspective of rational choice models (e.g. Homans, 1958, 1964) and, more specifically, human capital theory (e.g. Schultz, 1961, and Becker, 1993). Under such approaches, participation – for individuals and organisations alike – is generally understood as the outcome of an isolated, systematic calculation of the quantifiable costs of participation set against expected returns.

Consequently, the focus in explaining (small) firms' apparent lack of engagement with the training market has often fallen upon objective, economic barriers such as restricted resources of time, personnel and money. 'Imperfections' in capital and labour markets (e.g. 'unacceptable' financial risks associated with investment in training), as well as problems in disseminating information about training to employers are also blamed. Suggestions for increasing investment in VET include public loans to ease financial constraints and a consistent, high quality and well-publicised national qualifications framework (see, for example, Stevens, 1999).

Such an approach has been confidently adopted among VET policy-makers in Britain over the last decade or so, with the Dearing Report on Higher Education (NCIHE, 1997: 87) for example stating that:

[t]he future demand for those with higher education qualifications will be shaped by the changing structure of the national economy and the labour market, which in turn will be responding to changes in the world economy and the associated competitive challenges. These forces will find their response in the choices made by individuals about participation in higher education and in employer demand for lifelong learning opportunities on behalf of their employees.

Such convictions, echoed in the more recent White Paper on skills (DfES, 2005), have generated specific policies that seek to increase small firms' participation in training mainly through offering financial incentives such as bank loans subsidised by government funding. However, with such schemes meeting with very limited success (the Small Firms Training Loans scheme was, for example, withdrawn in 2003 due to low

take-up), questions are being asked of the view that 'market failures' are at the root of the purported lack of skills (e.g. Keep, 2006). Attention is turning to other, more sociological explanations of participation in training.

Advocates of the 'new economic sociology' (e.g. Granovetter, 1985, 1992; Block, 1990; White, 2002 and Fevre, 2003), have criticised the narrow, economic rational choice / human capital perspective for failing to locate market behaviour within historical contexts, ongoing social relations and subjective conditions. Other writers have applied this critique more specifically to investigations of how the small firm behaves as an actor in the market for education and training. For example, a number of studies (e.g. Kerr and McDougall, 1999; Lange *et al.*, 2000; Kitching and Blackburn, 2002) have investigated the role of *social and subjective* factors in the determination of the small firm's approach to training. It is these influences that form the focus of this paper and the research project on which it reports.

In the last two decades, the sociological analysis of learning behaviour has gathered pace. For example, evidence suggesting the importance of 'learner identities' (e.g. Weil, 1986; Rees *et al.*, 1997; Hodkinson and Hodkinson, 2004), organisational cultures (Stuart, 1997; Schein, 2004; Bates and Khasawneh, 2005) and environmental or interorganisational influences upon learning, such as social capital (e.g. Coleman, 1997; Maskell and Malmberg, 1999) has focussed attention upon the social situation of learning. The primary purpose of this paper is to illuminate, from an empirical base, the ways in which social and subjective factors such as these impact upon the small firm's engagement with the training market; in what ways is the participation of small firms in training socially and subjectively – as opposed to just economically – constructed? It should be emphasised that, in asking this question the aim is not to deny the significance of 'objective' factors such as financial constraints or statutory regulation in determining participation in training, merely to shed some light on the more social and subjective influences that have often been neglected.

#### **Research Methodology**

The data were collected with the intention of giving voice to the "lifeworlds of SMEs" (Gibb, 2000), through which an insight into the social and cultural drivers of training may be obtained. With this as the primary aim, the data collection strategy took the following approach:

- (1) Semi-structured face-to-face interviews were conducted with senior managers most often the managing director within 25 small firms in the South Wales area. These firms were selected from an internet directory of businesses in the region, and were chosen to represent a variety of sectors and types (see table I for a breakdown of the sample). The purpose of these interviews was to gather information regarding the firm's experience of VET, its general approach to training, the rationale (if any) behind that approach, and the nature of the firm's relationship with other organisations.
- (2) All of the senior managers interviewed were subsequently approached to explore the possibility of further interviews with three or four employees in the firm, at junior management level or below. Nine agreed to this request. In total, 49 respondents were interviewed (including those in senior management).

(3) Data were also collected through non-participant workplace observation of junior employees for a short period (approximately 1 hour) prior to interview, as well as through the accumulation of relevant organisational documentation wherever possible (e.g. training plans, operating procedures and marketing materials).

Business type	No. of employees	Personnel interviewed
Recruitment Consultancy	3	Director
Architecture	4	Managing Director
Chartered Accountancy	4	Managing Director
HR Consultancy	5	Managing Director
Construction Contracting	11	Managing Director
Exhibition Services	12	Director
Marketing Consultancy	12	Managing Director
Hospitality	15	Managing Director
Chartered Accountancy	19	Managing Director
Legal Services	22	Director
Hospitality (a)	29	General Manager
Company Search Services	29	Director
Fruit and Vegetable Wholesaling	30	Managing Director
Central Heating Installation	40	Managing Director
Arcade Game Production	48	Technical Director
Chemical Engineering	94	Managing Director
Chemical Engineering	5	<ol> <li>Managing Director</li> </ol>
		2. Sales Manager
		<ol><li>Production Operative</li></ol>
Multimedia Production	8	<ol> <li>Managing Director</li> </ol>
		<ol><li>Projects Co-ordinator</li></ol>
		<ol><li>Web Developer</li></ol>
Pesticide R&D and Production		<ol> <li>Managing Director</li> </ol>
	8	2. Study Director
		<ol><li>Trials Officer</li></ol>
Public Relations Consultancy	13	<ol> <li>Managing Director</li> </ol>
		2. PR Assistant
		3. PR Executive
		<ol> <li>PR Account Manager</li> </ol>
Mechanical Engineering	14	<ol> <li>Managing Director</li> </ol>
		2. Production Manager
		3. Engineering Technician
		4. Engineering Technician
		5. Welder / Fitter
Mechanical Engineering	15	<ol> <li>Managing Director</li> </ol>
		<ol><li>Commercial Officer</li></ol>
		3. Service Engineer
		4. Service Engineer
Chemical Engineering	23	<ol> <li>Managing Director</li> </ol>
		2. Quality Manager
		3. Accounts Supervisor (Part time)
		4. Laboratory Technician
Website Design Consultancy	25	1. Operations Director
		2. Web Developer / Programmer
		3. Web Developer / Programmer
		4. Creative Designer
Precision Equipment Production	30	<ol> <li>Managing Director</li> </ol>
		<ol><li>Marketing Manager</li></ol>
		<ol><li>Production Manager</li></ol>

Table I. Breakdown of Sample

**Note:** (a) Business is a wholly owned subsidiary of a larger company.

Interviews were digitally audio-recorded, transcribed, coded and thematically analysed. The same coding frame was used for the analysis of interviews and documentary sources, while pre-interview observations were used primarily to inform the questioning of respondents. The following sections outline and discuss the findings emerging from this analysis.

For the purposes of this study, the definition of 'small firm' accords with that adopted by the European Commission; i.e. any firm employing fewer than 50 employees. Those employing fewer than 10 employees are attributed the sub-category of 'micro firm'.

#### **Training in the Context of the Small Firm**

Before examining the specific processes by which training is socially constructed in the small firm, it is first necessary to outline the nature of the organisational context, the specific social environment, within which that construction takes place. It is, after all, the nature of this environment that shapes the construction process. Previous research has consistently emphasised the informality that pervades management and organisation in small firms – particularly firms with fewer than 20 employees – and has also highlighted the impact that this has on learning and training (see, for example, Kotey and Sheridan, 2004; Coetzer 2006). The findings of this research go some way towards reinforcing this picture.

For example, the general approach towards planning and decision-making observed within the firms visited tended towards informality. Even important decisions were often taken without recourse to explicit and systematic cost / return calculations (though there were of course exceptions to this). Senior managers spoke of a more 'gut feeling' style of management. As one managing director observed:

Nick: I keep tabs on what's in the bank, I know generally what's coming in and going out. You have a gut feeling about what you can afford and what you can't, even though you don't have the exact figures in front of you. Most of the time, you can't afford to spend the time searching out all the relevant information about the precise state of your finances, whether you can afford something or not... You've got to weigh things up as they hit you, and make the decision as quick as you can.

(MD, hospitality)

Many respondents echoed this observation, emphasising the need to make swift judgements based on limited information, relying more on an intuitive grasp of symbolic indicators than on hard facts and exhaustive calculations. This bears a striking resemblance to Bourdieu's metaphor of the sportsman in his exposition of 'practical sense'. "Practical sense", he observes,

constitutes the world as meaningful by spontaneously anticipating its immanent tendencies in the manner of the ball player endowed with great 'field vision' who, caught in the heat of the action, instantaneously intuits the moves of his opponents and teammates, acts and reacts in an 'inspired' manner without the benefit of hindsight and calculated reason. (Bourdieu and Wacquant, 1992: 20-21).

This description accords closely with the way in which the managers interviewed made decisions. While not eschewing formal and calculative modes of deliberation, they would normally adopt a rationale for action based at least as much (often more) on an *ad hoc* judgement of intangible, symbolic factors as on an explicit, strategic and exhaustive calculation of objective, quantifiable costs and returns.

Consequently, the 'planning' of (for example) employee training was generally based on a vision of the short-term future that was only partially and vaguely defined, rather than a formal, explicit, long term business strategy. Similarly, when searching for training providers (or, indeed, any suppliers) senior managers would rely heavily on contextual factors such as 'being on the same wavelength' or recommendations from trusted informants. Their interpretation of symbolic indicators, such as the type of language used in brochures and prospectuses often became a crucial factor in selecting between providers.

Crucially, with informality and contextual forms of rationality playing such an important role within the small firm, and in the general absence of formal, bureaucratic structures and decision-making procedures, there was much scope for the social construction of organisational outcomes. For example, with senior managers relying heavily on personal dispositions and preferences when making decisions, particular emphasis was given to their individual attitudes and subjective orientations, which in turn were founded significantly on their previous experiences, and social and educational biographies.

Another, related aspect of the small firm environment that appears to have a fundamental impact upon training and learning is the particular importance given *individual* thought and action. With rigid bureaucratic lines of reporting and communication relatively rare in most small firms, and with flattened hierarchies the norm, there is – potentially – a greater role for individual agency in influencing and shaping organisational policy and strategy. Accordingly, the picture that emerged from the research was one where senior managers interacted frequently, routinely and often in an ad hoc, unplanned manner with employees in the course of the working day. As such, they became exposed regularly to employees' thoughts and dispositions, and often used this opportunity to inform their own decision-making. Individual attitudes thus found a channel through which to influence – intentionally or otherwise – organisational policy and strategy. For example:

DB: Compared to the other places you've worked, how would you describe the culture and the atmosphere of the firm?

Glyn: There's a lot more inclusion of people in decisions, people are asked for their opinions. There's not so much of a formal structure for communication. With senior management, the doors are always open, people can go in for a chat, they can talk about ideas, problems, anything really. What I've found in the past is, the majority of places where I've worked, larger companies, there's been much more formal

structure to how you communicate, in terms of ideas. You go to your manager, and so on throughout the company... There's a lot of flexibility here.

(Marketing Manager, Precision Equipment Production)

It became increasingly clear that the informal modes of communication that predominated within these enterprises allowed greater scope for the social construction of outcomes, including participation in training, by implicating the subjective orientations of employees in the decision-making process. Indeed, the firm's approach to training was often shaped in more direct ways by individual dispositions; in many of the cases visited, participation in training was mostly (though not completely) voluntary. Aside from the training required by government legislation and / or occupational or professional regulation, participation tended to be driven by the individual employee (a situation also noted by Coetzer, 2006, among SMEs in New Zealand). Employees were often encouraged to pursue training, and were generally supported in that pursuit, but in the absence of internal training schemes and career development systems, individual orientations came to the fore in pushing employees towards, or away from, participation.

What can perhaps be concluded before moving on is that the pervasive informality of the small firm context is in some ways conducive to the social and subjective construction of organisational outcomes; outcomes such as, for example, participation in training. In the environment of the small business, this participation is shaped and driven to a large extent by swift intuitive judgements, contingent social interactions and individual subjective orientations. The following section expands on these social and subjective factors, and illustrates their impact upon the training within the small enterprise.

#### The Social and Subjective Construction of Participation

One of the most interesting findings of this study indicates that small firms operating within similar product or service markets, with comparable staffing levels and financial turnovers can and do adopt very different approaches to training (see Bishop, 2004: 206-209 for more detail). Furthermore, some of the smallest 'micro firms' (employing fewer than 10 people) in the sample voiced the strongest commitment to employee development, while some of the 'larger' firms (employing 30+ people), which had more time and finance to invest in training, were more negative. This highlights the inadequacy of attempts to explain participation in training simply in terms of objective or financial determinants, and would seem to suggest that there are other, non-economic factors involved in constructing the small firm's approach to learning and training. It is to these (social and subjective) factors that the discussion turns.

The construction of training within the small firm appears to happen at essentially three levels: individual, organisational and inter-organisational (or environmental). What follows is an exploration of the factors in operation at these three levels. What the exploration suggests is that social processes and subjective conditions are fundamental to orientating the small firm to the training market. Ultimately, the findings promote the conclusion that the approach to training adopted by the small firm (indeed, perhaps, by any organisation) is not determined in a social vacuum through the explicit, objective calculation of economic costs and returns, or simply by the inevitable exigencies imposed

by competition in product markets. Instead, it is shaped to a considerable extent by subjective orientations, interpretations, implicit judgements, and social interactions.

#### The Individual Level

The importance of individual orientations in promoting or restricting participation in formal training has been highlighted in previous research (e.g. see Weil, 1986; Rees *et al.*, 1997; Hodkinson and Hodkinson, 2004). The findings of this study build on this evidence and support those who argue that individual learning behaviour is, contrary to the suppositions of human capital theory, influenced to a considerable extent by *subjective* factors. As Gorard and Selwyn (2005) argue, participation in education and training for individuals is not, it would seem, a simple and objective matter of weighing up economic costs against economic returns (although such concerns are likely to have some consequence); when making participation decisions, individuals seem to draw upon a range of attitudes, dispositions and orientations.

In particular, there was strong support for the notion that individual attitudes towards participation in training, and learning more broadly, are wedded to a sense of identity and self-concept. For example, several respondents made revealing statements about the impact that *age*, as an aspect of identity, can have on learning behaviour; several respondents in the 50+ age range spoke of being "trained out", and of being "sick and tired after so many years of course after course". It seemed that many at this end of the age scale saw themselves simply as "too old" to go on training courses, and sometimes as being too old to learn anything new *at all*, whether on a training course or not (a finding that resonates with national-level survey results demonstrating significantly lower levels of participation in VET among those in the 50+ age range: see, for example, ONS, 2006).

But it became clear that it is not just age that is important in orientating individuals towards training, and learning more broadly. For example, where identifying traits such as age, class and gender intersect, the subjective conditions that result can be still more powerful in shaping learning behaviour. This is illustrated in the following extract, where the female respondent, in her early 40's and from a traditional manual working class background, describes her reaction to being asked by her employer to attend a short university course:

DB: And when you think of a University, what do you think of?

Paula: Lots of brainy people! Lots of brainy people and am I brainy enough? I've never really thought of myself as brainy.

(Accounts Supervisor [aged 40-44], chemical engineering)

Despite having spent most of the last ten years attending a college of further education in order to pursue NVQ qualifications, the prospect of going to a university to study seemed a cause for some concern to this respondent. She was not alone; other female respondents in the 40+ age range from working class backgrounds expressed a similar apprehension (a trend also noted by Brine and Waller, 2004). This group of respondents all described a perception that universities were 'not for people like me', and traced this belief back to their schooling, career guidance and family life as children and young adults. This social

background had constructed for them a gendered and classed self-concept that effectively precluded them from participation in certain types of training – or, rather, from training in certain types of institutional environment. Such a picture does not sit comfortably with the notion that learners are driven in their learning behaviour simply by economic cost-return calculations. What is becoming increasingly clear is that such behaviour is driven in large part by ingrained attitudes and subjective orientations constructed through social experience over a long period of time. This takes on a heightened significance given the privileging of individual thought and action within the small business – a theme to which the discussion now turns.

#### The Organisational Level

As illustrated in previous sections, individuals do appear to form complex subjective orientations specifically towards learning, and within the context of the small business these orientations can have a considerable impact upon training policy within the firm. For example, the respondent quoted in the following extract was managing director of a small firm that displayed unusually low levels of participation in formal, externally provided training, even for a small firm. Having left school at 16 and gone through very little education and training since then, he had little experience of formal educational settings. This background appeared to have had an impact upon his orientation towards external providers of formal training, as the extract suggests;

Albert: Actually, I think we did give one of the Universities a ring when we had the new systems installed, because we needed some training on Excel. I think they'd sent us a brochure and somebody had noticed that they did this IT training. So I rang up and asked about one of us going on a course, and the guy I spoke to said 'Sorry, that course has finished for this term, we've got some starting next term though.' That took me aback somewhat. I mean, I hadn't heard anyone use the word term since I was at school. We didn't use them.

#### (MD, fruit and vegetable wholesaling)

It can be seen that the way in which the managing director interpreted and reacted to the university's use of the word 'term' contributed to his rejection of that particular institution as a potential training provider. This draws attention to the symbolic barriers that can exist between ET providers and some small firms, which are also highlighted by Vaux *et al.* (1996: 158), who observe that "certain discursive stances [taken by educational institutions] will encourage the assertion of boundaries on the part of companies." In this particular case, it would seem that such an assertion was indeed made in response to the university's use of the word 'term'.

It should be noted that the tendency to assert such boundaries in response to 'certain discursive stances' was very much dependent upon the educational biographies of senior managers, and their familiarity with higher education institutions. The MD quoted above, for example, had never attended university and was not familiar with its culture, ethos or use of language. This may explain his interpretation of and reaction to use of the word 'term'. By contrast, senior managers who had attended university in the past (particularly those who had studied for full time degrees), tended to be much more familiar and comfortable with the culture and vernacular of higher education, and

consequently were more likely to consider HEIs as potential training providers either for themselves or for their employees. Such processes, whereby the educational biographies and attitudes of senior managers — potentially, in fact, anyone within the small firm, given the nature of its context (see above) — impact upon the firm's approach to training, may be seen as an example of how that approach is socially constructed.

But it is not only processes of social construction *within* the firm that are important in shaping the approach that it adopts towards training. In the following section, it will be seen that the nature and content of the relations that the small firm has with other agents in its external environment can also influence that approach.

#### The Inter-organisational Level

Small firms do not exist in a social vacuum; they have much contact, often in an informal fashion, with many external agents such as customers, suppliers, colleagues, competitors, trade associations, government agencies, training providers and a host of others. It has been suggested by many writers that the content of these social relations has an important impact upon skills development in organisations (see, for example, Maskell and Malmberg, 1999; Gainey and Klaas, 2005). There was certainly evidence here to support such an assertion.

For example, informal relations with trusted contacts, such as business colleagues, accountants, friends *etc*. often proved an essential part of gathering information about potential suppliers (such as training providers). For example, as one managing director observed;

Ben: Yeah, we get some tittle-tattle from the people in the trade on what work's coming off, what suppliers are giving the best rates or the highest quality. It's in their interest to keep us informed... If they've got leads then they'll pass them on to me, if I get some then I'll do the same for them. It's like a little network, we all scratch each others' backs basically.

(MD, central heating installation)

The above extract provides a brief illustration of the way in which the small firm tends to exist within a loose-knit, informal network of trusted informants (a feature also noted by Vaux *et al.*, 1996: 156/7). Senior managers view these informants as '*insiders*', in that their familiarity and sense of compatibility with each other (often developed through contact over many years) generated a high degree of mutual trust. These insiders, whether customers, friends or insurance brokers are seen as sources of market information that are far more reliable and useful than any advert, promotional phone call, or conventional market research exercise. When the director of the small firm is considering which supplier or provider to use, the information provided by these sources generally becomes a central element – sometimes *the* central element – in the contextual decision-making process. As a prospective supplier or training provider therefore, being able to tap into, or better still become part of these networks of insiders is a crucial part of selling your goods or services. This is further illustrated in the following extract;

DB: Has the business had any contact with higher education?

Colin: ... I have lectured on [a named] University's MBA course, a couple of us have been on courses that the business school does. We have kept in touch... I know the guy who organises the MBA and have dealings with him at conferences and so on. He keeps us up to date with all the latest info about what's going on at the university. I think the university scene and the WDA [Welsh Development Agency] and the rest of it, especially here, is pretty inter linked. And so, if we wander around the WDA circle, which we do, we invariably bump into people from the university, and take the opportunity to learn whatever information we can from them.

(MD, marketing consultancy)

The use of such informal social contacts and networks by small firms for information-gathering purposes serves as an example of the way in which social relations with external agents can influence the firm's approach to training. In this case (and several others), senior managers would draw on their contacts within public agencies and education institutions as a means of finding out about learning opportunities. Those managers who were graduates had often kept in touch with staff in the universities at which they had studied, and would use those contacts to keep up to date with the services offered by the university. Perhaps unsurprisingly, those who had not studied for a degree tended to have less contact with higher education, and to be possessed of a less favourable view of universities in terms of their relevance to small firms. Again, it can be seen how the backgrounds and previous experiences of individuals within the small firm can affect the approach that the firm takes towards training (or, more specifically, towards particular training providers).

#### Conclusion

The small firm's approach to participation in training seems to be deeply affected by the subjective orientations towards education and learning held by those who work within it, and by the relations that the small firm has with other organisations and people within its external environment. Due to the apparent importance of such social factors, it would be unwise to assume that current approaches to VET policy, based in essence as they are on human capital theory (which promotes an objective, narrowly economistic understanding of learning behaviour), are possessed of an accurate picture of how training occurs within small firms. The importance, for example, of tapping into and gaining the sponsorship of 'insider networks' when attempting to 'sell' policies to small firms has been largely ignored. Until such approaches accept and fully incorporate such social influences, it seems likely that VET policy in the UK will continue to have only limited success among small businesses.

Finally, it should be noted that the findings of this study may have implications beyond our understanding of the social construction of training in small firms. Firstly, if rational choice models of human behaviour are deficient when explaining small firms' behaviours within the training market, we should also question whether such models can adequately explain their behaviour within other markets. And secondly, we should perhaps ask what the relevance of these findings are for training and learning in larger organisations; how different are skills development processes in the large business?

There is still a dearth of comparative empirical evidence on this. These are both areas that merit further investigation in the future.

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