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EXPERIENCES OF WORKPLACE LEARNING IN SMES: LESSONS FOR GOOD PRACTICE

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Introduction

This Briefing presents the findings from a research and development study (REALISE) which examined learning opportunities and experiences in small and medium sized enterprises (SMEs). It was part of the EU Objective 3 *Managing Progress Programme*. The study involved collaboration between the Centre for Research in Education, Inclusion and Diversity (CREID) at the University of Edinburgh, Glasgow South West Regeneration Agency (GSWRA) and the Workers' Educational Association (WEA). GSWRA and the WEA were responsible for identifying the training needs of the SMEs and the delivery of appropriate training to meet these needs. CREID evaluated the training provided in terms of its contribution to the development of individual employees and organisations.

Main Findings

Employers and company culture

- Three main types of organisational learning culture were identified: expansive, restrictive and passive-restrictive.
- Companies in which the manager held an expansive attitude to learning were characterised by opportunities for all employees to develop, an emphasis on team work and social and informal learning, employees had access to a range of qualifications and managers were facilitators of employees' learning.
- Companies in which the manager held a restrictive attitude to learning were characterised by limited opportunities for employees to access learning and qualifications or the development of workers' careers. Informal learning was discouraged and managers acted as controllers of employee learning.
- Companies with a passive-restrictive attitude to learning were typically classified as male-dominated industries, often providing basic training in the main business of the company, i.e. through apprenticeships. Support workers, e.g. administrators, were often excluded from training. Informal 'on the job' learning was highly valued.
- A relationship was found between type of organisational learning culture and sector – SMEs in the care sector were more likely to have embraced an expansive learning culture. It is likely that the statutory requirements in relation to standards laid down by the Scottish Commission for the Regulation of Social Care encouraged employee learning and training.

Employees

- Most employees stated that they enjoyed learning, however, the learning culture set by the manager was reflected in the employees' attitudes to learning and training. Employees in SMEs with an expansive attitude to learning tended to reflect this approach, appreciating formal and informal learning opportunities.
- The majority of employees enjoyed the courses provided by the two training providers and felt that knowledge gained could be applied in the workplace as well as outside work. Many reported enhanced soft skills such as increased confidence, improved communication skills and the ability to work more independently.

- Employees' motivation to engage in learning and training activities varied depending on the type of organisation in which they worked. Generally, employees in an expansive learning environment wanted to deepen their knowledge in their field of work. Employees in a passive-restrictive environment, on the other hand, were motivated by improved career prospects and employees in restrictive learning environments typically engaged in learning and training activities in order to move into a completely different field of work.

Background: the policy context

The EU's Lisbon strategy was published in 2000 with the aim of shaping 'the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better job and greater social cohesion, and respect for the environment' (CEC, 2000). There was an emphasis on investment in human capital (Dion, 2005) and creating a more flexible and adaptable workforce (CEC, 2000). Member states were charged with producing action plans relating to growth and employment.

In 2004 the HM Treasury commissioned Lord Leitch to conduct a review of the UK's long-term skills needs. The Leitch Review of Skills, *Prosperity for All in the Global Economy- World Class Skills*, (HM Treasury, 2006) revealed that there are 5 million adults in the UK lacking functional literacy and 17 million adults lacking functional numeracy. Recommendations made in the Leitch report included increasing adults' skills across all levels and increasing employer engagement and investment in skills, and establishing a view of learning as something people undertake at all levels and at all ages in the workforce throughout their working lives. These targets would be attained through the sharing of responsibilities by all the beneficiaries including the Government, the employer and the individual (HM Treasury, 2006).

The document *A Smart Successful Scotland: Ambitions for the Enterprise Networks* (Scottish Executive, 2001) was the first comprehensive Scottish policy statement in which the Scottish Executive provided directions and priorities for local economic development in terms of extending skills development to include all levels of learners. Scottish Enterprise and Highland and Island Enterprise were directed to support Local Enterprise Companies (LECs) in shaping partnerships for successful and sustainable local economic development.

Life Through Learning Through Life (Scottish Executive, 2003), the lifelong learning strategy for Scotland, was intended to promote 'a Scotland where people have the confidence, enterprise, knowledge, creativity and skills they need to participate in economic, social and civic life; through, for example, community learning and development in some of Scotland's most deprived communities' (Scottish Executive, 2003). The lifelong learning strategy for Scotland specifically addressed 'the need for employers to recognise, use and develop the skills of those of their workforce' (Scottish Executive, 2003). The Scottish Government's response to the Leitch Review, entitled *Skills for Scotland: A Lifelong Skills Strategy* (Scottish Government, 2007) emphasised the need for the Scottish economy to shift away from low-skills employment towards higher value-added jobs. Workplace learning was given high priority and a need to balance the interests of the employer and the employee was stressed. It was recognised that employers, learning providers and awarding bodies needed more encouragement to use the Scottish Credit and Qualifications Framework (SCQF).

Background: current models of workplace learning

Drawing on Lave and Wenger's (1991) situated learning theory, Fuller and Unwin (2004) developed an expansive-restrictive framework that provides a conceptual and analytical tool for evaluating the quality of learning environments and for analysing an organisation's approach to workforce development. Organisations with a restrictive approach impose many limitations on learning, whereas those with an expansive approach foster a wide array of formal, non-formal and informal approaches to and opportunities for learning. Within organisations adopting an expansive approach, learning is likely to take place horizontally as well as vertically, and the culture is likely to be less hierarchical. Based on our data we identified a third category, the passive-restrictive approach. Managers with a passive-restrictive attitude to organisational learning were characterised by focusing on providing learning and training opportunities for employees involved in the production or service side of the business. The development of other employees was not seen as vital for the business and was therefore absent.

The importance of group-activities in learning new practices and gaining awareness of different kinds of knowledge and expertise was supported by research conducted by Eraut (2004). Earlier research showed that much learning at work occurs through doing things and being proactive in seeking learning opportunities but he emphasised that this requires confidence (Eraut, 2000). Confidence comes from successfully meeting challenges in one's work, while the confidence to take on such challenges depends on the extent to which workers feel supported in that endeavour. Thus there is a triangular relationship between challenge, support and confidence.

The aims of the study

The main aims of the study were to:

- identify the learning opportunities and materials provided to SMEs by the two learning providers; and,
- examine the experiences of employers and employees when engaging with training providers and undertaking training.

Research Methods

A range of methods were used as follows:

- A literature review of the Scottish, UK and international policy documents and academic writing was conducted.
- Case studies were conducted with 14 SMEs selected to participate in the qualitative research covering four geographical areas, a range of organisational sizes and structures, sectors and work and learning cultures.
- Semi-structured interviews were carried out with a manager/owner in 13 SMEs and around 80 employees distributed over the 14 participating SMEs exploring past and current learning experiences prior to employees starting training. A second semi-structured interview was conducted with members of staff on completion of training that a) aimed to explore the experience of the training or b) aimed to collect further information as to why the employee chose not to participate in training at this point.
- An audit of organisational and training needs was carried out by the GSWRA and the WEA.
- Participant observation of a sample of training sessions was carried out by the research team.
- Documentary analysis was carried out of a sample of training materials used by the training providers.
- Semi-structured interviews were conducted with the two training providers.

Findings

The company case studies

Managers from eight SMEs in the study held an expansive attitude to workplace learning. The majority of these companies were in the care sector and were likely to be influenced by statutory requirements. The expansive approach was characterised by:

- Opportunities for the whole workforce to develop and a belief in the employee as an asset to the company and that “everybody can learn”.
- Skills were widely distributed and all employees had access to qualifications involving reflection. Technical skills were valued and developed and new knowledge was considered applicable in the organisation.
- Team work and informal learning was highly valued and knowledge was shared vertically as well as horizontally.
- Managers functioned as facilitators of workforce and individual development and employees’ training needs were analysed.
- Employees learned to improve career prospects and for personal interest.

Managers of three SMEs, of which two were manufacturing companies, held a restrictive attitude to workplace learning. This approach was characterised by:

- A narrow view of learning. All training took place on the job and focused on job-related procedural knowledge. Informal learning was discouraged.
- Polarization of skills and limited access to qualifications. No possibility for employees to gain further knowledge or progress in their “careers”.
- No analysis of employees’ training needs, instead training was used to tailor individual capability to organisational needs.
- Managers functioned as controllers of workforce and individual development.
- Managers felt it difficult to apply new knowledge in the workplace.

Managers of three SMEs held a passive-restrictive attitude to workplace learning. Two of these SMEs were classified as male industries and the managers generally valued and encouraged employee learning and training which supported the production side of the organisation. Employees viewed as working on the periphery of the organisation, often the female administrators, were not included in the training structure of the organisation. Characteristics included:

- Some mandatory courses, mostly in-house
- Only part of the organisation had opportunities to develop and had shared cultural inheritance of development (apprenticeships)
- Informal learning highly valued
- Training limited in terms of knowledge and time
- Manager functioned as controller of workforce and individual development

Employees' perspectives on training and organisational culture

Most employees stated that they enjoyed learning; however, the organisational learning culture influenced strongly by the manager was reflected in the employees' attitudes to learning and training.

Employees in an expansive learning environment tended to view learning as part of working life, as a requirement and a responsibility. They were likely to value support and encouragement from colleagues. They were motivated by improved job prospects as well as a general interest in learning and deepening their knowledge. Many employees in organisations with an expansive learning framework held a broad definition of learning and identified formal as well as informal learning opportunities. Many were engaged in learning activities outwith work and the boundaries between organisational and personal interests were less clear.

Employees in a restrictive learning environment held a narrow view of learning and preferred formal learning over informal learning. There were clear boundaries between organisational and personal interests and employees were likely to prefer job-related learning to take place during work time. Many employees in organisations with a restrictive attitude to learning were motivated to learn as a means of improving their job prospects, and many were hoping to move into a different field of work.

Employees in a passive-restrictive learning environment held that their learning was focused on technical aspects of their job. Informal learning was highly valued and many employees in this group of organisations felt they would benefit from more training but were not allowed sufficient time during work hours to engage in learning activities.

The training providers

Interviews with training providers revealed that employers varied greatly in their interest in their employees' learning and training. Some employers were enthusiastic whereas others were concerned that they would lose valuable employees as a result of the training or that it would be too detrimental to the business to release employees to attend the training. Because of the difficulty in moving resistant companies to a position where they were more willing to invest in training, both respondents felt that there was a need to work with managers to build trust over a sustained period of time.

Implications for stakeholders

Policy makers need to:

- be aware that continuous funding of workplace training is key to sustaining ongoing training;
- note that manufacturing industries posed the greatest challenge in relation to the establishment of workplace learning, due in part to the fact that they are currently not covered by the training requirements of external agencies;
- appreciate that several managers felt that a system such as Job Rotation, where the employee is replaced by an unemployed person, is a good way of keeping production maintained while developing employees;
- recognise that there is a need for more research into how statutory requirements for minimum standards and the accreditation of such learning affect organisational learning culture and employee attitudes towards learning in the longer term.
- consider whether extending statutory training requirements to the private sector would enhance the learning culture in these organisations;

Training providers need to:

- recognise that employers require more readily available information about locally available training relevant to their individual organisational needs;
- realise that some managers, particularly in the manufacturing industries, need to be made more aware of the benefits of workplace learning and the application of new knowledge in the workplace;

Employers need to:

- provide a challenging and supportive organisational learning environment that stimulates reflection on own practice in order to build employees' confidence and encourages employees' to seek learning opportunities; and,
- take a more proactive role in finding information about available training for the whole workforce and available funding.

Employees need to:

- be aware of training opportunities as several case studies show that a proactive attitude towards workplace learning can result in the development of a positive learning culture.

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The full report of the study is available on the CREID website (www.creid.ed.ac.uk). Further details of the research can be obtained from Sheila Riddell (Sheila.Riddell@ed.ac.uk).

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