

Skills and the Small Firm: A Research and Policy Briefing

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Table of Contents

1	Introduction	3
1.1	Analysis.....	3
1.2	Methods.....	4
1.3	Policy.....	4
2	Training, Formality and Informality	5
3	Adequacy of Methods	7
3.1	Measure of size.....	7
3.2	Measures of skills and training.....	8
3.3	Small-firm heterogeneity	9
4	Training and Skills in Context.....	10
4.1	Patterns of skills and training	10
4.2	Sectoral contrasts	12
5	Policy Implications.....	14
5.1	Differentiating small firms	14
5.2	Demand for products, demand for skills.....	16
	Bibliography.....	18

Table of Graphs and Charts

Table 1: Workers' Reports of Training and Skills in Small Firms in Three Sectors	11
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1 Introduction

This briefing summarises current debate on small firms and their training regimes. This debate has been dominated by two opposing views: that small firms do not train, or that in fact they develop skills in informal ways that are equivalent to large-firm formal training. The paper reflects on what is known about skills and training in small firms, corrects some common misunderstandings, indicates future research needs, and suggests how a realistic view could lead to certain approaches to policy. The focus is the firm and its demand for, and utilisation of, skills. This approach complements those addressing the supply of skills and the Leitch 2020 skills ambitions.

Small firms are important for two reasons. The first is simply quantitative: firms with between 0 and 49 employees account for nearly half (47 per cent in 2006) of private sector employment in the UK. In what follows, the focus is mainly on firms of this size, or in some cases those slightly larger. The second reason turns on the centrality of small firms to debates on the quantity and quality of jobs (SBS, 2002). The positive side is that small firms are commonly seen as sources of job creation and innovation. The negative is that they are equally frequently seen as having major weaknesses in their training and skills development practices.

Evidence suggests that is too simple to argue that ‘small firms do not train’. The paper will show that small firms differ, and that to treat them as uniform is a mistake; the meaning of training depends on context. From this it follows that policy needs to be based on contextualised needs.

An outline of the paper’s structure is as follows.

1.1 Analysis

Formal training is indeed limited in small firms, and links between formal practices and outcomes in terms of workers’ skills are much weaker than they are in large firms. There is some evidence that informality acts as a substitute, and that small-firm workers are more satisfied with training opportunities than their large-firm counterparts. But there is also great variation between small firms. A study in three contrasting sectors shows that training practice is highly dependent on context. It finds evidence of informality but also of low expectations among workers. Each sector had a distinct pattern of skills and job autonomy. The ‘size essentialism’ – explaining everything by the size of the firm – that has bedevilled many debates needs to be avoided.

1.2 Methods

Many existing studies either conflate size of workplace and size of organisation, or measure only the former. New studies should distinguish the two. Some existing studies can be re-analysed to address 'size gradients', that is, how strongly an outcome measure is affected by size. Measures of skill also need to be improved to take account of informal aspects; questioning workers about skill acquisition is key.

1.3 Policy

Contextualised analysis implies policies that reflect the circumstances of each firm. Policy needs to work at the level of the firm, through appropriate advice, and at the level of a local area or sector, so that firms can learn from their peers. There is some evidence that 'soft' business support can indeed work. Policy also needs to work on the supply of and demand for skills in a connected way. Many small firms may not explicitly demand more skilled workers, but their supply of skills can be an untapped resource; constructive and critical engagement with the firms can help them to develop their potential.

2 Training, Formality and Informality

One conventional view says that small firms do not train. The 2004 Workplace Employment Relations Survey (WERS), for example, reports that 24 per cent of small (5-49 employees) firms gave off-the-job training to a substantial proportion of their workers, compared to twice that proportion among larger firms (Forth et al., 2006: 36). But when more informal mechanisms are taken into account, a 'deficit' among small firms may not in fact be apparent (Kitching and Blackburn, 2002).

An analysis of WERS surveys from 1998 and 2004 makes two key points (Hoque and Bacon, 2008). First, they explored whether the use of mechanisms such as Investors in People (IiP) would increase over this period, and found that, among small firms the headline figure went down to 10 per cent. Although there was no statistically significant difference between the years, the inference drawn is that it was hard to make IiP a meaningful tool for most small firms. The second point turns on the value of IiP: in large firms, there was a link between IiP recognition and workers' reports of whether they had received training, but in small firms this link was missing. IiP did not affect experience of training in the small firm. Whatever we think about the amount of training in small firms, formal mechanisms and standards may not be the way to promote it.

Ashton *et al.* (2005) go beyond the stark contrast between 'small firms do not train' and 'informality works' by focusing not on training as such but on skill formation. They argue that the relevant processes become institutionalised as firms grow in size through three processes: formalisation, the specialisation of inputs into training, and the delegation of authority. They then show that indicators of the processes are associated with size. Other evidence is consistent with this. Thus, if small firms do not train we would expect their employees to report dissatisfaction with training and skills development. But a major result from WERS is that satisfaction was in fact relatively high in small firms (Forth et al., 2006: 37).

We do not know, however, how far satisfaction reflects low expectations. There is also the danger of assuming that skill formation indeed takes place, albeit through different mechanisms. No study has directly investigated informality in small firms to demonstrate that it is *functionally equivalent* to large-firm formality. Moreover, informality may mean that there is little accredited learning, so that small-firm workers lack the transferable qualifications that the labour market increasingly demands, which could in turn contribute to a polarisation of skills between the formally qualified and the remainder.

The solution is neither to excoriate nor to exonerate small firms, but to understand the complexities and tensions in their approaches to managing people, together with the possibly contradictory consequences such as the fact that informality may bring benefits

to all within the firm while at the same time weakening workers' position on the external labour market. One key aspect of these tensions is the centrality of the owner-manager. This can have the benefit that workers' skills can be known directly, but also the cost that the owner-manager may be idiosyncratic in terms of what he or she sees as important and unwilling to accept challenges to his or her authority (Gilman and Edwards, 2008). This perspective can help to understand the role of training in the small firm.

Thus Kitching and Blackburn (2002) found that training provision was not strongly dependent on factors such as the level of competition faced by the firm; similarly, connections from training to business performance were weak. An explanation may lie in the very specific situation of individual firms. Bishop (2006) for example shows that some owner-managers choose relatively unchallenging business niches and thus may see little need for training; in one example, as an owner aged, he chose to sell one business and establish another that placed fewer demands on him. In research discussed further below, I have also observed otherwise similar firms taking quite different approaches to training, with the contrast reflecting personal preferences and the history of a firm. One firm with a clear commitment to training appeared to have taken this view in part because of the owner's personal belief in education and partly because other members of his family who now worked in the business had had previous experience of (large) firms where training was key. Personal idiosyncrasy, combined with the fact that there is a very large number of small firms, suggests that there can be no uniform approach to training in the small firm.

3 Adequacy of Methods

The theoretical weakness of current debates is mirrored with regard to its evidence base. There are two key aspects here.

3.1 Measure of size

Many surveys use the size of the establishment as the measure of the size of an organisation. This is true of, for example, the Employer Perspectives Survey (EPS) (Shury *et al.*, 2008) and the series of employer skills surveys, including the National Employer Skills Survey (NESS), that have been carried out since 1997 (Felstead *et al.*, 2008). It is even true of the important work by Ashton *et al.* (2005: 29) discussed above, which admits that its samples include the small branches of large organisations. This approach conflates the size of the workplace and that of the overall organisation, putting into one category a small branch of Tesco and a similarly sized corner shop. The extent of the problem is indicated by the Workplace Employment Relations Survey (WERS), which reports that half of 'small' (10-24 employees) workplaces are owned by larger organisations (Kersley *et al.* 2006: 20). If we want to know what the *small firm* does, we need to separate it from *small units* of large firms.

This is likely to steepen the gradient found between the 'small' and the 'large' organisation. On-going research on WERS has shown that on one indicator, having IIP status, the gradient by size of workplace is rather shallow. But when the contrast is between *small organisations* and larger ones the differences are more marked (Saridakis *et al.*, 2008).

Two recommendations follow:

- Surveys of workplaces should follow WERS in asking about the ownership of the workplace, and data should be reported according to the size of the organisation as well as the workplace. This does not apply to surveys, such as the skills surveys, that sample individuals, since people may have limited knowledge of the size of their employing organisations; it may, however, be desirable to test out this expectation by asking people about organisational size (on the model of a Tesco employee, who surely will know that he or she works for a large firm).
- Surveys such as WERS should be analysed to show gradients, by size of workplace and of organisation, for key indicators such as provision of training.

3.2 Measures of skills and training

Most surveys focus on formal training. It is commonly argued that small firms rely on informal methods. If this is so, the steepening of the size gradient identified above would be counteracted by a flattening when more extensive informal arrangements in small firms are taken into account.

The Employer Perspectives Survey defined informal training as comprising three practices (Shury *et al.* 2008: 15), namely, the use of:

- supervisory structures to ensure that ‘employees are guided through their job role over time’;
- opportunities to learn through watching other staff; and
- allowing staff to perform jobs outside their strict role.

It found that there was in fact a size gradient here. This may not, however, capture relevant differences, for two reasons. First, there is an artefact of size: any specific employee characteristic, whether it be a training practice or anything else, is bound to be more likely to exist the greater the number of employees across whom a measure is taken. It is not the presence of a practice but the proportion of employees who enjoy it that is key. Second, these indicators are still formal in that they turn on ‘structures’ and ‘roles’ – which small firms may not have. Analysis of WERS finds that working outside one’s job specification was rarer in small firms than in large ones, even though the common picture of the small firm is of a place where people take on jobs as needed. The explanation is probably that small-firm workers either have broad job definitions in the first place or, more likely, that jobs and roles are not prescribed at all. They may nonetheless enjoy a degree of training that even ‘informal’ measures do not capture.

An alternative measure of informality in a survey context is reported by Felstead *et al.* (2008). They put three statements to employees, such as ‘my job requires me to learn new things’. Between a sixth and a third of respondents ‘strongly agreed’ with the statements. No size breakdown is reported, but this could readily be given (albeit with the limitation of having only the workplace size measure).¹

I would recommend that future surveys of skills and training adopt measures of informal practice that have meaning in a small-firm context. Asking about ‘roles’ may not be adequate. Asking employees about the training and skills development that they have

¹ In a private communication, Alan Felstead states that there appeared to be few size effects for measures of the outcomes of training. However, large *workplaces* were more likely than small ones to promote collective learning, for example through on-the-job training. Whether small *firms* are less likely to engage in these practices than similarly sized workplaces owned by large firms cannot be established in this study.

experienced is a key device, since it addresses practice rather than intention and since standard questions can be used across all sizes of firm.

3.3 Small-firm heterogeneity

Small firms are as different from each other as they are from large ones. Research going back 30 years found that in many respects workers in small firms in a given industry had more in common with large-firm workers in the same industry than they did with other workers in small organisations. This research, moreover, compared manufacturing sectors; contrasts within the small-firm category with consultancies and web design firms, for example, would be even greater.

Some scholars build on this fact to argue that the size of the organisation has no distinct role at all. This is too extreme a conclusion. It is the case that small firms as a group tend to have few formal training structures and to rely on informal means to develop skills. But the ways in which they do so are shaped by the firms' business locations and other characteristics, as suggested below.

It is not the case that all small firms are poor at training. Understanding small firms' approaches requires attention to their specific contexts.

4 A Study of Training and Skills in Context

The context-dependent nature of skills in SMEs can be illustrated through a study that tried to deal with heterogeneity in two ways: focusing on firms in a distinct size band; and identifying three specific and contrasting sectors of the economy (Tsai et al., 2007; Sengupta et al., 2009). The sectors were food manufacturing, information and communication technology firms (ICT), and the creative and media sector (C&M). The bulk of the firms studied employed between 25 and 99 employees, and were generally at the smaller end of this range: in food, the mean number of employees was 33, while in ICT the figure was 45. Employment figures have less meaning in C&M, where the use of freelance workers is widespread, but an indicator is that the firms studied here had a mean of 9 permanent employees. In all, 89 firms were studied, and in 32 of them data were gathered from a total of 384 workers.²

4.1 Patterns of skills and training

Table 1 gives some direct measures of training and skill as reported by employees, followed by some less direct indicators. It distinguishes in the food sector between manual and non-manual workers. In the other two sectors, employees did broadly similar jobs: technical and professional work connected with film design in C&M, and software development in ICT.

Over half the sample reported training of some kind in the previous year; for reasons discussed below, the figure was, perhaps unexpectedly, highest in the 'low-skill' food sector. The study also set out to ask workers concretely about what they did, rather than asking about training in the abstract. Thus the question on training was preceded by asking whether four specific duties formed part of the respondent's job. In each case, workers were then asked whether they had been trained in this duty. Only then were they asked about any other training. The figures are thus not directly comparable with those derived through other approaches. They indicate reasonably extensive amounts of training. The table also reports rather high levels of overall satisfaction with training and development.

To that extent, the data are consistent with the view that small firms develop skills through informal means. Four important qualifications have to be made, however. First, the study also asked workers whether they needed more training than they had received. As the table shows, about a third felt that this was the case. This proportion was largest in the C&M and ICT sectors. If we take the gap between numbers saying that they had been trained in an area and numbers seeking more training as an indicator of a training deficit,

² This research was funded by the Economic and Social Research Council through the Advanced Institute of Management.

the largest gap related to the most 'advanced' activity of designing new products or services. By contrast, more basic areas showed the reverse pattern, most clearly in the food sector where many more workers had been trained in monitoring quality than desired more training in this area.

Table 1: Workers' Reports of Training and Skills in Small Firms in Three Sectors

	<i>Food</i>		<i>C&M</i>	<i>ICT</i>	<i>All</i>
	<i>Manual</i>	<i>Non-manual</i>			
<i>N</i>	74	24	105	181	364
	%	%	%	%	%
Any training in past year	70	70	48	58	58
Training in four specific areas in past year ^(a)	58	54	32	41	42
More training needed ^(b)	22	28	42	42	38
Skills learnt from senior managers ^(c)	76	74	81	74	76
Opportunities to develop skills ^(d)	46	70	69	53	57
Overall satisfied with training and development	81	73	47	46	58
Influence over: ^(e)	29	52	67	56	54
• Pace of work	41	61	66	55	56
• How work is done	36	74	71	70	64
• Tasks performed	35	46	63	58	45

Source: Tsai *et al.* (2007), and unpublished analyses.

Notes:

(a) Four areas are: monitoring product using formal tools, dealing with customers, preparing written reports, and designing new products or processes. Percentages based on those saying these areas formed part of their jobs (row Ns = 47, 26, 89, 170 and 328).

(b) Base = those saying that any of the four areas was part of the job.

(c) Per cent saying to some or great extent

(d) Per cent saying good or very good

(e) Per cent saying fair amount or great deal

Second, the data do not measure the intensity or depth of training. In the food industry, for example, much of the training turned on basic hygiene standards rather than being developmental in character. Third, few of the firms had developed any structured way of identifying skills needs or assessing current skills against a desired portfolio. It is not the case that small firms do not train. But we cannot conclude that they train in ways that talk of a knowledge economy would imply. Fourth, the satisfaction data are plainly affected by workers' expectations. Results from the study as a whole suggest that workers went into the jobs with modest and realistic expectations. 'Demand' for training was met, but the level of this demand was shaped by limited expectations as to the likely supply.

Turning to skills, Table 1 has two specific indicators. The first is the extent to which employees felt that they learnt skills from senior managers; a consistently high level of reporting was apparent here. Second, more than half the sample felt that opportunities to develop skills were good or very good. A less direct indicator is taking on jobs outside the job description. Note that this is an employee self-report measure, as opposed to asking employers a similar question. For small-firm employers, defining what is indeed in a job description may not be easy, but workers have some sense of what they are normally expected to do (and none found the question impossible to answer). Over half the sample replied in the affirmative, with, as might be expected, the lowest proportion among manual workers.

The table also has data on job autonomy. This can be taken to be a correlate of, or even result of, training, though this question will not be addressed here. The picture is one of reasonably high levels of autonomy: the figures for the two sectors other than food are above those for professional workers reported in WERS, while, given that the food firms were deliberately chosen to exemplify a low-skills sector, and potentially a particularly low-skills part of it, the figures here are not as low as might be expected. As one of the above-cited papers shows, workers here enjoyed not only moderate levels of autonomy but also rather low amounts of work pressure.

4.2 Sectoral contrasts

If we turn now to a sectoral view, distinct pictures of training and skills emerge. Workers in food manufacturing were indeed low-skilled on indicators such as formal qualifications, and they performed largely routine tasks. The jobs also offered very little by way of skills or career development. Thus only 4 per cent of the manual workers felt that promotion opportunities were clear. This did not, however, mean that they were subject to tight control in the workplace; the data on autonomy, plus observation of the work process, point to a degree of space. The central irony was that a degree of space at work generated contentment, which in turn eroded any potential for demands for more skills and training.

In the ICT sector, workers were, as would be expected, much better qualified, with many having degrees or higher qualifications. They received, however, only a moderate level of training and, remarkably like the food workers, they perceived few promotion opportunities. A key reason for this was that each firm tended to be an island: firms had developed to meet very specific niches so that they had little in common with other apparently similar firms. There were few connections with industry associations.

In C&M, by contrast, there were developed associations at three levels. At national level, employment standards established by the relevant industry association (PACT, the Producers' Alliance for Cinema and Television) set clear norms for pay and conditions. At local level, industry bodies and the RDA worked together to establish systems of training. And at the level of the firm, some firms had been active within the local industry body to promote models of skill development. The underlying reason for this pattern was that, though C&M firms compete strenuously to win contracts from the big purchasers such as the major TV channels, they also co-operate in the labour market. There is a common pool of talent, and each firm has an interest in the quality of this pool.

In short, to understand the meaning of training in small firms, studies are needed that address what in fact happens in particular types of firm and whether informality does indeed generate skill formation. The study discussed here can be taken further through comparison with large firms as a control group and through more intensive inquiry into the concrete nature of skills, possibly using observation and other means to identify skills in use.

5 Policy Implications

There are two broad views on policy in relation to training in small firms. The first, and probably dominant, one argues that small firms do not train and that this is felt to be because of ignorance or some kind of market failure. The solutions lie, respectively, in exhortation and correcting market failure through activism and incentives, and indeed the UK has a long history of both. Evidence of impact is, however, patchy at best (Bennett and Ramsden, 2007; Curran and Storey, 2002). The alternative view draws on this evidence, together with other data suggesting that small firms obtain reasonable amounts of information from outside sources, to argue that there is no evidence of market failure and hence that the most cogent policy is to attempt no active intervention (Bennett, 2006).

The approach suggested here is different. The non-interventionist view is too passive, taking an overly literal view of market failure. As suggested above, there is evidence of a training deficit in small firms, and even that deficit turns on a static picture of current supply and demand. If the concern is to up-skill, then a more dynamic picture is needed. Even if this extreme view is taken, there is, however, some evidence of frustrated demand. As we have seen, a third of workers in the study above wanted more training, and this was not just a generic complaint but was rooted in concrete features of the job. Managers in one food firm, for example, also spoke of their efforts to develop employees' skills and the lack of any ready supportive mechanism, which had led to their being discouraged. In the sector as a whole there were several small and fragile voluntary bodies. These were set up primarily for general business development rather than to address skills, but plainly the more that firms grow, or move up the value chain, or both, the more they will demand not only more workers but workers with more skills. The larger and more 'advanced' firms thus had technical jobs in such areas as quality control and sales that the smaller firms did not. But the activist view is too generic in character to capture the concrete needs of individual firms. It also follows the Leitch Review in focusing on formal qualifications and training (Leitch, 2006). This approach cuts against the grain of small-firm perspectives, and it runs the risk of distancing such firms from the training agenda by proposing models which they see as foreign.

5.1 Differentiating small firms

One might start with Kitching and Blackburn's (2002) classification of small firms' approaches to training as strategic, tactical (training when needed) and 'low' (no training reported). Little would be gained by devoting much attention to the last, who may be in a comfortable niche where training is genuinely not necessary or is unlikely to be favoured;

this group in any event comprised only 15 per cent of the sample. The 'strategic' firms would be open to relatively formal and systematic approaches. The middle, 'tactical', group is the most difficult, and it comprised over half the sample. Firms here might welcome specific initiatives, but would need encouragement to sustain a longer-term commitment to training.

This observation leads to the second point, relating training to context. A regular result in studies of small firms' responses to business support initiatives is that they find these initiatives too generic and insufficiently connected to their own needs. 'Tactical' firms might appreciate the value of training if advice was made more concrete, so that they could make a shift in a more strategic direction. As noted above, skills development is connected to the context of the sector. The creative and media firms discussed above shared a pool of skilled labour, and addressing how to improve the quality of the pool and any one firm's connections to the pool would be a reasonably natural theme. The ICT firms, by contrast, were more isolated and would need to see how skills development is related to their very specific contexts. They might, for example, be pointed to closely similar firms that could act as exemplars. Many of their key relationships were through the supply chain, and attention might be given to ways in which these relationships could be used to focus on skills. Quite how this can be done would, however, require further consideration.

If we turn, third, to mechanisms that are sensitive to context, the UK has had a huge number of initiatives but these have tended to be generic in nature. As Bacon and Hoque (2005) demonstrate, a small firm's connections to support bodies have rather weak links to its adoption of human resource management policies. A solution may lie in making the connections more active. Two ways of doing so suggest themselves. The first is the direct relationship between a firm and advisory bodies. These bodies might try to offer targeted advice and to develop continuing relationships with certain firms that can act as exemplars. Second, voluntary associations can play a part here. These are often fragile and dependent on firms' own efforts. Assisting promising ones to strengthen their activities might be a way forward.

As argued elsewhere, this approach is consistent with the UK tradition of skills development, which has relied on the market with little by way of the formal institutions for training that exist in many other countries (Edwards, 2007). The approach does not call for new institutions, but works with the grain in existing assumptions. But it is also challenging in two senses. First, it challenges support agencies by suggesting a move away from generic systems and thus leaving a great deal to local initiatives. There may be more opportunity for such initiatives than in the past, in the light of devolved government and hence the possibility of local experiments. Second, it challenges firms: it

does not simply attempt to meet their stated needs, but challenges them to think about how they use their skills in their own interests but also the interests of their employees. In that firms are using public money, they can be tested in terms of their systems to develop employees. Being willing to listen to specific advice on training, skills development and pay and reward systems might be made a requirement for public funding.

5.2 Demand for products, demand for skills

Much of the skills debate has turned on the idea that the demand for skills is derived from the demand for products or services of a given kind. The connection is, however, far from automatic. Among the firms studied here, there was no direct link between product and labour market locations. Food firms, for example, could compete in relatively high value-added sectors while deploying levels of skill no different from those of other firms. In the ICT sector, firms established a niche and then had little need for any developmental upskilling.

There is a major asymmetry here. Certain aspects of firms' contexts strongly *constrained* behaviour. ICT firms, for example, operated in niches, there was little lateral connection between them, and a policy prescription to develop linkages between firms would have little traction. Other aspects of context did not, however, *drive* behaviour. Within each sector, there was considerable variation between firms, even those in similar product markets, in their strategies on skills. Being in a relatively high value-added niche did not in itself determine a skills strategy. In the context of the UK labour market, it was possible to recruit workers with the necessary skills, and firms did not necessarily see a link between product and labour market strategies.

This does not mean that skills are unimportant. It does mean that expecting them to follow what happens in the product market is unlikely to be productive – even leaving to one side the issue of whether the product market is indeed moving in a direction towards higher value added. A potential solution lies in working on both the supply and demand sides at the same time. On the former, the popular resource-based view of the firm states that firms compete on the basis of bundles of assets, and, the more that these assets are valuable, non-substitutable and hard to copy, the more are the assets sources of competitive advantage. The supply of skills would then be an asset that might encourage firms to address new ways of deploying them, that is, to alter the demand pattern for skills. For example, policy advice to a firm might draw attention to the actual and potential skills of workers and suggest that these might be used to shift towards a different product market niche.

And a way to do this is to work with firms in relation to the concrete issues that they face. This is a bottom-up approach, and given the number of small firms in existence it is a demanding one. But other, more broad brush, approaches have had, at best, patchy success, and there is some evidence that targeted 'soft' business support does indeed deliver returns – though that evidence comes from a scheme that was then abandoned (Wren and Storey, 2002). There are also, as indicated above, some local and voluntary associations of firms that might be used as pilot projects. In the C&M sector, there is an established basis on which to build. In food manufacturing, there is a scattering of nascent opportunities. In the ICT sector, the supply chain is crucial: as we have seen, firms occupied distinct niches but they also needed strong links with their customers, and these links might be developed to address skills and training as part of a long-term development strategy.

A bottom-up approach thus has two aspects. The first is working at the level of the individual firm. The second is to place such work in the context of local or sectoral networks that can give firms models and guidance.

All the above comments are necessarily of a medium- or long-term kind. In the immediate context of a British economy only slowly recovering from recession, prospects are limited. The above study, together with others (Edwards and Ram 2006), asked itself how small firms, especially those in low-wage sectors, continue to survive. A large part of the answer turned on a ready supply of workers willing to take the jobs on offer. The study of the C&M sector found wages that were low for graduates but a queue of job applicants from people taken with the glamour of the industry. The food firms found their labour from other manufacturing sectors in decline together with immigrants. A recession is likely to increase such sources of skill supply. Helping firms to survive, particularly those that have invested in skills, is a distinct and immediate priority.

There is always a risk that short-term assistance is merely palliative. But small firms tend to be based in local markets with little reason to relocate overseas; much of their business is necessarily locally based. Assisting them may mean more than merely delaying the loss or relocation of jobs, and if the concern is the skills of the UK workforce then they may be a particularly appropriate policy focus.

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