

**Human Resource Development in Small and Medium-sized  
Enterprises: Barriers to National HRD**

**Rosemary Hill**

A thesis submitted in partial fulfilment of the  
requirements of The Nottingham Trent University  
for the degree of Doctor of Philosophy

January 2001

ProQuest Number: 10183407

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



ProQuest 10183407

Published by ProQuest LLC (2017). Copyright of the Dissertation is held by the Author.

All rights reserved.

This work is protected against unauthorized copying under Title 17, United States Code  
Microform Edition © ProQuest LLC.

ProQuest LLC.  
789 East Eisenhower Parkway  
P.O. Box 1346  
Ann Arbor, MI 48106 – 1346



**For my late father,  
Thomas Louis Coxon**

## **ABSTRACT**

The central research issue underlying the work described in the thesis concerns the poor take-up of National HRD (N/HRD) by small and medium-sized enterprises (SMEs). This problem is partly addressed through an exploration of how and why SMEs develop the HRD approaches they do. Although integral to understanding the central research issue, determining SME HRD typologies in the study is a means of addressing that issue, and is not positioned as a separate research problem itself. The study, therefore, aimed to explore and compare HRD in SMEs with the characteristics of N/HRD in order to understand the impact of SME HRD models and perspectives upon SME participation in N/HRD. To this end, the research sought to accomplish four specific objectives:

- Explore and describe the HRD models and perspectives found in the SMEs studied;
- Explore the characteristics of N/HRD, using Investors in People (IIP) as a focal context;
- Compare the HRD models and perspectives found in the SMEs studied with the characteristics of N/HRD;
- Determine the impact of SME models and perspectives upon SME participation in N/HRD.

The starting point for empirical investigations was the proposition that HRD approaches developed by SMEs may be a natural barrier to SME participation in N/HRD. Fieldwork comprised a multiple-case study of three SMEs in the north west of England, accessed by a preparatory survey. Data were collected intermittently over the period January 1996 to June 1999. The casework was supplemented by out-of-case interviews for other perspectives about SMEs and N/HRD.

From the study came an explanatory model of why approaches to HRD in SMEs might be a natural barrier to N/HRD, developed with the title of 'A Theory of SME Barriers to Participation in National HRD'. As the major theoretical development of the research, this model represents a new way of understanding why SMEs participate in or reject N/HRD, making an original contribution to that body of knowledge. The study has also added substantially to what is currently known in general about HRD in SMEs, and how to research it.

## **ACKNOWLEDGEMENTS**

As the material in this thesis is in the public domain for referencing, and wishing to respect respondent anonymity, I am unable to publicly acknowledge research respondents personally here. However, my wholehearted gratitude for their help in the research is extended. In particular, I thank the people in the three case-study organizations - somewhat ungraciously referred to in the thesis as Case 1, Case 2 and Case 3. I was very much saddened to learn that Case 1 had gone into receivership and ceased trading, and wish all those who worked there best wishes for the future. I also acknowledge and thank the following people and agencies:

### *In the Wirral:*

- Business Link Wirral's IIP Manager
- Chester, Ellesmere Port and Wirral Training & Enterprise Council (CEWTEC)

### *Further Afield:*

- Sir Geoffrey Holland,
- Sir Brian Wolfson,
- and Professor Paul Thompson, for their valuable interview contributions

### *At The Nottingham Trent University:*

- Professor Jim Stewart (director of studies) for all his timely guidance and help
- Dr Colin Fisher (project supervisor)
- Eileen Manhire (project supervisor)
- Those in the NBS Research Centre and NTU libraries

### *Family and friends:*

- For their understanding about my unavailability and absences, both physical and emotional

But most of all I thank Geoff, my husband, whose unfailing love, support and encouragement has helped restore my self-belief and resolve on many occasions over the last few years. I couldn't have made it without you - you have truly been 'the wind beneath my wings'.

*Rosemary Hill*

*January, 2001*

## CONTENTS

Abstract	
Acknowledgements	
Contents	i
List of Appendices	vi
List of Boxes	viii
List of Figures	ix
List of Tables	x

### **Part One: Background, Conceptualization, Planning and Methodology**

<b>Chapter 1: Background to the Study</b>	<b>1</b>
1.1 Introduction	1
1.2 The Research Problem and Two Major Research Questions	2
1.3 Research Aim and Objectives	3
1.4 Thesis Structure and Programme of Work	4
1.5 Summary of Chapter 1	4
<b>Chapter 2: Literature Review and Discussion of Key Variables</b>	<b>6</b>
2.1 Introduction	6
2.2 HRD in SMEs	7
2.2.1 Learning as the focus of HRD	7
2.2.2 HRD in organizing and managing	10
2.2.3 HRD in leadership and culture	10
2.2.4 HRD in organizational knowledge, learning and development	11
2.2.5 Determinants of HRD in SMEs	16
2.2.6 The issue of small-firm smallness	20
2.2.7 Other characteristics of SMEs	22
2.3 National HRD (N/HRD)	27
2.3.1 What is meant by N/HRD in the thesis	28
2.3.2 Background and development of IIP	30
2.3.3 Construction of the IIP standard	32

2.3.4	IIP and the smaller organization	34
2.3.5	Reported benefits of IIP	35
2.3.6	Resistance to IIP	39
2.4	Comparison of HRD in SMEs and IIP	40
2.5	Discussion and Summary of Chapter 2	42
<b>Chapter 3: Research Design</b>		<b>45</b>
3.1	Introduction	45
3.2	A Conceptual Framework	46
3.3	Operational Research Questions	48
3.4	Some Philosophical Design Issues	51
3.5	Evaluation of the Research Design	53
3.6	Expectations	56
3.7	Summary of Chapter 3	57
<b>Chapter 4: Research Methodology</b>		<b>58</b>
4.1	Introduction	58
4.2	Methodology: overall strategy	59
4.3	The Three Case-study Organizations	65
4.4	Casework: data collection methods	66
4.5	Casework: data analysis methods	70
4.6	Evaluation of the Research Methodology	72
4.7	Summary of Chapter 4 and Synopsis of Part Two	78
<b>Part Two: Fieldwork: Data, Analysis &amp; Results</b>		
<b>Chapter 5: Preparatory Survey</b>		<b>79</b>
5.1	Introduction and Context	79
5.2	Survey Phase 1: Methods	81
5.3	Survey Phase 1: Findings	83
5.4	Survey Phase 1: Conclusions	89
5.5	Interim Reporting and Feedback with Client	90
5.6	Survey Phase 2: Methods	91
5.7	Survey Phase 2: Findings	91
5.8	Survey Phase 2: Conclusions	97
5.9	Overall Survey Conclusions	100
5.10	Critique of the Preparatory Survey	104

5.11	Summary of Chapter 5	106
<b>Chapter 6: Case Study Organization 1</b>		<b>107</b>
6.1	Organizational Profile	107
6.2	Overview of Research Agenda in Case 1	108
6.3	Individual Interviews with Key Personnel (12/96 to 5/97)	109
6.3.1	Semi-structured interview with financial manager (1.12.96)	109
6.3.2	Semi-structured interview with purchasing & design manager (24.1.97)	112
6.3.3	Unstructured interview with the apprentice (24.1.97)	114
6.3.4	Unstructured interview with the analytical manager (29.5.97)	115
6.4	Innovation in Case 1	117
6.5	Formality Questionnaire in Case 1 (3.4.98)	119
6.6	Summing up HRD in Case 1	123
6.7	Case 1's Views on National HRD	125
6.8	Case 1 - Conclusions	129
6.9	Summary of Chapter 6	135
<b>Chapter 7: Case Study Organization 2</b>		<b>137</b>
7.1	Organizational Profile	137
7.2	Overview of Research Agenda in Case2	139
7.3	Semi-structured Interviews with Head Office Employees (27.2.97)	140
7.3.1	Interview with the credit controller	141
7.3.2	Interview with the assistant credit controller	141
7.3.3	Interview with the service administrator	142
7.3.4	Interview with the installation manager	143
7.3.5	Feedback session with the sales & marketing director	143
7.3.6	Critique of the interviews	144
7.4	Structured Interview with the Modern Apprentice (7.11.97)	145
7.5	Unstructured Interview with the MD (6.2.98)	145
7.6	Formality Questionnaire in Case 2 (9.4.98)	148
7.7	Twelve-months-on Visit (17.5.99)	150
7.8	Summing up HRD in Case 2	150
7.9	Case 2 and National HRD	153
7.10	Case 2 - Conclusions	161
7.11	Summary of Chapter 7	168

<b>Chapter 8: Case Study Organization 3</b>	<b>169</b>
8.1 Organizational Profile	169
8.2 Overview of Research Agenda in Case 3	171
8.3 Semi-structured Interviews with Employees (9.12.96)	172
8.3.1 Interview with the secretary	173
8.3.2 Interview with the field officer	173
8.3.3 Interview with the project officer	175
8.3.4 Debrief with DO2	176
8.3.5 Critique of interviews	177
8.4 The Management Committee	177
8.5 Leadership and Change in Case 3	180
8.6 Formality Questionnaire in Case 3 (1.6.98)	191
8.7 Twelve-months-on (11.5.99): summing up Case 3's views on HRD & N/HRD	193
8.8 Case 3 - Conclusions	195
8.9 Summary of Chapter 8	200
<b>Chapter 9: Cross-case Comparisons and Analysis</b>	<b>201</b>
9.1 Introduction	201
9.2 Organizational culture: 'From Metaphor to Model'	201
9.3 HRD Approaches	205
9.4 Organizational Learning	207
9.5 Formality	208
9.6 National HRD	211
9.7 Leadership and Evolution & Growth	217
9.8 Cross-case Comparisons and Conclusions	218
9.9 Summary of Chapter 9	222
<b>Part Three: Conclusions, Outcomes and Contributions</b>	
<b>Chapter 10: Conclusions</b>	<b>223</b>
10.1 Introduction	223
10.2 Main Project Conclusions	223
10.3 Conclusions and Theory Development: 'A Theory of SME Barriers to Participation in National HRD'	227
10.4 Validity of Results	228

10.5	Areas for Further Research	229
10.6	Summary of Chapter 10	230

***Chapter 11: Critique of Outcomes and Contributions*** **232**

11.1	Introduction	232
11.2	Performance of Research Aim and Objectives	232
11.3	The Major Theoretical Outcome and Contribution of the Research	232
11.4	Other Outcomes and Contributions	235
11.5	And finally...	237

**Part Four: Annexes**

Annex 1:	References and Bibliography	A1.1 to A1.17
Annex 2:	List of Abbreviations	A2.1 to A2.2
Annex 3:	Appendices	1 to 35
Annex 4:	Journal Articles and Conference Papers	A4.1



**LIST OF APPENDICES**

<b><u>Appendix</u></b>	<b><u>Description</u></b>
1	Nonaka's four basic patterns for creating organizational knowledge
2	A typology of organizational learning styles
3	Overview of N/HRD programmes other than IIP encountered in the research
4	Preparatory Survey 1996 Phase 1: postal questionnaire
5	Overview of out-of-case interviews
6	Formality questionnaire
7	IIP questionnaire
8	Process for completing and analyzing the formality questionnaires
9	Typical examples of topics covered during casework interviews
10	Annual appraisal form in Case 2
11	List of 'off-site' field documents obtained
12	Example of time-ordered display used in analytical precis (Case 2, sales & marketing director perspectives)
13	Preparatory Survey 1996 Phase 1: themes extracted from two open questions on postal questionnaire
14	Preparatory Survey 1996 Phase 1: analysis of completed questionnaire
15	Preparatory Survey 1996 Phase 1: responses to Likert Scale IIP statements
16	Preparatory Survey 1996 Phase 1: conceptual framework for linking points 3.1 and 6 of the postal questionnaire
17	Preparatory Survey 1996 Phase 1: feedback session with IIP manager in April 1996
18	Preparatory Survey 1996 Phase 2: interview respondents
19	Preparatory Survey 1996 Phase 2: interview topic guide
20	Preparatory Survey 1996 Phase 2: formal business planning
21	Preparatory Survey 1996 Phase 2: informal business planning
22	Preparatory Survey 1996 Phase 2: competitive edge
23	Preparatory Survey 1996 Phase 2: future business focus
24	Preparatory Survey 1996 Phase 2: change issues
25	Timeline of research events/contacts in Case 1
26	Results of formality questionnaire in Case 1

27	Timeline of research events/contacts in Case 2
28	Case 2: questions and responses in the structured interview with the modern apprentice on 7.11.97
29	Results of formality questionnaire in Case 2
30	Two modern apprenticeship delivery models
31	Timeline of research events/contacts in Case 3
32	Case 3: employee interviews topic guide (9.12.96)
33	Case 3: report for the chairman (21.3.97)
34	Results of formality questionnaire in Case 3
35	Comparison of formality ratings in the three cases

**LIST OF BOXES**

<b><u>Box</u></b>	<b><u>Description</u></b>	<b><u>Page</u></b>
1	Flow of Chapter 2	6
2	Small-firm characteristics as reported by Bolton Committee	21
3	Levels of involvement with IIP – four types of employer identified	31
4	Ten key messages from Hillage and Moralee’s study of IIP	37
5	Compilation of reported benefits of IIP	38
6	Potential reasons for IIP resistance	40
7	Preparatory Survey Phase 1: summary of thoughts about IIP	87
8	Management structure of Case 1	107
9	Summary of formality ratings in Case 1	120
10	Summary of formality ratings in Case 2	149
11	How the small voluntary organization differs from other small organizations	171
12	Summary of formality ratings in Case 3	192
13	Model of idiosyncratic-situational SME learning orientation	208

**LIST OF FIGURES**

<b><u>Figure</u></b>	<b><u>Description</u></b>	<b><u>Page</u></b>
1	Thesis structure – link to programme of work	5
2	Learning as the focus of HRD	9
3	Four types of organizational knowledge	13
4	Organizational learning	16
5	National HRD	28
6	N/HRD and IIP	30
7	Comparison of SME and IIP models of HRD requirements	41
8	Conceptual framework	47
9	Addressing external validity through analytical generalization	54
10	Three strategic elements of the research methodology	60
11	The Informality, Formality, Bureaucracy Continuum	61
12	Convergent Analysis Framework (CAF)	64
13	How N/HRD was explored	75
14	Summary of how the research managed the research problem	76
15	IIP Small Organization Hurdle Model	101
16	Case 1 and the Informality, Formality, Bureaucracy Continuum	122
17	Summary of conclusions about Case 1	130
18	Case 2's executive management team	138
19	Summary of conclusions about Case 2	162
20	Case 3: DM's summary of her relationship with the MC	178
21	The DM's dialectic for influencing change in Case 3	186
22	Case 3's DM 'Pulling from the Front'	189
23	Summary of conclusions about Case 3	196
24	'From Metaphor to Model'	203
25	From metaphor to model: towards a model of SME culture	204
26	Understanding cultural readiness for IIP using 'From Metaphor to Model'	217
27	Connection and direction in the three cases	221
28	'A Theory of SME Barriers to Participation in National HRD'	227
29	Contribution of 'A Theory of SME Barriers to Participation in National HRD'	233
30	HRD approach in SMEs – 'Stepping outside to Come In'	238

**LIST OF TABLES**

<b><u>Table</u></b>	<b><u>Description</u></b>	<b><u>Page</u></b>
1	Determinants of HRD in SMEs	18
2	European Commission's definitions of SMEs	22
3	Overview of the current (2000) and previous (1996) versions of IIP	33
4	Summary of Differences between HRD in SMEs and N/HRD	43
5	Relationship between research questions, research problem & aim/objectives	49
6	Summary of design strengths and potential weaknesses	55
7	Triangulation in the research methodology	59
8	Data collection strategy methods	62
9	The three case-study organizations	66
10	Summary of methodological strengths and potential weaknesses	77
11	CEWTEC's IIP targets and performances as at 31.3.96	80
12	Preparatory Survey Phase 2: influences on HRD initiatives	95
13	Case 1's comparison of National HRD with its own HRD requirements	126
14	Periods of office of Case 3's DOs and DM	172
15	Leadership and change in Case 3	190
16	Cross-case comparison of HRD approaches	206
17	Comparison of organizational learning styles	207
18	Analysis of formality comparisons - no similarities with other cases	210
19	Comparison of views about National HRD	211
20	IIP Questionnaire Sections 2 and 3	213
21	IIP Questionnaire Section 4	213
22	IIP Questionnaire Section 3	214
23	IIP Questionnaire - summary of IIP motivators and barriers in Cases 2 and 3	215
24	Cross-case leadership and evolution & growth	217
25	Summary of cross-case comparisons	219
26	Cross-case summary of factors influencing HRD approaches and N/HRD perspectives	220
27	Test of validity of results	229

## **PART ONE**

---

### **BACKGROUND, CONCEPTUALIZATION, PLANNING AND METHODOLOGY**

---

- Chapter 1: Background to the Study
- Chapter 2: Literature Review and Discussion of Key Variables
- Chapter 3: Research Design
- Chapter 4: Research Methodology

## **CHAPTER 1**

### **BACKGROUND TO THE STUDY**

#### **1.1 Introduction**

The doctoral work described in this thesis explores human resource development (HRD) in small and medium-sized enterprises (SMEs), specifically the poor take-up of National HRD (N/HRD) by SMEs. In the study, the Investors in People (IIP)<sup>1</sup> standard (IIP UK: 1996, 1998, 2000) is used as a main focal context for N/HRD. The researcher is a self-employed HRD consultant based in the Wirral where the study was conducted. The Wirral is situated in the North West of England and forms the small peninsular that lies between the rivers Mersey and Dee. A general decline in maritime and heavy manufacturing industries in the area over the last decade (CEWTEC, 1996c; CEWTEC, 1998) has led to a depressed local economy recognized in the allocation of substantial European funding. Merseyside has received financial support from the European Community (EC) since 1989, when it was designated an Objective Two area (WCVS, 1995). In 1994, Merseyside became an Objective One area and as a result has received more concentrated funding from the EC. The geographical context of the study is relevant because the availability and accessibility of EC funding on Merseyside has the potential to impact the nature and extent of support given to SMEs by local agencies responsible for the allocation and utilization of EU money. Also, the Wirral was one of the twelve 'Pathfinder' (pilot) districts in the UK (Pickard: 1997) in which the government's New Deal (DfEE: 1997b) commenced on 5 January 1998. These factors presented an opportunity to examine other aspects of N/HRD.

The problem of SME participation in N/HRD naturally draws in, and upon, the wider issue of SME HRD in general. According to the Department for Education and Employment (DfEE) (1995c), SMEs are a crucial part of the UK economy with the number of small firms and their share of output and employment rising steadily over at least the last twenty years. Despite the fact that clear links have been claimed between learning and economic development, learning is not always considered as central to organizational and economic success, with the issues of individual and organizational commitment to training and development (T&D) remaining problematic (DfEE, 1995c). UK national policy has encouraged the involvement of SMEs in the creation of an enterprising society (Cabinet

---

<sup>1</sup> As a focal context for exploring the characteristics of N/HRD in this study, IIP is featured and discussed in various contexts within the thesis. Chapter 2 offers a critique of the IIP standard.

Office, 1996) and a philosophy of lifelong learning (DfEE, 1998a), but there is a substantial body of evidence to suggest that small organizations do not have the HRD expertise, infrastructure and general resource which larger organizations frequently enjoy. Westhead and Storey (1997), for example, report that a manager is less likely to be in receipt of training if he works in a small firm; and the DfEE (1999e) report that UK skills gaps (the difference between what employers need to meet business objectives and the skills that their people possess) are particularly acute in small organizations. Statistics such as those supplied by the DfEE (1995c) which claim that 94% of the 3.6 million UK businesses employ less than ten people and more than ten million people work in firms with a workforce of less than 100 - and that the SME share of UK employment across all industry sectors exceeds 60% (DfEE, 1998j) - continue to highlight the potential value that SMEs hold for employment, innovation and economic growth in the UK (DfEE, 1999e; DTI, 1999a). If then, a substantial number of small organizations are not training and developing their workforce this would seem to be an area of concern for SME owner/managers and the UK government in its promotion and advancement of N/HRD. Given the importance attached to both the competitiveness of small firms and the notion of lifelong learning in the development of the UK economy, and the likelihood that N/HRD maybe the only source of HRD 'expertise' available to many small organizations, arguably this study represents an important piece of research.

Some of the arguments in the thesis question the notion that SMEs do not 'do' HRD - that is, HRD founded and conceptualized in 'conventional' large-firm logic. For, on the basis that many SMEs do manage to survive, it is not unreasonable to think that they must be doing something right; and that if we believe the vast amount of academic and practitioner literature about the value of T&D and learning to organizational capability and performance in general, then part of what small organizations do could be construed as 'developmental'. This raises issues about the philosophical and conceptual basis of conventional HRD and its relevance to SMEs. Whereas the literature review and discussion of key variables in Chapter 2 examine these matters in some detail, it is important to flag the suggestion about SMEs not 'doing' HRD in an orthodox sense here, as this has an impact upon how the research problem was investigated.

## **1.2 The Research Problem and Two Major Research Questions**

As the central research problem concerns the poor take-up of N/HRD by SMEs, the study essentially seeks an explanation of why this may be. Introductory arguments in the previous



section infer that the whole territory of SME HRD - to include SME engagement with N/HRD, seems complex and characterized by conditions of absence and deficiency. Simply put, it would appear that SMEs neither train nor develop their workforce, nor participate in N/HRD. But how sensible or practical is it to explore a research problem from a position of negative, rather than positive, logic? With this in mind, it was thought that a methodology springing from an issue questioned by negative logic (why do SMEs neither 'do' HRD nor participate in N/HRD?) may have directed investigations to a study of what was *not* there, that in turn, may have encouraged data collection constraints, and outcomes geared more towards a reinforcement of existing knowledge than the development of new understanding. So, based upon the suggestion in the previous section (that SMEs must be doing something 'developmental' to survive), the research problem was investigated with a positive logic through an exploration of how and why SMEs adopt the 'HRD' approaches they *do*, as a means of understanding the effect of the nature of that upon SME participation in N/HRD. The underlying assumption here that SME HRD approaches impact SME participation in N/HRD, is grounded in a previous argument that the problem (of SME participation in N/HRD) may reside in the wider domain of SME HRD in general.

As the construction of a research design begins with a clear understanding of the main issue(s) under investigation (Yin, 1994), the following two major research questions were developed. The second question draws out an explanation of the research problem, whilst the first serves as a means to that end:

- *'How and why do SMEs develop the HRD approaches they do? ...*
- *...how might such perspectives be affecting SME participation in N/HRD?'*

As well as defining the scope of the issues under investigation, these questions also embrace two distinct, yet related, dimensions to the study: HRD in SMEs; and N/HRD.

### **1.3 Research Aim and Objectives**

The research aim and objectives needed to capture the dual and comparative nature of the study's main dimensions: 'dual' in that there are two (HRD in SMEs and N/HRD); and 'comparative' as a resolution of the research problem necessitates a comparison of the two. The study aimed, therefore, to explore and compare HRD in SMEs with the characteristics of

N/HRD, in order to understand the impact of SME HRD models and perspectives upon SME participation in N/HRD. To this end, the research sought to accomplish four specific objectives:

- Explore and describe the HRD models and perspectives found in the SMEs studied;
- Explore the characteristics of N/HRD, using IIP as a focal context;
- Compare the HRD models and perspectives found in the SMEs studied with the characteristics of N/HRD;
- Determine the impact of SME models and perspectives upon SME participation in N/HRD.

#### **1.4 Thesis Structure and Programme of Work**

The thesis is structured to reflect the logic of the research design from its conceptualization through to conclusions and contributions. The contents pages at the beginning of the thesis detail the chapters, sub-sections and pagination. Figure 1, below, overviews the thesis structure and content, tracing a pathway through it. It may also be noted how the three main parts of the thesis reflect the three main stages of the research: 1) conceptualization of the project leading to a research methodology; 2) fieldwork leading to analysis of data collected and reporting results; and 3) project conclusions. As the figure also implies, discussion throughout the thesis indicates the relevance of each stage to the research problem, aims and objectives, and shows how conclusions may be located within the initial conceptualization of the project.

To add some milestone dates to the figure, the research project was registered with the Nottingham Trent University Research Committee in October 1995, fieldwork began with a preparatory survey of 350 small organizations in the Wirral over the period January to June 1996, and was followed by a multiple-case study of three SMEs selected from the survey population over the period October 1996 to June 1998. A follow-up visit was made to two of the cases in mid 1999, the third having gone into receivership in late 1998.

#### **1.5 Summary of Chapter 1**

The chapter has described a rationale and context for the research, discussed the research problem, its major questions and aim and objectives, mapped out a pathway through the thesis and shown how that relates to the programme of work. Chapter 2 reviews the literature and offers a conceptual discussion of the project's key variables.

**Figure 1: Thesis Structure – link to programme of work**

		<u>Main Topics Covered</u>
<b>PART ONE</b>	<b>Background, Conceptual Development &amp; Research Methodology</b>	
Chapter 1:	Background to the Study	<i>Project context; discussion of research problem, major questions, and aim &amp; objectives</i>
Chapter 2:	Review of Literature & Key Variables	<i>What is currently known about research problem; exploration of key variables (HRD in SMEs, N/HRD); starting model to inform conceptual framework</i>
Chapter 3:	Research Design	<i>Conceptual framework and development of further research questions to feed into research methodology; philosophical basis of design; evaluation of research design</i>
Chapter 4:	Research Methodology	<i>Description of data collection / analysis strategy &amp; techniques and relevance to research problem, aim/objectives; evaluation of methodology</i>
<b>PART TWO</b>	<b>Fieldwork: Data, Analysis &amp; Results</b>	
Chapter 5:	Preparatory Survey	<i>Introduction &amp; context to survey; description of data collection, findings and results; contributions of survey to casework</i>
Chapter 6:	Case Study Organization 1 )	<i>In each case: organizational profile; research agenda; presentation of data &amp; findings; analysis of case data within a consistent framework</i>
Chapter 7:	Case Study Organization 2 )	
Chapter 8:	Case Study Organization 3 )	
Chapter 9:	Cross-case Comparisons & Analysis	<i>Cross-case analysis of results from Chapters 6, 7 &amp; 8 producing level 1 inferences</i>
<b>PART THREE</b>	<b>Conclusions, Outcomes and Contributions</b>	
Chapter 10:	Conclusions	<i>Level 2 inferences and project conclusions Areas for further research</i>
Chapter 11:	Critique of Outcomes & Contributions	<i>Review of outcomes against objectives Contributions to existing knowledge</i>
<b>PART FOUR Annexes</b>		↑      ↑      ↑
Annex 1:	References & Bibliography )	<i>Supporting information/evidence</i>
Annex 2:	List of Abbreviations )	
Annex 3:	Appendices )	
Annex 4:	List of Journal & Conference Papers )	

## **CHAPTER 2**

### **LITERATURE REVIEW AND DISCUSSION OF KEY VARIABLES**

#### **2.1 Introduction**

The chapter explores what is already known about the research problem. The two main dimensions of the study (HRD in SMEs, and N/HRD) have been designated as key variables. The chapter flow (see Box 1, below) is guided by the logic of the research aim and objectives in that it first explores HRD in SMEs, then the characteristics of N/HRD (using IIP as a focus), and then compares the two resulting HRD typologies. The chapter finishes with a review of the author's own position on the issues raised, to include a comparison of the broad characteristics of HRD in SMEs and N/HRD as a starting point for the research design.

#### **Box 1: Flow of Chapter 2**

- 2.2 HRD in SMEs:
  - 2.2.1 Learning as the focus of HRD
  - 2.2.2 HRD in organizing and managing
  - 2.2.3 HRD in leadership and culture
  - 2.2.4 HRD in organizational knowledge, learning and development
  - 2.2.5 Determinants of HRD in SMEs
  - 2.2.6 The issue of small-firm smallness
  - 2.2.7 Other characteristics of SMEs
  
- 2.3 N/HRD:
  - 2.3.1 What is meant by N/HRD in the thesis
  - 2.3.2 Background and development of IIP
  - 2.3.3 Construction of the IIP standard
  - 2.3.4 IIP and the smaller organization
  - 2.3.5 Reported benefits of IIP
  - 2.3.6 Resistance to IIP
  
- 2.4 Comparison of HRD in SMEs and IIP
- 2.5 Discussion and summary of Chapter 2

## **2.2 HRD in SMEs**

### **2.2.1 *Learning as the focus of HRD:***

Are small organizations more natural learners than larger ones? This question was posed by Paul Iles, Professor of HRD, Liverpool John Moores University, during a conference about the Learning Organization (MCB University Press: 1997). His reflections bring two suppositions to mind; that HRD *is* about learning, and that learning is a natural process. Stewart (1992: 26) for one believes that learning is the focus of HRD and that learning does occur naturally amongst human beings:

...learning is natural, continuous, inevitable and occurs spontaneously within the organism. What this means, therefore, is that learning does not require HRD, training, or education or any other process to make it happen. It can and does occur irrespective of the existence of those functions.

A third supposition might be that if learning is natural - and if HRD is about learning - then HRD is (or should be) about learning naturally. But to what extent is HRD itself seen as 'natural' and supportive in the process of learning? Stewart (*ibid*: 26) advises that "HRD is essentially an intervention in the natural learning process of organisations and individuals."; and in suggesting that learning and working processes are very much intertwined, Horst et al (1999) propose the notion of an employee as both a 'working learner' and a 'learning worker'. In a small firm in particular, where the owner/manager may believe that learning occurs organically on the job, it is possible that the job might be thought of as an 'HRD intervention' in itself. The owner/manager of a small firm may, however, be more familiar and comfortable with 'T&D' than 'HRD' and also, perhaps, be more inclined to reject formal training programmes and employee development structures in favour of informal training and natural learning processes - whatever they might be termed within the boundaries of her own understanding and business context.

It is widely acknowledged that HRD comprises an intricate web of issues and activities as demonstrated by an abundance of authors such as French and Bazalgette (1996), Harrison (1997), Stewart and McGoldrick (1996) and Weinberger (1998). One HRD activity is the training and development of people in a work organization. Whilst recognizing that the individual activities of 'training' and 'development' may hold separate and differing connotations for the overall philosophy and practice of HRD - as advanced by Buckley and Caple (1990) and Harrison (1997), for example - the phrase 'training & development' may be

applied in its aggregate form, in keeping with composite definitions of T&D such as that offered by IIP UK (1996: 27):

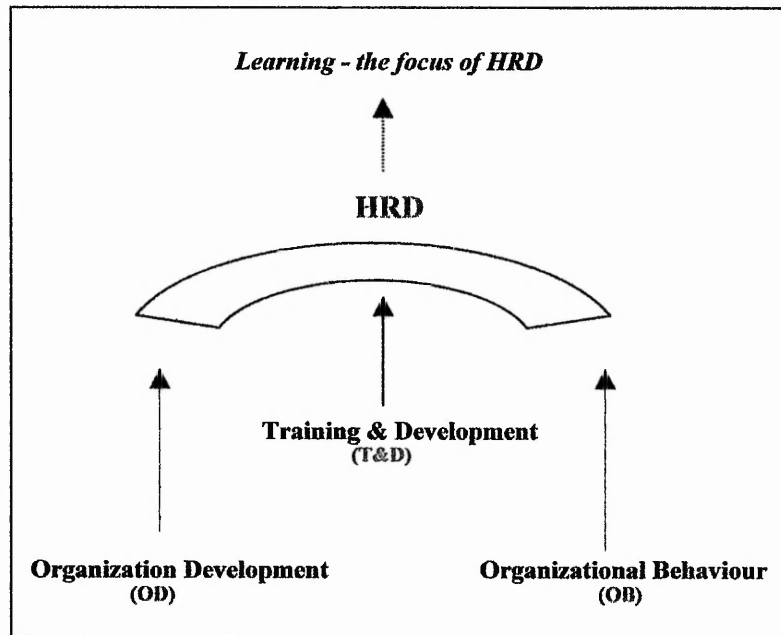
...any activity that develops skills and/or knowledge, and/or behaviour. Activities may range from formal training courses run internally or externally, to informal on the job training by a supervisor. Also includes other activities such as shadowing, coaching, mentoring etc.

Harrison (1997: xiii) defines the term 'training' as "shorthand for planned instructional activities, and sometimes for wider developmental activities and processes", and assigns 'development' to "all learning experiences whereby growth occurs...". She then goes on to say that when development is "used in conjunction with 'training' it is in order to distinguish wider learning experiences from narrowly focused, planned, job-related events." There are similarities in the definitions advanced here by IIP UK and Harrison. Each informs us that T&D activities engage both formal and informal processes, for example. Combined, the two infer that training is a more formal and narrowly-focused activity designed to impart or improve upon specific knowledge and skills, whilst development is aimed inherently at the realization of growth and a capability to think, behave and perform differently. Development may occur through either planned or emergent (unplanned) learning experiences (Megginson, 1996).

Within the literature, 'T&D' and 'HRD' seem to be used interchangeably by some authors. It is also noted that 'T&D' appears to be directed more at discussions of practical/practitioner activities, and 'HRD' at strategic or academic issues. A further observation on this matter is that there seems to be more reference to 'training' or to 'T&D' in an SME context, than there is to 'HRD'. In this study, HRD is perceived as an umbrella construct encompassing the activities collectively known as T&D (discussed above) as a primary ingredient. Others are seen as organization development (OD) and organizational behaviour (OB). The ordering of this thinking is depicted at Figure 2, below. As suggested by the figure, T&D activities constitute the dominant (and, perhaps, most 'visible') component, with the learning and development processes and underpinning theories associated with OD (French and Bell, 1990; Stewart, 1996) and OB (Davis and Newstrom, 1971; Robbins, 1997) designated as subordinated but significant to the overall notion of 'HRD'. In keeping with arguments already put forward above, learning is positioned as the focus, or expected/planned outcome, of HRD.

However, it has already been suggested (above) that SME owner/managers may be

**Figure 2: Learning as the Focus of HRD**



more comfortable with 'T&D' than 'HRD', and application of these terms in the thesis reflects that position: that is, T&D and HRD are used to mean the same. This statement recognizes the possibility that 'HRD' (as depicted at Figure 2, above) is more likely to be perceived and talked about (Sambrook, 2000) in a small organization as 'T&D'. It also recognizes a potential difficulty in trying to 'label' and explore a phenomenon (HRD in SMEs) that apparently is non-existent. So, conceptualizing HRD in terms of its expected outcome (Figure 2), whilst acknowledging that descriptions of it (HRD) and its inputs (Figure 2) may vary, reflects the 'positive logic' of this study. In this sense, HRD is positioned as a processor, or as suggested earlier, an intervention in an organization's natural learning processes. It is further argued here that the nomenclature of HRD may be of secondary importance to what HRD, as 'labelled' in a particular context, might achieve.

If learning is the focus of HRD, then where is its (HRD) context and content? Stewart and McGoldrick (1996) suggest that HRD is both practical and strategic in application and is implicit in processes of organizing and managing, and concerned with leadership, culture, organizational learning and development, and change. Their argument infers that an HRD context (intervention 'target') and an HRD content (intervention design/agenda) lie within these constructs. Their argument is now extrapolated into a discussion of HRD in the contexts of: organizing and managing; leadership and culture; and organizational learning

and development. Arguably, all three contexts are either directly or indirectly involved with an organization's evolution and change processes.

### **2.2.2 HRD in organizing and managing:**

The subject of organization theory and the management of organizations receives much attention in the literature - for example, French and Bell (1990), Hassard and Pym (1990), and Schein (1970 & 1993). Commenting upon "Organizing for Today's Work", Tushman and Nadler (1996: 140) suggest that organization comprises four major components: 1) *Task* - the basic work to be done; 2) *Individuals* - the members of the organization; 3) *Organizational arrangements* - the formal structures and processes created to get individuals to perform tasks; and 4) *Informal organization* - the unwritten, constantly evolving arrangements, including culture, which define how things get done. If HRD is concerned with matters relating to 'organization', then Tushman and Nadler's (1996) analysis may be particularly helpful to this study, given the argument in the previous chapter about looking at the research problem from a positive logic. For even if HRD in an SME is enigmatic and difficult to 'find', then there may be observable signs of 'developmental' perspectives and activities within the four organizational components outlined above. Put another way, thinking of HRD as an organic component embedded within an SME's infrastructure and normal routines may be a more useful conceptualization than trying to locate HRD within a more formal (and visible) framework of traditional HRD activities, such as off-the-job training courses and manager development programmes. The thesis builds upon this important (to this research project) point.

### **2.2.3 HRD in leadership and culture:**

Issues of leadership and culture are intimately bound with the four major components of 'organization' as discussed above. There is much to be found in the academic and management literature about the subject of leadership and its association with the concepts of vision and values, management, entrepreneurialism, organization development and performance improvement. Drawing upon Kotter's comparison of leadership and management, Cacioppe (1998: 44) comments that, "...leadership involves the creation of a vision and strategic direction for the organisation, the communication of that vision to the people and customers of the organisation and also involves inspiring, motivating and aligning people and the organisation to achieve this vision." Horner (1997) argues that, over the



years, several different categories of leadership theory have emerged. She explains that complex issues such as leadership style, motivation and behaviour, change management, and ever increasingly, the accomplishment of group purpose and team working all contribute to the essence of what we perhaps over simplistically term 'leadership'. Horner (1997: 274) also says:

...culture management is another important aspect of leadership. Culture management deals with the ability of leaders to know and understand what the organizational culture is, modifying culture to meet the needs of the organization as it progresses.

Watson (1994: 21) argues that we *need* a culture to exist and we learn about and modify the culture we exist in by "continually talking to our culture", which is accomplished "...through looking at, reading about, engaging in stories in novels, newspapers, films, jokes and gossip – stories about love, death, hate, infidelity, illness, bills." If we accept that effective leadership and by implication culture management is not necessarily congenital (Kur and Bunning, 1996), then HRD has an important part in encouraging organizational capability in these disciplines.

#### ***2.2.4 HRD in organizational knowledge, learning and development:***

In keeping with earlier suggestions that small organizations may be more 'natural' learners than larger ones and that learning is the focus of HRD, this section explores the association between organizational knowledge, learning, development, capability and performance.

##### ***Knowledge and learning***

Learning may be thought of as a process and an outcome of a process (Honey, 1999). For example, we learn how to drive a car through a process of tuition and practice, an outcome of which is a 'piece' of learning that comprises an increase in both knowledge (what we know) and technical/practical skills (what we can do with what we know). Existing knowledge and skills are also fundamental inputs to the learning process: whereas learning indicates some change in the state of our knowledge which typically results in an ability to think, perform or behave differently (Keating et al, 1996). In essence, learning incurs change and the acquisition of reformed and new knowledge. But, whereas learning may encourage new perspectives, it does not always promote clarification or certainty, for as Keating et al (ibid: 40) argue, learning can also mean that "...something previously known becomes ambiguous

or less certain.” This, perhaps, explains why sometimes learning can be a painful or even destructive process. Learning is triggered by what broadly may be conceived as latent/urgent needs and apparent/planned experiences - for instance, a drowning man’s requirement to learn how to swim (latent/urgent need) as opposed to a scheduled swimming lesson (apparent/planned experience). The process of learning itself has a context (the situation/environment in which, or because of which, the learning occurs) and a content (what is being learned). Both the learning context and the learning content can activate and ‘shape’ both the learning process and the learning outcome. For example, the above two illustrations of learning to swim exhibit totally different learning contexts and somewhat different learning contents (on the basis that a drowning man would be more concerned with the practicalities of saving himself than developing good technique), each experience shaping a unique learning process and outcome. Learner motivation and receptiveness to learning, opportunity and environment are all thought to be important factors in determining whether learning (process) occurs at all, and when it does, whether or not the learning (outcome) is effective (Honey and Mumford, 1989).

#### *Types of organizational knowledge*

The term ‘organizational knowledge’ may be used in two ways: 1) generically, to mean all that is ‘known’ by an organization whether that knowledge be the property of individuals, groups of individuals, or the whole organization; and 2) specifically, to mean knowledge at organizational level and generally thought of as a bank of resources, capabilities and competencies (Nanda, 1996) belonging to the organization. Figure 3, below, reflects this thinking about organizational knowledge. The model, which is an amalgam of theory advanced by various commentators - notably Baumard (1996), Nonaka (1996) and Spender (1996a & b) - suggests that there are four types of knowledge in an organization: tacit/individual; explicit/individual; tacit/collective; and explicit/collective. These types emanate from two basic forms of knowledge (tacit and explicit), either of which may be located within either of two organizational domains (individual and collective).

#### *Tacit and Explicit Knowledge*

Tacit knowledge is commonly thought to be intuitive, subjective and typically automatically

**Figure 3: Four Types of Organizational Knowledge**

		TACIT	EXPLICIT
<b>INDIVIDUAL</b>	<b>Automatic:</b>	What the individual is not aware that she knows, and uses subconsciously - is not able to articulate  <i>‘We know more than we can tell’</i>	<b>Conscious:</b>  What the individual knows, and uses consciously – is able to articulate  <i>‘Known expertise’</i>
	<b>Social/informal:</b>	What is shared informally via observation and imitation for example, is socially constructed but not formally articulated  <i>‘Truths we hold collectively but do not state’</i>	<b>Social/objectified:</b>  What is known and used by a community and can be explained -- made available via policies, written rules, management decisions, procedures, memoranda, role profiles etc  <i>‘Scientific and professionally accessible’</i>
<b>COLLECTIVE</b>			

deployed in the realization of skills and behaviours. Nonaka (1996: 21) writes:

Tacit knowledge consists partly of technical skills - the kind of informal, hard-to-pin-down skills captured in the term ‘know-how’. A master craftsman after years of experience develops a wealth of expertise ‘at his finger tips’. But he is often unable to articulate the scientific or technical principles behind what he knows. At the same time, tacit knowledge has an important cognitive dimension. It consists of mental models, beliefs and perspectives so ingrained that we take them for granted and therefore cannot easily articulate them. For this very reason, these implicit models profoundly shape how we perceive the world around us.

In discussing the role of tacit knowledge and skills in employee development and SMEs, Harrison (1997), too, characterizes tacit skills as largely instinctive and ‘unexplainable’ by those who possess and use them. She argues (ibid: 57) that tacit skills in general “can represent vital strategic assets”, and are especially crucial in small firms.

According to Nonaka (1996: 21) “The distinction between tacit and explicit knowledge suggests four basic patterns for creating knowledge in any organization.” His explanation of these four patterns, which is reproduced at Appendix 1, may be construed as an illustration of movement around the matrix at Figure 3, above. For example, 1) a tacit to tacit pattern suggests movement from an ‘automatic’ knowledge type to a ‘social/informal’ knowledge type; 2) explicit to explicit, movement both within ‘conscious’, and from ‘conscious’ to ‘social/objectified’; 3) tacit to explicit, both movement from ‘automatic’ to ‘conscious’, and from ‘automatic’ to ‘social/objectified’; and 4) explicit to tacit, movement

from 'social/objectified' to 'automatic' and then on again to 'social/informal'. Nonaka (ibid: 22) states that "...all four of these patterns exist in dynamic interaction, a kind of spiral of knowledge."

### *Individual and Collective Knowledge*

Individual knowledge may be thought of as residing in singular units as the personal property of individual people, and collective knowledge in multiple units - groups of people comprising any number of individuals from two up to an organization's entire community. This does not mean, however, that the sum total of what is known by individuals in an organization will equal the amount of 'objectified' knowledge (Spender, 1996b) formally available at organizational level - and vice versa. It is possible for the aggregate of individual knowledge to exceed what is known by the organization itself: for, if as Nonaka (1996: 20) argues, and illustrates in his example of the movement of knowledge from explicit to tacit (Appendix 1), "New knowledge always begins with the individual...It takes place continuously and at all levels of the organization", and we can accept that typically much knowledge in an organization remains tacit (Baumard, 1996; Nonaka, 1996; Spender, 1996b), then much of what is actually available to an organization is presumably neither apparent nor accessible, and, therefore, not readily transferable to organizational level. Conversely, it is also feasible to suggest that not all objectified organizational knowledge may be known by all individuals in an organization, on the basis that: a) an organization is "...a living organism" (Nonaka, 1996: 19) and, therefore, continually replenishing its knowledge base; and b) it is not possible for one individual to know all there is to know about an organization, "...not only because of bounded rationality, but also because organizational capital is ultimately both tacit and supra-individual." (Collis, 1996: 151).

There is an implication in Collis' argument that even tacit knowledge may ultimately belong to the organization, because what individuals come to know and are able to do instinctively in one organizational setting may be neither portable to, nor imitable in, another context. In this sense, organizational capability transcends the collective capabilities of all the individuals whose knowledge helped develop and shape it, or as Collis (ibid.) puts it "...organizational memory is not reducible to individual memory." It is feasible to think that organizational capability belongs to the organization and may exist independently of, and diversely from, its workforce.

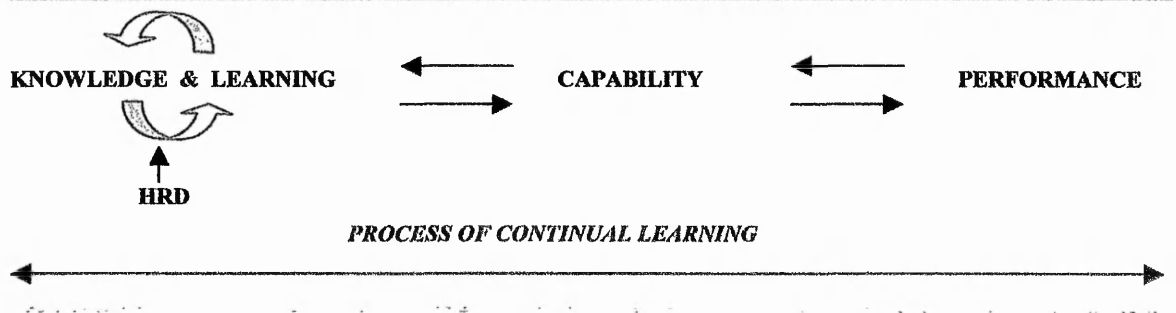
### Organizational capability

Moingeon and Edmondson (1996: 10) define organizational capabilities as "...bundles of resources - capital assets, human know-how, and routines - combined in path-dependent ways that make them difficult to unbundle or decipher." Nanda (1996) argues that there is a tendency to use the terms resources, competencies and capabilities interchangeably, describing organizational resources as data and information, organizational capability as the application of data and information, and organizational competencies as "...higher-order routines which develop and configure organizational resources." The term organizational capability is used in this thesis to mean the manner in which an organization engages and utilizes its resources for effective and efficient current and future performances – a definition that focuses more upon a need for *repeatable* application than Nanda's description might entail. If this hints at the notion of routine performance, then this definition of organizational capabilities also embraces Nanda's conception of organizational competencies. Furthermore, as an input to and output of organizational performance, organizational capability is both mutant and enduring. Mutant because as a 'pot' of resources, it is constantly changing via a process of continual application and learning through feedback; enduring because organizational capability is "based upon a network of relationships" (Collis, 1996: 151) - a structure that transcends the reign of individuals. If organizational capability is concerned with perennial change, then it may also be intimately concerned with learning. The development of organizational capability ought, therefore, to be a focus and an outcome of organizational learning, and an HRD 'target'. DiBella et al (1996: 38) position organizational learning itself as a core organizational capability, suggesting that "...core capabilities and competencies differentiate a company so that it has distinct advantage over its competitors." Their research into the learning capability of four companies led to the typology of organizational learning styles<sup>2</sup> reproduced at Appendix 2. Figure 4, below, summarizes the mutually-reinforcing and iterative relationship between organizational knowledge, learning, capability and performance, all of which may encourage a process of continual learning. 'HRD' is positioned in the model to suggest its role as an intervention in the knowledge-development and learning processes of an organization.

---

<sup>2</sup> The learning capability and styles of the three case-study organizations in this project are discussed in later chapters against Di Bella et al's learning orientations.

**Figure 4: Organizational Learning**



### **2.2.5 Determinants of HRD in SMEs:**

The main arguments advanced in the chapter about HRD are that learning is the focus of HRD, and that HRD, although manifold in constitution, is essentially an intervention in an organization's natural learning processes. Arguments advanced about HRD in SMEs suggest that HRD may be conceptualized as an organic component embedded within an SME's infrastructure and normal routines, and that tacit knowledge and skills are particularly prevalent and crucial in SMEs. In positioning learning as the focus of HRD, and HRD as a 'natural' component of an SME's learning processes (the work and other organizational arrangements), it would seem that small organizations could after all be more natural learners than larger ones. Which by association could indicate that what we know 'conventionally' about HRD might not be appropriate to SMEs. But, what do we actually know about HRD in SMEs? Harrison (1997) suggests that most of the literature about managing and developing people in smaller organizations derives from observations in larger organizations. Lane (1994), too, appears to question the relevance of conventional T&D approaches in SMEs and what is understood about HRD in small organizations. He writes (ibid: 21):

Understanding how SMEs approach training and generating models of effective practice from within SMEs themselves would be a worthwhile endeavour. Too much emphasis in the past has perhaps been placed on external experts telling entrepreneurs what to think and what to do. Companies do vary in their vision, with some aiming for rapid growth and others for steady growth or niche markets. These differences may very well be reflected in different training policies. We need to understand the extent to which such ideas are part of a company's philosophies.

This quotation highlights the individualistic nature of small firms and a need for organizational perspectives and activities, including HRD, to reflect this. Vickerstaff and Parker (1995:60) report that, "Case-study-based work has revealed a high degree of

unplanned, reactive and informal training activity in small firms, where there is typically unlikely to be a dedicated personnel manager or training officer.” Other literature - for example, Cosh et al (1998), DfEE (1997g), Gibb (1997), Harrison (1997), Joyce et al (1995), Lane (1994), Metcalf et al (1994), Storey (1994), and Westhead and Storey (1997) - support this and its sibling argument, that in many small organizations training does not take place at all. It is also worth adding here that where training does occur in SMEs, not only is it more likely to be reactive and informal but it tends to be short term and almost exclusively directed at the solution of immediate work-related problems rather than the development of people. Such factors suggest that small-firm T&D is predominantly job-skill related, delivered on the job as part of the job, and is seen by the small firm not so much as “...’proper’ training...” but instead regarded as “...part of everyday life.” (Joyce et al, 1995: 19). These arguments seem to suggest that the characteristics of HRD in small organizations match much that is characteristic of SMEs themselves, and that the dynamics of T&D in small organizations could be very different from those in larger enterprises.

Metcalf et al (1994) discuss training in the context of staff retention and morale and the anxiety felt by some firms about the poaching of trained staff; Storey (1994) comments upon the strategy adopted by small firms of poaching trained labour and then moulding it to their requirements; and Harrison (1997) makes a link between informal training, tacit skills and the poaching of trained SME labour, claiming that crucial, tacit skills are particularly vulnerable in small organizations. Arguably, Harrison’s (ibid: 57) words imply a good reason for SMEs not to train their workforce:

Once a skill becomes explicit, and systematically based training can be provided for it, then the skill becomes mobile and can be poached or copied by other organisations. Loss of valuable tacit skills represents a loss of strategic assets.

Table 1, below, summarizes factors typically cited in the literature as triggers/motivators and barriers to HRD in SMEs. The summary is drawn mainly from the discussions of: Cosh et al (1998); DfEE (1997g); Gibb (1997); Harrison (1997); Joyce et al (1995); Lane (1994); Metcalf et al (1994); Storey (1994); Storey and Westhead (1997); Westhead and Storey (1996). Certain factors in Table 1 appear in both columns - a presence of such determinants seen as triggers/motivators and an absence of them regarded as ‘barriers’. For example,



**Table 1: Determinants of HRD in SMEs**

TRIGGERS & MOTIVATORS	BARRIERS
<p>Strategy: training can reflect organization's vision and strategy.</p>	<p>Inability to demonstrate clear link between T&amp;D and SME performance.</p>
<p>Growth: rapid growth or objectives for growth necessitate staff recruitment and/or acquisition of new skills.</p>	<p>Owner/managers fear poaching of trained staff and skills.</p>
<p>Innovation: the organization is an innovator and strives to operate within niche markets.</p>	<p>Employees not interested in training as they do not want more training to do their jobs better, or there is no promotion anyway if they do improve.</p>
<p>Link to business performance: training can be shown to reap business improvements and costs of training are balanced against bottom-line return on performance.</p>	<p>Training rated as irrelevant or unimportant to the business with no apparent company benefits.</p>
<p>Owner/manager perspectives: owner/manager has a positive experience of or outlook towards T&amp;D; and/or is aware of/has experience of HRD issues; and/or is well educated/trained/qualified himself.</p>	<p>Entrepreneurs have no real desire for training.</p> <p>Lack of internal HRD awareness/expertise to include lack of training analysis and planning skills.</p>
<p>Culture: the organizational or management culture is related to training</p>	<p>Cost of training both in terms of real cost and time away from the job.</p>
<p>Recruitment difficulties: where recruitment of skilled labour is constrained by market conditions.</p>	<p>Owner/managers ignorant of the benefits of training.</p>
<p>Technology: there is new technology in the firm.</p>	<p>Owner/managers themselves are not well educated and/or have no formal qualifications.</p>
<p>Firm size: larger SMEs incur lower unit costs in training staff.</p>	<p>Owner/managers more concerned with short-term survival issues than T&amp;D issues.</p>
<p>Industry sector: formal workplace training more likely in manufacturing than service sector firms.</p>	<p>Due to the diverse nature and limited numbers on training courses, the cost of supplying training to small firms is higher.</p>
<p>Nature of training: training is made relevant to the SME's diverse needs and delivered on site in flexible form; training is located in practice; company employees with particular expertise conduct training sessions.</p>	<p>It is more difficult to supply training to a variety of SMEs who may be at varying stages of development.</p>
<p>Change initiatives: training is more likely when the firm is undertaking change programmes such as customer care, ISO 9000, Investors in People, NVQs, performance-related pay systems etc.</p>	<p>Promotion is less likely in small firms than larger ones – this is particularly relevant to managers.</p>
<p>Expectations: there is a workforce expectation and desire for betterment.</p>	<p>Next job for an SME employee or manager is likely to be in another SME rather than internally provided.</p>
<p>External help: training is more likely where 'good' external help is available (e.g. appropriate small-firm consultancy)</p>	<p>Management training in particular provides a long-term, rather than short-term, benefit to the organization.</p>
<p>Rationale for training: training is undertaken to ensure that the job is done 'in our way'.</p>	<p>Training material is irrelevant/not geared to the needs of the particular needs of the SME.</p> <p>Supply and/or quality of the training provision is not good.</p> <p>Lack of suitable information on training.</p>



where T&D can be shown to reap business improvements this is a potential trigger/motivator, whereas an inability to demonstrate such a link is considered to be a barrier. Other factors which illustrate this include: owner/manager perspectives, education and background; relevance of training to the organization's business, operational needs and strategic aspirations; an organizational culture/expertise related to T&D; employee attitudes and expectations about the usefulness of training in the contexts of personal betterment and promotion; relevance of the nature of training material and method of delivery; availability, appropriateness and quality of external help; firm size - a factor which influences the cost of training provision. Despite an apparent congruence between triggers/motivators and barriers, there may be underlying conflict too. From the data in Table 1 it appears that as a bottom-line maxim, SMEs implement HRD because they deem it necessary for survival, growth and the accomplishment of business objectives. There is, however, a perception in the literature (for instance, Storey and Westhead, 1997) that HRD is not done in small firms due to an ignorance of the benefits. But what are the benefits of HRD in a small organization? Who sets the criteria for such benefits - the SMEs or those who provide the T&D? Perhaps, SMEs see HRD as a means to an end rather than as an end in itself, and view the availability of external provision not so much as a discrete reason to train (just because the external provision is there), but more as 'help' when and how appropriate. SMEs may informally and intuitively 'analyze' their T&D needs anyway, instinctively - almost by default - focusing them upon business aims and improved performance. This reinforces earlier views that T&D activities in SMEs may not be seen as 'proper training' but as part of everyday life.

From all this discussion it would seem that there are two crucial factors which influence the likelihood and nature of T&D in small organizations: the first being the attitude and motivation of the owner/manager towards HRD and the influence that he chooses to exert over it; and the second the perceived impact of T&D upon organizational performance - usually in terms of financial return. Storey (1994) argues that the motivation of an owner/manager is a key influence on performance and how it is achieved. It is likely that many owner/managers will not have received any formal management/human resources training or education themselves and are unaware of the complexity and potential of human resource management (HRM) in general (Harrison, 1997; Westhead and Storey, 1997). If an owner/manager cannot equate T&D with improved business performance, then it is unlikely that he will seek a formal HRD policy linked to the delivery of business goals and initiatives. There is conflicting evidence regarding the contribution of T&D to small-firm performance.

For example, Storey (1994:283) comments, "there appears to be little evidence that small firms which invest in training perform better than those which do not", and Cosh et al (1998: 33) report that "The relationship between training and business survival is a contentious issue and a number of controversial claims have been made, including that survival is enhanced by management training in particular." On the other hand, Lane (1994) cites instances where training and management development have shown positive links to business success; but Westhead and Storey (1996) criticize a number of well-publicized UK studies which claim to have identified a link between training provision and small firm performance, arguing that methods and results are spurious. Adding a further dimension, Cosh et al (1998: 64) state:

We have found very little evidence that training improved the prospects for business survival, except in firms with between 10 and 20 employees. This was also the only size group where we were able to identify a positive impact on profitability in the period 1990-95.

The view that training appears to 'reach' very small firms more quickly and effectively than it does larger companies, is supported by Hillage and Moralee (1996) in their report on IIP for the Institute of Employment Studies (IES). They conclude (ibid: 72-73), "The smaller the organisation, the bigger the impact", arguing that IIP (and, therefore, by implication T&D) "...has a more immediate effect on the management approach of smaller employers.", with a result that "...smaller employers expect to realise business benefits sooner than their larger counterparts." Despite their claims that IIP appears to penetrate smaller firms more quickly, Hillage and Moralee (1996) could not see any evidence of greater impact upon business outcomes in smaller firms.

### ***2.2.6 The issue of small-firm smallness:***

Definitions of what constitutes a small organization do vary within the literature and understanding the issue of 'smallness' is not easy. Stanworth and Curran (1976: 7-8) report that the Bolton Committee saw the small firm as a socio-economic unit displaying the characteristics in Box 2, below. This conceptualization may, however, be criticized. For example, small organizations frequently create niche markets (Bradburd and Ross, 1989) thus achieving quite a large, if not always obvious, market share. In contention of point 2, Storey (1994: 150) suggests that "...once small firms exceed between ten and twenty workers, they begin to employ individuals to act as managers or supervisors...", reflecting an overall pattern in the association between non-owning manager recruitment and small-firm

**Box 2: Small Firm Characteristics as reported by the Bolton Committee**

1. Economically, a small firm is one that has a relatively small share of its market.
2. Managerially, the small firm is administered by its owners or part-owners in a personalized way, rather than through the medium of formalized management structure.
3. Finally, it is independent in the sense that it does not form part of a larger enterprise and owner-managers are free from outside control in taking their principal decisions.

growth. The matter of small-firm independence at point 3 is interesting and contestable. For instance, to what extent might this reasoning extend to larger organizations that operate as autonomous business units? Are such units 'small' organizations in their own right? Or must the essence of being a small firm always mean freedom from the encumbrance or comfort of large-firm endorsement? Several of the surveyed SMEs in this study (Chapter 5) were either wholly reliant upon a single large supplier, or functioning as an independent franchise of a larger organization. These organizations were, however, still regarded by the local Training & Enterprise Council (TEC) as part of the region's SME populace.

In defining the term SME, some commentators (Storey 1994, for example) specify that an SME is a firm which employs up to 499 people, and on reaching a workforce of 500, it becomes a large organization: whilst Patterson et al (1997), reporting on a ten-year longitudinal study, draw upon data gathered from over a hundred UK SMEs in the manufacturing sector employing between 60 and 1000 people. Watson and Everett (1993), however, suggest that a non-quantitative approach to SME definition is preferable to one where, typically, figures relating to size of workforce or annual turnover are quoted. They do acknowledge though that there are difficulties in applying qualitative methods, to include the need for consistency of measurement processes across different industry sectors. Certain sectors appear to contain a proliferation of small organizations. For instance, Curran and Burrows (seen in Storey, 1994: 17), located almost 90% of all UK businesses employing between one and twenty-four workers in the construction and service industries; whilst Keeble et al (1992) report that service industries in general are typified by an above-average share of small organizations. Table 2, below, shows how the European Commission (EC) defines the term SME (TUC, 1997). It should be noted that the 0-9 employee category (very small/micro firm) is a sub-category of the 0-49 employee category (small firm). In offering this definition, the EC aims to provide a clear global framework for all the measures directed

**Table 2: European Commission's Definition of SMEs**

<u>Number of Employees</u>	<u>Defined As</u>
0 - 49	Small firms
(0 - 9	<i>Very small , or micro, firms)</i>
50- 249	Medium firms
250 or more	Large firms

Source: TUC (1997) originating in a Commission of the European Communities publication of 3 April 1996

towards micro-, small- and medium-sized enterprises (Definition of Small and Medium-sized Enterprises (SMEs), 1996). A review of SME definitions in the literature indicates why the EC might have felt this necessary. For grant-giving purposes, the EC also restricts SMEs by turnover and requires them to be independent of any other business.

The main point in all of this discussion is that small-firm 'smallness' is a multi-dimensional concept which may not always be judged from a size perspective alone and that, perhaps, there is no such thing as a 'typical' SME. For example, there could be a world of difference between an organization employing say five people, and one employing 75. Both would be categorized as SMEs within the EU definition. The selection of SMEs for survey and casework in this study were located within the EC's definition at Table 2, but gravitated towards the smaller end of the scale (the survey focused upon organizations employing under 50 people, and the largest of the three cases had around 70 employees at the outset). Implications of the broadness of SME definition are discussed in Chapters 3 and 4. The next section explores what factors apart from size also characterize SMEs.

### **2.2.7 Other characteristics of SMEs:**

Westhead and Storey (1996:18) state that:

...the small firm is not a 'scaled-down' version of a large firm. In short, theories relating to SMEs must consider the motivations, constraints and uncertainties facing smaller firms and recognize these differ from those facing larger firms.

These statements represent a key argument in the thesis, and by suggesting that it is inappropriate to apply large-firm logic to small organizations, raise a critical question; just how do SMEs differ from their larger counterparts? A review of the literature (see for

example, Storey, 1994) indicates that issues surrounding uncertainty, evolution and growth, entrepreneurial leadership, and informality are particularly important differentiating factors. A brief discussion of these follows.

### Uncertainty

With reference to Casson, Westhead and Storey (1996:18) support leading theorists in their belief that the central distinguishing characteristic of small firms – other than size itself – is that of uncertainty. They differentiate between ‘external’ and ‘internal’ uncertainty on the premise that, whilst internal uncertainty is more characteristic of larger firms, external uncertainty is particularly notable in small organizations. Many of the external uncertainties felt by small companies can be attributed to a lack of power and influence, where it is not unusual for them to be reliant upon a single customer for most, if not all, of their business. Such relationships potentially places small organizations at the mercy of their customers, subjecting them to a state of continual uncertainty and vulnerability. In compensation for this state and in satisfaction of unpredictable markets, SMEs may be obliged to operate within a regime of short-term strategies and spontaneity. Storey (1994: 3) succinctly illustrates SME uncertainty in the following:

A short time horizon is inevitable in organizations that are only able to pay the wages on the Friday if the bank has cleared a customer’s cheque on the Thursday.

### Innovation

It is thought that innovative capability is crucial to an SME as this helps it to establish a niche position in the market place in order to distinguish its products or services from more standardized versions provided by larger competitors. Bradburd and Ross (1989) suggest that the practice of establishing niche markets is also a way for the small organization to reduce or reverse the profit advantage of its larger competitors. But what actually is meant by innovation? In claiming that “the majority of entrepreneurs launch businesses that modify an existing product or service in a way that satisfies a previously unmet need”, Osborne (1995: 4-5) infers that innovation incurs adaptive, as well as original creativity, and some degree of opportunism. The Cabinet Office (1996) has defined innovation as the successful exploitation of novel and appropriate ideas - a description, which essentially requires an organization to be able to put ideas into action. The Concise Oxford Dictionary (1995) offers two explanations of innovation: bringing in new methods, ideas, etc; and making changes -



thus endorsing the spirit of duality in the term 'innovation', and exemplifying both adaptive and original creativity. Howsoever innovation is 'defined', it has been cited as a strategic source of competitive advantage by many authors and agencies - see for example: Cabinet Office, 1996; DTI, 1991b; Galbraith, 1996; IPD, 1997a; Mintzberg and Quinn, 1991; Pascale, 1990; Pettigrew and Whipp, 1993; Porter, 1980; and Tushman and Nadler, 1996.

It may be reasonable to conclude here that, whilst not all small organizations are originally innovative, competitive advantage and growth (or even survival) for many may be dependent upon innovation in the context of the small organization's ability to: a) identify suitable gaps in the market (opportunism); b) relate those gaps to the modification of existing knowledge and expertise (adaptive creativity); c) design and implement the modifications (put ideas into action); and d) successfully create/maintain/defend/increase market share with the modified products or services (establish a niche position). From an HRD perspective, innovation and the role that it plays in an SME - and the argument (page 14) that new knowledge always begins with the individual and that much knowledge remains tacit - highlights two potential issues. First, an SME might need to explore what it 'knows' tacitly and establish some mechanism for converting this into explicit knowledge (Keating et al, 1996; Nonaka, 1996); and second, an SME may need to develop core organizational capability in support of this and the other processes outlined at points a) to d) above (Nanda, 1996). This observation might just as easily be levied at a large organization. Given, however, the equalizing role that innovation appears to play in the SME's external environment, then even a moderate improvement in organizational capability and performance in this direction ought to reap more significant benefits than might be attained through a similar effort in a larger organization.

### *Evolution and growth*

The small organization is much more likely to evolve and change than its larger counterpart because small firms tend to experience multiple-stage change rather than single-stage change, which is more typical of larger organizations. This means that SME structures and organizational arrangements are more likely to be in a state of continual flux than in larger counterparts. Linking this to earlier arguments regarding HRD in organizing and managing (page 10), this could explain in part why SMEs are typically seen as lacking in *formal* structure, and why organizational processes, such as T&D, are often difficult to determine and seem conspicuous by their absence. But does evolution and change naturally or

inevitably incur growth? If the definition of growth is not limited to just an increase in employee numbers, then the answer to this question is probably yes (Scott and Bruce, 1987; Stanworth and Curran, 1976; Storey, 1994; Wood and Keeble, 1993). The SME's ability to evolve and change more readily may also mean that it is more flexible and responsive than its larger counterpart: it has probably had substantial enforced practice at becoming more flexible in response to external pressures and uncertainty. Change in an SME may be thought of as an organic means to an indeterminate end, rather than as a controlled shift towards planned outcomes, as is, perhaps, more typical of change in a larger organization. Storey's (1994) commentary about small organizations experiencing multiple-stage change seems to support this proposition. For if change in the small firm goes through several stages relatively quickly with little planning, reflection and consolidation between stages, then change may have to be managed spontaneously and informally through the owner/manager's personal intervention, rather than via a structured approach (Wilson, 1992). This pattern of evolution and growth may explain the high levels of tacit knowledge supposedly present in fast-growing SMEs and why 'they may know more than they can tell' (Figure 3, page 13).

#### *Entrepreneurialism and SME leadership*

The perceived ideal state of becoming one's own boss in order to increase autonomy, achievement and personal self-esteem is underpinned by a complex blend of social and psychological issues (Glancey, 1998; Hankinson et al, 1997; Jones-Evans, 1995; Osborne, 1995; Stanworth and Curran, 1976; Stanworth et al, 1989; Storey, 1994). Most businesses at start-up operate with a simple, entrepreneurial structure, which many seem to retain whilst the original founder remains in office. This reflects how the organization's structure and workforce have been built around the founding entrepreneur's personal needs and orientation (Mintzberg and Quinn, 1991).

Osborne (1995: 8) describes a classic entrepreneurial strategy as "...innovatively linking the firm's business concept with opportunities discovered in the environment...", citing: customers; competitors; technology; public policy; social trends; and demographic patterns as environmental stakeholders and constituents in this context. This statement captures what is, perhaps, the essence of entrepreneurialism. In associating this argument with the earlier discussion of innovation (is concerned with: opportunism; adaptive creativity; being able to put ideas into action; and the creation of niche markets), it may be that entrepreneurialism and innovation are intimately and strategically bound – initially within the

personal capabilities of the entrepreneur (founder of the business) and then, as the small organization grows, within the collective capability of others. This suggests that small-firm survival/growth may be dependent upon a realignment of entrepreneurial capability from a single (founding entrepreneur) to a multiple (organization) unit. In turn, this implicates an argument that effective leadership is central to the survival/growth/effectiveness of an SME and provides an important source of competitive advantage. But what constitutes effective SME leadership? Gardner (seen in Horner, 1997: 274) suggests that leadership is the accomplishment of group purpose - an argument that connects well with the notion of SME leadership as the small organization might comprise just a single group. On the subject of leader motivation in the small organization, Storey (1994: 11) writes:

The motivation of the owner of the small firm is therefore a key influence upon small firm performance. This contrasts with the large firm management literature, which emphasises the importance of control.

Reviewing Horner's and Storey's commentaries together, it would seem that if leadership is about motivation and leader motivation is a key influence upon small-firm performance, then leadership itself may be even more critical to the success of a small organization than it might be to a larger one: and, if large-firm literature emphasizes 'control' rather than 'influence', then perhaps leadership is a more naturally occurring phenomenon in a small-firm environment anyway. Morden (1997: 674) also speaks of leadership influence, suggesting that "Leaders apply influence rather than authority to get people to take action. They are able to rally others behind the vision or purpose they have articulated." In the context of the SME, there is an inference in Morden's assertion that an owner/manager must be both willing and able to share himself, his entrepreneurial talent and his vision and aspirations for his organization with the workforce, and forego direct control for a more subtly persuasive style of management. Given the typical ego-driven, independent entrepreneurial personality (Osborne, 1995), any significant requirement for self-disclosure and entrustment of "psychological child" (Johnson, 1995: 15) might prove prohibitive to the development of leadership acumen in a small organization - essentially, contradicting the other suggestion that leadership might occur more naturally in a small organization. This positions SME leadership as a paradox, one which serves as a sharp reminder of the extent to which an owner/manager's 'personality', 'ability' and 'choices' can influence the development and performance of her small business.



### **Informality**

The part that informality plays in the make up an SME is both complex and compelling. There is much written to suggest that small organizations prefer to operate in an informal and flexible manner – see for instance, Gibb (1997), Hankinson et al (1997), Lane (1994) and Storey (1994). Examples of informality in small organizations include: the presence of simple organizational and management structures with fluid lines of authority; an absence of written-down business plans; an absence/minimal presence of documented procedures; and an absence/minimal presence of human resources policies and systems such as those relating to disciplinary matters, staff appraisal and T&D. But perhaps informality and flexibility are not really chosen values of the SME. The small organization might be obliged to operate informally and spontaneously as an enforced response to an uncertain external environment, or connectedly, to satisfy an immediate demand from a valued customer. When an owner/manager claims that his small business needs to be ‘fluid’, ‘spontaneous’, and ‘flexible’, this may be a true reflection of reality, or it may be a palatable justification of the organization’s vulnerability to unpredictable and uncontrollable market forces. But informality need not be synonymous with organizational laxness or ineffectiveness if an appropriate balance between informality/formality can be established. This argument could be applied to all organizations regardless of size, but taking the previous arguments about small-firm growth and development, achieving the right balance between informality/formality might be infinitely more critical to an SME. It also seems that as small organizations increase employee numbers, their growth typically follows a pattern that involves: a reduction of entrepreneurial activity in the management of the organization; a shift towards decentralized functions and ‘professional’ management; and an increase in the levels of formality across most organizational processes and systems (Scott and Bruce, 1987). This suggests a link between small-firm growth and formality and that the larger the organization, the more formal it is likely to be.

### **2.3 National HRD**

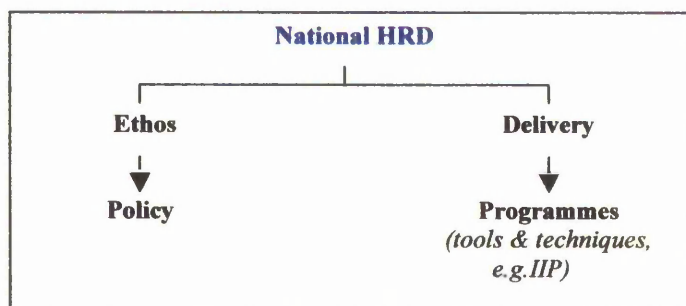
The main aims of this section are to explain what is meant by N/HRD in the thesis and to review the IIP standard and process, which was assigned as a focus for N/HRD in the study. One initiative was selected because it was thought that researching a whole range of N/HRD programmes in a single study would be both problematic and impractical, especially in SMEs. So a narrow focus was decided upon to explore N/HRD theoretically and empirically

in a particular context. That context was IIP. It was chosen because it is the national standard for HRD, and it addresses issues of organization, as well as individual, development (see below). Whilst other N/HRD frameworks may indirectly do this, IIP does so explicitly. This aligns with arguments already advanced in the thesis that HRD in an SME may be embedded within its organizational infrastructure and routines, and an associated suggestion made here that HRD in an SME might lean more naturally towards organization than individual development. Theoretically at least, the foregoing should mean that IIP could be more attractive to SMEs than other N/HRD programmes that do not address so explicitly organization development.

### 2.3.1 What is meant by N/HRD in the thesis:

Figure 5, below, organizes N/HRD in two broad domains of 'ethos' and 'delivery': the former translating into government policy, the latter into programmes located in both the principles of delivering National Vocational and Educational Training (NVET) (Harrison, 1997) and the broader issues of organization and business development.

Figure 5: National HRD



#### Ethos

Historically, N/HRD has endeavoured to address both economic and social issues. The Industrial Training Act of 1964 led to the establishment of Industrial Training Boards and a Central Council to advise them (Sambrook, 1998). Later, a government white paper 'Training for the Future', published in 1972 (seen in Harrison, 1997: 67-68), referred to the purpose of NVET policy as being:

Economic and social - to have the right workers in the right place at the right time, with the right skill, and to provide better opportunities to individuals to develop their skills and use their abilities to the full.

Harrison (1997: 68) argues, however, that it was not until the 1980s that "...there was any clear attempt by government to provide a meaningful 'cradle to grave' vision for NVET together with a consistent long-term policy in relation to training for unemployment." The ethos of N/HRD engaging with socio-economic issues extends into the present government's policy; one promulgated through a proliferation of DfEE and DTI literature about engendering responsible citizenship, social inclusion and equal opportunities - all underpinned by a theme of lifelong education and learning. Amongst the vastness of bulletins and papers explaining policy and the perceived way forward, perhaps the most important documents are: 'Design of the New Deal for 18-24 year olds' (DfEE, 1997b); 'The Learning Age' (DfEE, 1998a); 'Learning to Succeed' (DfEE, 1999e); and 'The Small Business Service' (DTI, 1999a). All three papers, either directly or indirectly, promote the importance of SMEs to the N/HRD agenda. Within the body of current government literature about N/HRD, there appears to be an espoused shift in emphasis from 'training' to 'learning', and from 'provision of training' to 'learner-driven support'. There may also be a possible movement from voluntarism to compulsion in aspects of government policy, fostered by an apparent preoccupation with 'welfare to work' schemes like the New Deal (Employment Policy Institute, 1997). Whereas the New Deal may not be a government training programme *per se*, it embraces N/HRD strategically and practically under a single umbrella initiative in an effort to tackle both social and economic issues. The debate over compulsion versus voluntarism in national policy extends to IIP. Down and Smith (1998) argue that, although the benefits are significant:

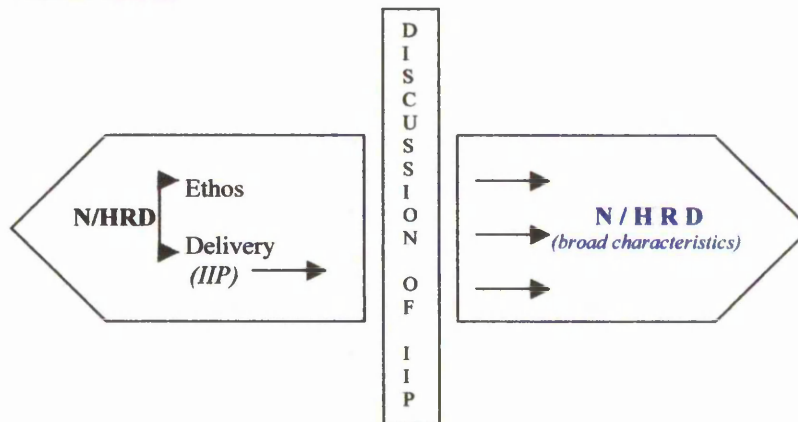
...the voluntarist nature of adoption of IIP is limiting the potential aggregate impact of the standard on the British economy...government policy in this area would benefit from the provision of greater incentives to those organisations that are currently unlikely to adopt the standard.

### Delivery

The TECs and/or Business Links are currently the principal deliverers of N/HRD. In Figure 5, above, N/HRD programmes such as IIP, National Vocational Qualifications (NVQs) and Modern Apprenticeships (Mas) are seen as a range of individual tools and techniques. Whereas N/HRD tools and techniques may vary in aim and constitution (for example, whilst NVQs and Mas focus directly on individual development with an indirect aim at organizational development, IIP focuses on both organization and individual equally), they are all subject to a, by and large, consistent delivery mechanism and a common ethos. As a

consistent and common denominator across N/HRD programmes, it seems feasible to suggest that the delivery mechanism must influence not only the characteristics of N/HRD itself consistently across all programmes, but also shape user perceptions about the appeal and viability of N/HRD as a whole. Appendix 3 is an overview of N/HRD programmes other than IIP encountered in the research. Figure 6, below, shows how IIP relates conceptually to N/HRD in the study. The left side of the figure shows N/HRD organized within the two domains of ethos and delivery as just discussed, with IIP depicted as a delivery programme. The right side of the figure depicts N/HRD after it has been extrapolated into a set of broad characteristics via the detailed discussion of IIP that follows. This discussion explains a little of IIP's background and construction, and some reported benefits and potential barriers.

**Figure 6: N/HRD and IIP**



### **2.3.2 Background and development of IIP:**

IIP may be considered as the national standard for linking T&D activities within organizations to business strategy. Currently, it is administered at local level by the TECs, or LECs (Local Enterprise Companies) in Scotland, within a process laid down and monitored by Investors in People UK (IIP UK), a non-departmental government body limited by guarantee and licensed by the Department for Education and Employment (DfEE) (Alberga et al., 1997; Taylor and Thackwray, 1995). The role of IIP UK is to act as protector of the standard, to market and promote IIP, and to provide a national assessment and quality assurance service. As well as working on the positioning and philosophy of IIP and acting as the guardian of quality in delivery, IIP UK must ensure that the standard itself remains high so that there is an element of stretch in its attainment. The IIP standard provides a framework for improving business performance and competitiveness through a planned approach to



setting and communicating business objectives, and developing people to meet these objectives, with the result that people are motivated towards doing what the organization needs them to do (IIP UK, 1998). Because IIP has potential for individual and organization development, it is seen by government and its agencies as a significant contributor to present policy regarding the creation of a UK society committed to personal and economic growth through a philosophy of lifelong learning (DfEE, 1998a; Fryer, 1997). Four classifications of employer have been identified in order to signify levels of involvement with IIP. Box 3, below, illustrates the levels of involvement with the four types of employer identified (DfEE, 1995a).

The IIP process began development in the late 1980s in response to repeated reports that the performance of UK industry was inferior to that of other countries, notably Japan and West Germany (Alberga et al, 1997). Also commenting upon this issue, Taylor and Thackwray (1995) claim that Britain's workforce held fewer qualifications than its foreign competitors and that although £18 billion per annum was being spent on training in Great Britain, the skills gap was widening and something needed to be done. Something was done.

**Box 3: Levels of Involvement with IIP - four types of employer identified**

**Recognised**

Those who have been formally recognised by the TECs as having achieved the Investors Standard.

**Committed**

Those who have devised an action plan, received their commitment certificate, are implementing these changes or are just about to undergo an assessment.

**TEC Contact**

Those who have achieved an initial visit from the TEC, or who have had a diagnosis of their training system completed.

**Non-participant**

Those who are not involved with the Investors in People initiative.

*Source: Skills and Enterprise Executive, Issue 5/95, November 1995.*

In 1988, following publication of a government white paper *Employment for the 1990s* (Alberga et al, *ibid*; Taylor and Thackwray, *ibid*), the Department of Employment (now the DfEE) set up the National Training Task Force (NTTF), which was made responsible for

establishing a network of TECs and for promoting to employers the ethos and necessity of investing in the skills of their people. It seems that a decade or so later, similar concerns over the performance and qualifications of British industry and its workforce persist (see for example, Cabinet Office, 1996; DfEE, 1997a; DfEE, 1998c; DfEE, 1998d; Down and Smith, 1998; DTI, 1997; DTI, 1998; Fryer, 1997; NACETT, 1996). Down and Smith (1998) seem to suggest that Britain's 'training problem' is overstated due to the extent of on-the-job training carried out in UK firms which tends to go unnoticed, and that the type and level of existing skills development is appropriate to the existing skills demands of employers. A recent IPD study (IPD, 1999) also indicates that we may be seriously underestimating the nation's investment in HRD.

The IIP standard was originated by researching the best practice of a number of successful organizations. Brian Wolfson, who was chairman of the sub-group of the NTTF concerned with developing IIP and chairman of IIP UK from 1993 to 1999, explained (source: research interview, May 1997) that many millions were spent on research during its development - his main criterion for best practice being "...the presence of a clearly-presented business plan that was understood by all because this leads to growth in a company on the basis that the more I know, the more I grow. IIP is the only tool to capture business planning, NVQs and training in one framework." Brian Wolfson's IIP development agenda might account for why the standard is strongly aligned to aspects of business planning, requiring the development of a flexible plan from which T&D is determined, planned, implemented and evaluated back to organizational goals. This may also account for why IIP is sometimes thought to be too formal, too generic and too much based on 'large-firm logic' to attract an SME.

### ***2.3.3 Construction of the IIP standard:***

Table 3, below, presents an overview of the current (IIP UK, 2000) and previous (IIP UK, 1996) versions of the IIP standard. The new and simplified edition introduced on 13 April 2000 was a direct outcome of IIP UK's project LASER (Learning Age Standard Evaluation and Review) with input from IIP UK's other major project, STAR (Strategic Review of Assessment and Recognition). There are two significant themes that linked the aims of projects STAR and LASER. One was a focus on enhancing IIP's capacity to encourage continuous improvement in an organization. The other was a focus on making IIP more cost effective and attractive to small organizations. STAR aimed to achieve the latter by making

the assessment process more cost effective whilst retaining its integrity and credibility, and LASER by making IIP an outcome-based standard that small organizations can more readily relate to (sources: STAR - Business Link Wirral network briefing 24.6.99; LASER - telephone call to IIP UK on 30.6.99). Due to the recency of the changes to IIP, there is still little data available on the effectiveness of the new standard and its implementation processes. This, together with the fact that all field data about IIP obtained for this study relate to the former version, means that most of the discussion and analysis of IIP in the thesis are directed at that version. Table 3, however, shows that the revised standard remains founded upon the same four basic principles as its predecessor (commitment, planning, action and evaluation) and incurs no fundamental shift in meaning. Simplification of the standard has been attempted by reducing the number of assessment indicators (from 23 to 12) and by addressing the way in which these indicators and requirements for supporting evidence are expressed.

**Table 3: Overview of the Current (2000) and Previous (1996) Versions of IIP**

<b>PRINCIPLE 1: COMMITMENT</b>		<b>PRINCIPLE 2: PLANNING</b>	
1996	2000	1996	2000
An Investor in People makes a commitment from the top to develop all employees to achieve its business objectives  4 Assessment Indicators	<i>An Investor in People is fully committed to developing its people in order to achieve its aims and objectives</i>  <i>4 Assessment Indicators</i>	An Investor in People regularly reviews the needs and plans the training and development of all employees  7 Assessment Indicators	<i>An Investor in People is clear about its aims and its objectives and what its people need to do to achieve them</i>  <i>3 Assessment Indicators</i>
<b>PRINCIPLE 3: ACTION</b>		<b>PRINCIPLE 4: EVALUATION</b>	
1996	2000	1996	2000
An Investor in People takes action to train and develop individuals on recruitment and throughout their employment  6 Assessment Indicators	<i>An Investor in People develops its people effectively in order to improve its performance</i>  <i>2 Assessment Indicators</i>	An Investor in People evaluates the investment in training and development to assess achievement and improve future effectiveness  6 Assessment Indicators	<i>An Investor in People understands the impact of its investment in people on its performance</i>  <i>3 Assessment Indicators</i>

The IIP process itself is cyclical and intended to engender a culture of continuous improvement in an organization, with clear requirements for T&D to take place within a framework of planning and evaluation. In directing an organization to focus T&D on

meeting its aims and objectives, the IIP standard has potential to raise the functionality and profile of HRD from the practical to the strategic. If HRD is both strategic and practical, and IIP has the capacity to emphasize leadership, culture and commitment and the need for organizations to consider T&D in the context of both present and future capabilities and effectiveness, then arguably IIP could constitute a strategic HRD model. There may be, however, as with most generic standards, room for interpretation and manipulation of the intended concept on its journey towards implemented reality. Although overall IIP has been perceived as a successful initiative (Hillage and Moralee, 1996), there are difficulties - it is not a panacea, nor may it guarantee improved organizational performance.

#### ***2.3.4 IIP and the smaller organization:***

According to DTI statistics (seen in Palmer and Andrews, 1997: 193), there are 3.7 million SMEs (those firms with less than 250 employees) in the UK, compared to just 26,000 'large' organizations employing 250 or more people. Exploring the relationship between training and performance in the smaller firm appears high on the policy agenda in the UK, as it does in most of Europe (Gibb, 1997). Arguments already advanced about the characteristics of T&D and business planning in small organizations, potentially place them at philosophical odds with the concept and practicalities of IIP; and despite an assertion by a former chief executive of IIP UK that, "The IIP standard is an effective tool which can be tailored to fit all businesses, being flexible enough to be used by small firms and by giants like Cadbury's or Boots the Chemist." (IQA, 1998: 17), SMEs in general continue to resist its lure. For example, in their commentary on management issues in small tourism and hospitality firms, Beaver et al (1998) suggest that the general understanding and use of IIP in the industry is poor. However, Hillage and Moralee (1996) report that small firms feel the impact and benefits of IIP more quickly and more intensely than their larger counterparts, and those small organizations that achieve IIP recognition do so with the adoption of less formalized HRD policies and practices.

Statistics produced by IIP UK (IIP UK, 1998) show that, at the end of November 1997, there were 8379 IIP-recognized organizations and 21466 IIP-committed organizations (across all industry sectors and sizes), with employee numbers in these categories representing 9.8% and 20.7% respectively of the total UK workforce. Within these totals, organizations employing less than 200 people, exhibit 6173 IIP recognitions and 17023 IIP commitments, with employee numbers representing 1.5% and 3.7% respectively of the total



UK workforce. On first appraisal of these figures, it might seem that IIP presence is greater within small organizations than it is within larger ones. However, taking these data in conjunction with the DTI statistics at the start of this section suggests otherwise - IIP achieving less than a 1% penetration of the SME sector against an approximate 25% presence in larger organizations. In November 1998 (DfEE, 1998b), Education and Employment Secretary David Blunkett promised £32 million to boost small firms' competitiveness in support of one of the new National Learning Targets for England announced in October 1998 - that 10,000 organizations employing less than 50 people would achieve IIP recognition by December 2002. Figures reported in early 1999 by IIP UK chief executive Ruth Spellman (University of Central Lancashire, 1999), indicate that, as at 29 November 1998, around 2,000 organizations employing between 10 and 49 people had achieved IIP recognition, and approximately 8,500 small firms in this category were IIP-committed. It would seem that in order to achieve what might at first appraisal seem a stringent target (10,000 'under 50s' to become IIP-committed), 'all' that has to be done is to enable the successful conversion of around 90% of IIP commitments to IIP recognitions by the end of 2002.

### **2.3.5 *Reported benefits of IIP:***

In a search for measurable benefits of IIP within IIP-recognized organizations, Down and Smith (1998: 143) found:

The evidence presented suggests that many of the organisations which have achieved recognition were those with least to change and therefore arguably least to gain. Even so the majority of these organisations have gained significant benefits. We contend that the implications of the voluntarist nature of the initiative mean that organisations with the most to gain from IIP in terms of business benefits are less likely to take up the standard.

The notion of a 'voluntarist' (market-led) versus a 'compulsory' approach to IIP, through incentives such as tax concessions to employers for example (DfEE, 1999a: 16), is interesting in that: a) it reflects the voluntarist nature of national training policy and initiatives in general (Rainbird, seen in Down and Smith, 1998: 145); b) if those organizations with most to gain are not taking up IIP, and those with least to gain are, then any *real* benefits of IIP and/or improved business performances may be difficult or impossible to determine; and c) given this paradox, as Down and Smith (*ibid.*) point out, the overall impact of training in UK organizations may be "...less than is at first apparent." This whole scenario suggests that IIP could be 'much ado about nothing', and that if a policy of compulsion were to be successfully

adopted by government, then even a significant increase in IIP commitments/recognitions may not realize a corresponding increase in UK workforce skill levels, qualifications and international competitiveness. The practice of 'badging' (Hillage and Moralee, 1996), whereby firms with HRD processes already in place need only minimal effort to achieve IIP, was played down by Brian Wolfson (source: research interview), who opined that several market leaders had found it hard, stressing that "...the value of IIP lies in the journey, not just the destination." Perhaps, more may be learned about the true potential and value of IIP through the development of more long-term, case history about IIP 'journeys', rather than by evaluating outcomes in terms of reported benefits at supposed 'destination' stage. According to Berry-Lound and Parsons (1995: 19):

The generation and marketing of evidence on bottom-line benefits by TECs has focused on short-term business benefits. Little attention has been paid to benefits which might be more usually associated with longer-term issues in business development, such as effectiveness of change management, innovations and the cycle of product improvement. Investors in People is likely to be positively associated with employer effectiveness in each of these areas, yet TECs have little evidence to support this.

Hillage and Moralee (1996) carried out a longitudinal survey into the benefits of IIP over a period of three years within a range of IIP-participant and non-participant companies. They reported that ten key messages emerged from their study. These are shown at Box 4, below. Overall, these messages seem to perpetuate Berry-Lound and Parsons (1995) view that studies of IIP have tended to produce data relating to short-term rather than longer-term organizational issues. This is, perhaps, particularly notable within Hillage and Moralee's comments about IIP spurring employers to make changes (without reference to the *effectiveness* of the management of such change), and a lack of clarity about the relationship between IIP and financial performance. It seems, however, that some of the issues outlined in Box 4 may have been recognized through projects STAR and LASER.

**Box 4: Ten Key Messages from Hillage and Moralee's Study of IIP**

**Investors is a successful initiative** - employers involved with Investors are positive about the initiative. It has spurred them to make changes that they would not otherwise have made, or to change earlier or on a larger scale.

**Investors delivers better training and skills** - Investors in People has a major effect on the approach to managing people in employing organisations. Although there is no simple and clear relationship between Investors and financial performance, we found most employers involved with Investors believe it has already, or will in the future, contribute to improved performance.

**Investors tackles the parts that other initiatives don't reach** - Evidence from employees shows that it is those with low and intermediate level skills (the area where the country's skill deficit is most apparent) who see the greatest impact from their employer's involvement with the standard.

**Investors in only part of the picture** - it rarely offers the whole solution to better business performance, but can make a significant contribution.

**The smaller the organisation, the bigger the impact** - Investors appears to take hold faster among smaller employers and as a result, they expect to realise business benefits sooner than their larger counterparts.

**Investment means money up front** - involvement with Investors in People can initially cost money. It can be returned through 'pay backs' such as better value from training expenditure, or falling skill shortages.

**Recognise the difficulties** - achieving the standard often takes longer and is more difficult than employers expect.

**The targets are a long way off** - the National Target on Investors will be hard to meet as there is limited interest among non-involved employers and the time taken to achieve recognition is increasing.

**Don't oversell. Don't under-deliver** - attracting employers needs careful marketing and clear tailored messages about what Investors can and cannot do. There also needs to be a good after-sales service with consistent and high quality support from TECs and others.

**Impact masked by badging and emulation** - the combination of some involved employers effectively badging existing practice, and some non-involved employers adopting Investors practices, has masked the clarity of the macro-level impact of the initiative.

Box 5, below, shows a compilation of the reported benefits of IIP within IIP-committed and/or recognized organizations. The themes are based upon literature and data base searches (see for example, Alberga et al, 1997; Berry-Lound and Parsons, 1995; Cumbria TEC, 1997; DfEE, 1994a; DfEE, 1996c; Down and Smith, 1998; Hillage and Moralee, 1996; IIP UK, 1994; IIP UK, 1998; IIP UK, Cranfield School of Management and HOST Consultancy, 1995; ISR, 1998; Maynard, 1995; Taylor and Thackwray, 1995) drawn from both independent and government/agency sources. There appears to be overall congruence

**Box 5: Compilation of reported benefits of IIP**

- Opportunity to review current policies and practices against a recognized standard;
- Framework for planning future strategy and action;
- Structured way to improve the effectiveness of training and development activities;
- Greater clarity about organizational goals;
- Improved communications in general;
- Greater involvement of people at all levels of the organization;
- Increased employee responsibility;
- Enhanced employee multi-skilling and flexibility;
- Improved morale, motivation and teamwork;
- Lower employee turnover;
- Reduced employee absenteeism;
- Improved capacity to develop ideas;
- Improved working practices;
- Improved product/service quality;
- Greater customer focus and satisfaction;
- Reduced complaints;
- More effective response to organizational market change;
- Increased productivity;
- Increased profitability;
- Higher company profile;
- Greater competitive advantage;
- Public recognition as a good employer.

between the benefits reported by independent bodies and those cited by non-independent agencies, imparting a level of credibility and confidence in the data. Some commentators cited other specific benefits such as enhanced export potential (Cumbria TEC, 1997), lower levels of workplace accidents/injuries (Alberga et al, 1997), and (arguably a benefit) reduced labour costs due to reduction in employee numbers (Down and Smith, 1998). What is less clear about some of the reported IIP benefits is their actual meanings. For example, what is the real significance of 'improved communications', 'improved working practices' and 'good employer'? Also unclear is the extent to which reported benefits may be directly attributable to IIP rather than to other organizational initiatives and circumstances - for, as Hillage and Moralee's (1996) conclude, IIP is only part of the picture. All of which highlights once again

a requirement for more substantial, long-term, case-study research into a variety of IIP 'journeys'.

### **2.3.6 Resistance to IIP:**

A review of the literature suggests that there may be less commentary about IIP resistance than about IIP benefits, which may be because much of the research/reporting on IIP has been carried out or commissioned by government and/or its agencies. From information gained during a training course provided by Henley Distance Learning (HDL Training & Development, 1995), reasons for small-firm resistance to IIP were explored from a starting position of two possible primary causal barriers:

- MANAGEMENT COMMITMENT
- ORGANIZATIONAL CULTURE

Again drawing upon course discussions (*ibid.*), these two conditions seemed to work together in mutually reinforcing mode, their coalition a reflection of top management perspectives that: a) emphasize organizational control structures and mechanisms above a practiced commitment to workforce T&D; b) prefer negatively-oriented motivational methods (Robbins, 1997); and c) tend to underestimate the contribution that people can make to an organization in terms of their own skills, knowledge and commitment. Based on literature and data base searches, and the researcher's practitioner involvement with organizations, notions of 'management commitment' and 'organizational culture' were extrapolated into the factors shown in Box 6, below, to inform the content of the postal questionnaire (Appendix 4) used in the preparatory survey. Although not exclusively applicable to SMEs, the items in Box 6 - particularly the characteristics of non-IIP participant organizations - identify readily with the characteristics of SMEs already discussed. It is interesting to note that explicit and implicit references to (in)formality within the data at Box 6, seem to implicate 'formality' as a barrier to IIP generally.

**Box 6: Potential Reasons for IIP Resistance**

***Reported Barriers to IIP:***

- Don't need IIP
- Can't see any business benefits;
- Lack of time, money and resources;
- T&D in general, and IIP in particular, seen as a non-recoverable cost;
- Don't understand IIP;
- Previous bad experience with such initiatives/frameworks;
- Aversion to government initiatives in general;
- Too bureaucratic;
- Involves too much extra work;
- Wouldn't suit our company culture;
- Concerned about the consistency and quality of assessment;
- Customers are not demanding it.

***Reported Characteristics of Non-IIP Participant Organizations:***

- Training is short term (i.e. for immediate needs of the job) and it is not monitored or assessed;
- The company is not focused on the need to *formally* initiate/manage/promote organizational change;
- Training is regarded as a non-recoverable cost rather than as an investment to increase business levels and profitability;
- T&D needs and their appropriateness are identified haphazardly;
- High levels of *informal* feedback from manager/employees are prevalent;
- Companies are reluctant to 'spend' on consultancy, time away from the job etc;
- Companies have no money to invest in T&D.

**2.4 Comparison of HRD in SMEs and IIP**

Figure 7, below, compares the HRD output typically achieved by the small organization against the HRD output typically generated by IIP. The models are formulated around three HRD processes: planning, doing and evaluating. It is not advocated here that one model is 'better' than the other - just that they differ from each other. The IIP model is essentially normative (Legge, 1995) in that it was founded upon the results of studying 'good practice' as already explained. Paradoxically, the SME model although largely descriptive-behavioural (Legge, 1995) - and as such a supposed representation of 'reality' - has become stereotyped and assumptive, almost to the point of becoming a 'standard' in its own right. Perhaps the most striking contrast between the two sets of HRD requirements is located in the levels of formality, with the simpler SME version engendering little or no formal planning, doing or evaluation processes. On the other hand IIP is complex and formal in constitution with some requirement for documented processes and an explicit emphasis on linking T&D activities and their evaluation to organizational goals. Put another way, the SME model is

**Figure 7: Comparison of SME and IIP Models of HRD Requirements**

HRD PROCESS	SME Model of HRD Requirements	IIP Model of HRD Requirements
<b>PLANNING</b>	<p>HRD not seen as a core business process with minimal planning and no apparent link to organizational plans and goals</p> <p>Lack of internal HRD expertise</p>	<p>Commitment to T&amp;D is from the top of the company and is communicated to all</p> <p>Written, flexible business plan is in place</p> <p>T&amp;D needs are planned and reviewed in line with business plan and goals</p> <p>Everyone in the organization understands their role and contribution to business goals</p> <p>Responsibility for T&amp;D is identified and understood by all</p> <p>T&amp;D is planned at organizational, team and individual levels</p> <p>Open system – encourages link to external standards and scrutiny</p> <p>Internal HRD expertise needed/encouraged</p>
<b>DOING</b>	<p>T&amp;D activities are ad hoc, selective and aimed at the satisfaction of immediate, job-related, problem-solving needs of individuals</p> <p>Preference for on-the-job training with little emphasis on personal development</p> <p>Individualistic model influenced by the motivation and skills of the owner/manager encouraging a closed system</p> <p>Lack of internal HRD expertise</p>	<p>T&amp;D activities apply to the whole workforce and take place to meet organizational, team and individual needs</p> <p>New employees and employees changing jobs receive induction training</p> <p>All employees are made aware of T&amp;D opportunities within the organization</p> <p>Managers are effective in carrying out their T&amp;D responsibilities and are involved in helping employees meet their T&amp;D needs</p> <p>Employees are encouraged to identify and meet their job-related T&amp;D needs</p> <p>Internal HRD expertise needed/encouraged</p>
<b>EVALUATING</b>	<p>No apparent evaluation of T&amp;D activities carried out</p> <p>Little awareness by owner/manager of costs and benefits of T&amp;D</p> <p>Lack of internal HRD expertise</p>	<p>Impact of T&amp;D activities on knowledge, skills, attitudes and performance is assessed</p> <p>Impact of the contribution of T&amp;D in meeting business goals is assessed</p> <p>Top management understands the broad costs and benefits of T&amp;D</p> <p>Improvements to T&amp;D are identified and implemented</p> <p>Top management continues to demonstrate its commitment to T&amp;D to all employees</p> <p>Internal HRD expertise needed/encouraged</p>

descriptive mainly by default, highlighting what is not there; whilst its IIP counterpart clearly defines certain inputs, and points towards expected outcomes. If HRD in the SME neither requires nor encourages the development of internal HRD acumen, then development is either a pre-requisite for, or a consequence of, adoption of the IIP model. In contrast to a perceived concentration of activity within the 'doing' phase of the SME model - reflecting perhaps the small firm's preference for spontaneous activity - HRD output in the IIP paradigm is more evenly cast amongst all three phases. With an emphasis on internally-generated formality and an implicit reliance upon tacit knowledge and skills, the SME model demonstrates a closed system; its IIP counterpart is more explicit in design and open to external influence and scrutiny.

## **2.5 Discussion and Summary of Chapter 2**

Although accepting the argument that HRD in SMEs typically appears informal, reactive, short-term in outlook, or non-existent, it is difficult to accept that SMEs do nothing that could be loosely determined as developmental. Despite a commonality engendered by factors such as 'smallness' and 'external uncertainty', SMEs are highly-differentiated and there is no widely-accepted typology, except perhaps in relation to size. SMEs may not, therefore, be readily seduced by formality and standardization. Formality tends to promote transparency through the implementation of standardized and publicized 'ways' of doing things - as noted in IIP and by inference, N/HRD in general. Due to a lack of formality, structure or substance, HRD in SMEs is, perhaps, just less transparent, with development activities obscured within the informality of a small organization's infrastructure, routines and natural learning processes. Thus, the nature and value of small-firm HRD may be misunderstood and unjustly maligned.

The thesis, therefore, proposes that SMEs are individualistic and cannot be treated with large-firm logic. This also applies to HRD in SMEs and concurs with Lane's (1994) argument about needing to understand how SMEs generate models of good practice from within themselves (page 16). The thesis also proposes that, taken collectively, owner/manager perspectives, the concept of 'organization' as advanced by Tushman and Nadler (1996) (page10) and notions of tacit knowledge (Nonaka, 1996; Spender, 1996) and related ideas on 'informal' and 'incidental' learning (Marsick and Watkins, 1997) may hold the key to understanding and analyzing HRD in small organizations.

Arguments in the chapter about IIP suggest that it may be conceived as a strategic, but



imperfect, organization development tool. But, if the UK government is really serious about IIP as a tool to help create a 'learning society' in Britain (DfEE, 1998a), and making it more attractive to SMEs, then perhaps more should be done to position it as a mechanism for organizational learning. Having a clearer understanding of and distinction between the related and complementary but differing concepts of teaching and learning (French and Bazalette, 1996) might be a starting point. Much government literature appears to use the term 'learning' (in both a nounal and adjectival sense) when 'teaching' or 'training' would seem more apt. For example: the University for Industry (Ufi) uses "...commercial marketing techniques to sell learning..." (DfEE, 1998a: 21); Learning Direct is "...designed to help people who find it difficult to access learning..." (ibid: 22); employers are investing "...extensively in staff learning..." (Fryer, 1997: 52); and there are "...providers of learning..." (ibid: 72). A lack of clarity about the related, but nevertheless distinct, processes of teaching and learning in N/HRD may be confusing, and possibly demeaning of learning as a fundamentally 'natural' and intellectual process owned by the learner, not a teacher or trainer facsimile.

Table 4, below, summarizes the differences between HRD in SMEs and N/HRD using data from both Figure 7, above, and discussions earlier in the chapter about both HRD in SMEs and N/HRD. Although mainly arrived at through an exploration of IIP, it is suggested

**Table 4: Summary of Differences between HRD in SMEs and N/HRD**

<p><i>Key Variable 1</i></p> <p>HRD in SMEs (informal perspectives)</p>	<ul style="list-style-type: none"> <li>• Notable absence of formality, structure and substance</li> <li>• Individually shaped through a combination of naturally-occurring 'interventions' such as owner/manager perspectives, organizational/industry cultures and norms, external pressures and operational needs: internally generated through need and necessity</li> <li>• Founded in the natural development and deployment of tacit knowledge and skills</li> </ul>
<p><i>Key Variable 2</i></p> <p>N/HRD (formal model)</p>	<ul style="list-style-type: none"> <li>• Notable presence of formality, structure and substance</li> <li>• Generically designed &amp; implemented through a model derived in the ethos and delivery of N/HRD, and large-firm logic: externally imposed through planned intervention</li> <li>• Founded in the 'enforced' development and deployment of explicit (scientific) knowledge and skills</li> </ul>

here that the broad characteristics depicted in Table 4 may apply to N/HRD programmes in general. For, even if IIP as a N/HRD 'tool' differs from other N/HRD tools, arguably its roots in a common N/HRD ethos and delivery mechanism render IIP sufficiently suitable to inform the level of thinking about N/HRD reflected at Table 4. The table indicates that, due to a lack of formal structure and substance, HRD in an SME may perhaps best be described as a set of fuzzy, individualistic perspectives; whilst N/HRD clearly 'defines' what HRD should be within a formal, generic framework, such as IIP. It seems that HRD in SMEs is organically generated and shaped by owner/manager ideologies, organizational cultures, external pressures and operating environments: it is founded in the natural development and deployment of tacit knowledge and skills. The notion of a 'naturally-occurring intervention' mentioned in the model (Table 4) may be a rather difficult concept and, as such, could provide the basis for further conceptual development in the future. In this study, a 'naturally-occurring intervention' is seen as an influence arising out of SME 'norms' and everyday activities and situations, as suggested in the table. For example, as the discussion of Case 2 in Chapter 7 will show, a sudden and unexpected loss of a major customer had a profound effect upon the development and shape of HRD in this organization. In contrast to the depiction of SME HRD, the N/HRD model (Table 4) is, by and large, founded in scientific principles and large-firm logic and, therefore, designed to encourage the development and deployment of explicit knowledge and skills.

The depiction of HRD in SMEs and N/HRD at Table 4, above, represents an initial understanding of the study's two key variables and a 'starting model' to inform the research design. It is further argued that the two sets of data in the table are polarized in their portrayal of HRD, and as such, HRD in SMEs could constitute a barrier to N/HRD.

At this point then, the thesis departs from what is already known about the research problem into a conceptualization of the project for empirical investigation. Three main themes have emerged as major contributors to that investigation:

- owner/manager perspectives;
- formality;
- SME organizational culture.

Chapter 3 explains how these constructs interact with the key variables within a conceptual framework as sub-variables.

## **CHAPTER 3**

### **RESEARCH DESIGN**

#### **3.1 Introduction**

The research design drew mainly upon the works of Berger and Luckmann (1991), Bryman and Cramer (1990, 1997), Easterby-Smith et al (1993), Feldman (1995), Hamel (1993), Kolb (1984), Miles and Huberman (1994), Popper (1972), Reason and Rowan (1981), Riley (1990), and Yin (1994). Yin (1994: 19) defines a research design simply as:

*...an action plan for getting from here to there, where here may be defined as the initial set of questions to be answered, and there is some set of conclusions (answers) about these questions. Between 'here' and 'there' may be found a number of major steps, including the collection and analysis of relevant data.*

The conceptual framework in this chapter (Figure 8, below), as well as explaining the main items to be studied, is also an action plan for getting from 'here' (research problem) to 'there' (conclusions and outcomes). So in the thesis, the term 'design' is thought of broadly as an integration of conceptualization and planning. This is the level of thinking addressed in the chapter. The term 'methodology' (Figure 8) relates to that main stage of conceptualization/planning aimed at the collection and analysis of relevant empirical data. In this sense, a research methodology may be thought of as an overall strategy engaging a set of tools and techniques (methods) within a research design. That level of thinking is addressed in the next chapter. Chapters 3 and 4, therefore, work together to explain how the research problem was 'prepared' for empirical investigation.

Conceptualization of the project is founded in the dual and comparative nature of the study's key dimensions/variables (HRD in SMEs, and N/HRD). Conceptualization is also founded in a positive logic in that, whilst acknowledging conventional views about SMEs not 'doing' HRD, the research questions and methodology evolve from the possibility that SMEs *do* 'do' HRD, but that it is difficult to find as HRD 'policies' and activities may be embedded within an SME's infrastructure and normal routines; and that SME participation in N/HRD may be contingent upon how SMEs perceive and approach HRD in general. These points are implicit in the conceptual framework. A further observation here is that the thesis structure at Figure 1 in Chapter 1 (page 5) is also identifiable within the conceptual framework.

The chapter aims to:

- describe how and why a conceptual framework was built to scope and associate the main items to be studied;
- explain how ‘operational’ research questions emerged from this framework;
- position the design within a research perspective;
- evaluate the strengths and potential weaknesses of the research design;
- discuss what was expected to be seen as a result of the research.

### **3.2 A Conceptual Framework**

According to Miles and Huberman (1994), the rationale for building a conceptual framework rests in a need to be selective about what is most important in a research project. They argue that a conceptual framework forces this discipline in that it:

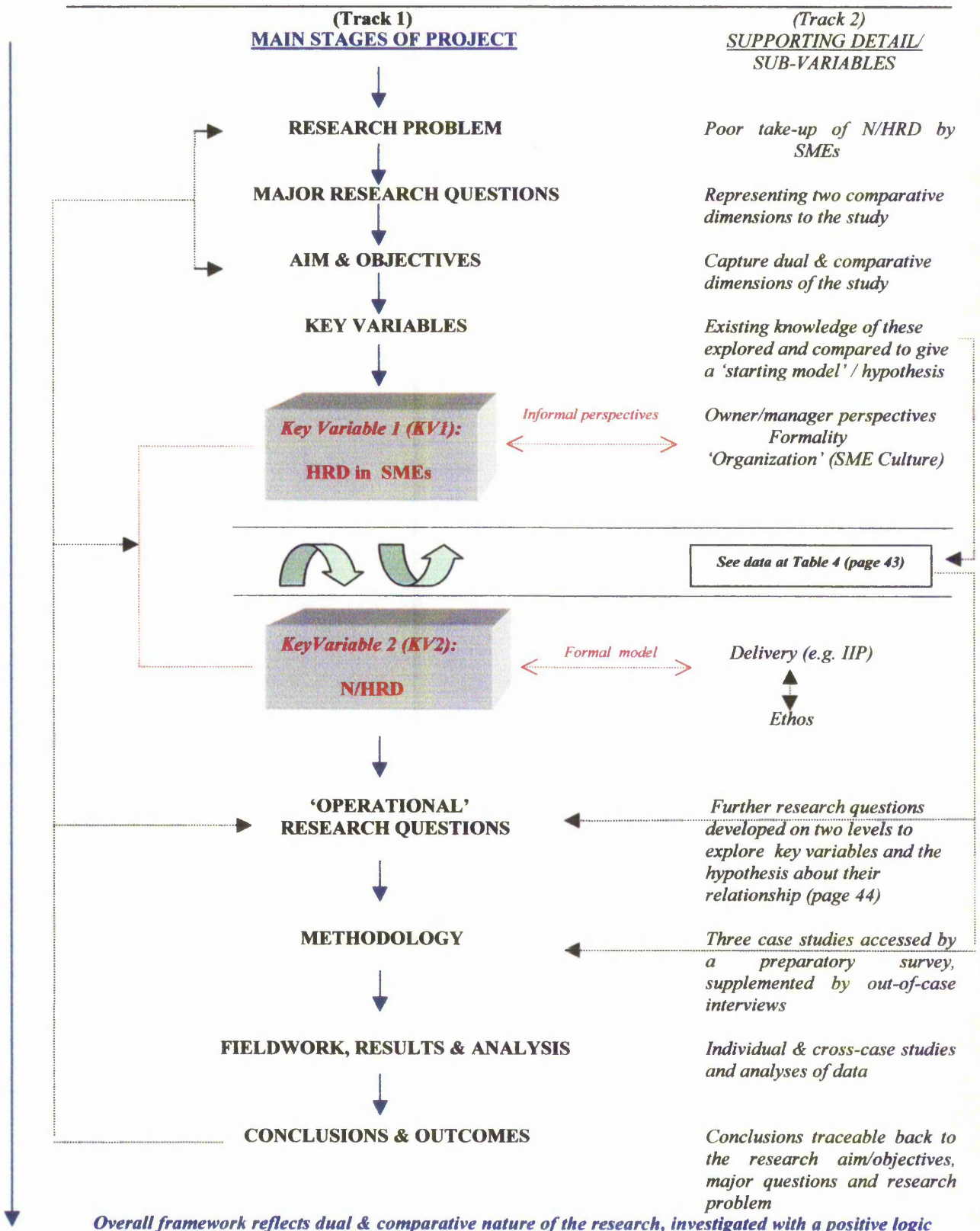
...explains, either graphically or in narrative form, the main things to be studied – the key factors, constructs or variables – and the presumed relationships between them. Frameworks can be rudimentary or elaborate, theory-driven or commonsensical, descriptive or causal (ibid: 18).

Yin (1994) also stresses the value of a research project’s conceptualization, suggesting that this should provide both an action plan and a logic that links the data to be collected and the conclusions drawn to the initial research problem. The conceptual framework at Figure 8, below, is constructed in two tracks: ‘main stages of the project’, and ‘supporting detail/sub-variables’. A discussion of each track follows.

#### **Track 1 - ‘Main Stages of Project’**

This is a graphical representation of how the programme of work flows around and through the project’s two key variables (KV1 and KV2), to deliver a set of conclusions that may be linked back to the research problem and aim/objectives. KV1 and KV2 are depicted together as the central focus for both theoretical and empirical investigations and comparison. The other main stages of the project constitute a set of inputs (research problem, two major questions and aim/objectives) or outputs (fieldwork and conclusions/outcomes) to the investigation/comparison of KV1 and KV2: a set of ‘operational’ research questions and methodology are outputs of the theoretical exploration of KV1 and KV2, yet inputs to their empirical investigation. The conceptual framework hypothesizes that the characteristics of KV1 and KV2 are polarized (see also Table 4) and, therefore, KV1 may in itself be a natural

**Figure 8: Conceptual Framework**



barrier to KV2. In this sense, the framework infers causality. A further level of causality is proposed in the notion that, as owner/manager perspectives (influenced by a host of internal and external factors) seem to shape KV1, then owner/manager perspectives themselves may be a barrier to KV2. The operational research questions flowing from the conceptual framework (see below) are designed to both explore these propositions and seek possible alternative perspectives on them.

### *Track 2 - 'Supporting Detail/Sub-variables'*

Much of the detail under this heading in Figure 8 is self-explanatory; suffice it to say here, perhaps, that the information is mostly either a descriptor or an output of a particular main project stage. The logic of the support data for KV1 and KV2 is different and does, therefore, warrant explanation. Chapter 2 ended with the claim that three main themes had emerged from the literature: owner/manager perspectives; formality; and SME organizational culture. These are positioned in Figure 8 as sub-variables or intellectual 'bins' (Miles and Huberman, 1994) - prominent organizational constructs containing many discrete events and behaviours thought most likely to reveal good empirical data about KV1. Chapter 2 also discusses N/HRD in terms of its ethos and delivery, which is why these are shown as sub-variables supporting KV2 in Figure 8. In the conceptual framework, N/HRD ethos and delivery is by and large assumed as a 'given' as argued in Chapter 2, and as such is not vigorously explored empirically. IIP is seen as part of N/HRD 'delivery'. However, as Chapter 2 (page 30) suggested that a consistent N/HRD delivery mechanism founded in a common ethos must influence user perceptions about the appeal and viability of N/HRD as a whole, it was also thought that an exploration of the sub-variables to KV1 was an opportunity to seek data about KV2 too. This was done by focusing part of the research agenda upon how owner/manager perceptions of N/HRD may have been shaped both internally (through SME culture and views about formality), and externally - through direct and vicarious experiences of N/HRD delivery and ethos.

### **3.3 'Operational' Research Questions**

The formulation of research questions is a direct step from the construction of a conceptual framework as they help that conceptualization become 'alive' and operational (Miles and Huberman, 1994). The project's two major research questions have already been explained. Table 5, below, shows the set of operational research questions formulated for this study



**Table 5: Relationship between the Research Questions, the Research Problem and the Aim/Objectives**

<b>Research Problem:</b>	<i>The poor take-up of N/HRD by SMEs</i>
<b>Two Major Research Questions:</b>	<i>How and why do SMEs develop the HRD approaches they do? ...how might such perspectives be affecting SME participation in N/HRD?</i>
<b>Research Aim:</b>	<i>To explore and compare HRD in SMEs with the characteristics of N/HRD, in order to determine any connection between these two dimensions/key variables</i>

Research Objectives	Operational Research Questions: Level 1	Operational Research Questions: Level 2
Explore and describe the HRD models and perspectives found in the SMEs studied	1.1 Is KV1 actually like this? 1.2 What is KV1 like?	2.1 What are owner/manager perspectives about HRD? 2.2 How does each organization learn? 2.3 What are views about organizational formality? 2.4 What are key SME features and needs of each organization? 2.5 How is all this shaping each organization's culture? 2.6 How is all this shaping each organization's HRD approach?
Explore the characteristics of N/HRD using IIP as a focal context	1.3 What is KV2 like? 1.4 What are SME owner/manager perceptions of KV2?	2.7 What are owner/manager perceptions of N/HRD, and why? 2.8 What N/HRD is or has been undertaken in each organization? 2.9 What other experiences of N/HRD do owner/manager and employees have? 2.10 What is preventing each organization from currently participating in IIP? 2.11 What would encourage each organization to participate in IIP?
Compare the HRD models and perspectives found in the SMEs studied with the characteristics of N/HRD	1.5 What is it about owner/manager perspectives that might be shaping KV1? 1.6 What is it about KV2 that might be shaping owner/manager perceptions? 1.7 How do the two sets of perspectives compare?	2.12 How do the three organizations compare in terms of their: • HRD approaches? • Levels of formality? • Views on N/HRD in general and IIP in particular? 2.13 What does all this mean for the research problem?
Determine the impact of SME models and perspectives upon participation in N/HRD	1.8 How is KV1 impacting KV2 in the context of the research problem 1.9 Overall, what new insights does this study bring to the problem?	2.14 To what extent is the study's main hypothesis (that KV1 may be a natural barrier to KV2) true? 2.15 What are the <i>real</i> ingredients, relationships and dependencies in the research problem?

and how they relate to the research problem, major questions and research aim and objectives. The operational research questions are constructed on two levels to reflect the two levels of variables depicted in the conceptual framework (key variables and sub-variables) and the two levels of enquiry represented in the study by its two major questions. Level 1 questions provided both a first-line of thought between the research objectives and the detail of fieldwork questions at level 2, and an anchorage for conclusions drawn in the study. Collectively, level 1 questions flow from the research aim/objectives and were designed to explore and compare KV1 and KV2. They are also derived in the hypothesis that the characteristics of KV1 and KV2 are polarized and that KV1 may, therefore, be a natural barrier to KV2. Level 2 questions represent a more specific level of thinking about what needed to be investigated empirically; they directed an exploration of the sub-variables supporting KV1 and KV2 in the conceptual framework by informing the content of interview topic guides and questionnaires used in the casework. Other research questions were developed for the preparatory survey because they needed to satisfy the client's (the local TEC) needs as well as the research agenda.<sup>3</sup> A discussion of how the operational questions at Table 5 were constructed and applied follows.

Question 1.1 aims to both explore the validity of the characteristics of KV1 (Table 4), and to seek possible alternative perspectives about this key variable. Question 1.2 then moves the investigation of KV1 from one of exploration to one of explanation. Together, questions 1.1 and 1.2 focus on the first major research question, *'How and why do SMEs develop the HRD approaches they do?'* Although question 1.2 is phrased as a 'what' question, it seeks explanation and meaning (more conventionally sought, perhaps, through 'how' and 'why' questions respectively) as well as description (Yin, 1994). Those level 2 questions related to 1.1 and 1.2 collaborate to extract explanation from description by asking 'what' and 'how'. This approach reinforces a 'positive logic' in that it encouraged owner/managers to talk about things within the realms of their own experiences and descriptive powers, rather than to regurgitate stereotyped, and perhaps subjective, notions of why they (SMEs) do the things they do - or do not do, as the case may be. Put another way, it was thought that the 'why' element of the research problem was best served via an

---

<sup>3</sup>A main reason for conducting the preparatory survey was as access to case-study organizations. The survey is, therefore, treated as a discrete topic in the thesis and is discussed fully at Chapter 5. Chapter 4 shows how the survey was positioned within the overall research methodology.



independent and more detached analysis (the researcher's) of meaning drawn from owner/manager descriptions of their objectified realities (Berger and Luckmann, 1991). The predominance of 'what' and 'how' to promote explanation through description is, therefore, a theme running through the level 2 research questions. For example, 'formality' is depicted in the conceptual framework (Figure 8) as a sub-variable explicitly linked to KV1 (and implicit in KV2's constitution). Formality is, however, difficult to explore without a specific context. So trying to find out *what* formality actually *looked liked* in different SME settings seemed a more effective way of understanding its contribution to the research problem than asking *why* an SME may be informal, or even formal. Arguably, a 'why' question here assumes that formality is absolute and consistently understood and applied, rather than formality being contextual, inconsistently applied and frequently deemed synonymous with 'red tape' and bureaucracy (Kamenka, 1989). This may indicate that 'formality' can only be seen subjectively, which in a sense contradicts the above argument about countering owner/manager subjectivity. However, seeking formality in contexts that exist independently in organizational contexts is a way of both acknowledging and countering this problem, even though these contexts may have been shaped themselves by owner/manager perspectives and subjective realities. All of this serves as a reminder of the challenges facing researchers when formulating their research questions for optimum effect.

On the basis that KV2 in this study is, by and large, taken as a 'given', research questions 1.3 and 1.4 mainly explore possible alternative perspectives about N/HRD from one of its principal 'target/user' groups. Questions 1.5 to 1.8 then work together to focus upon the second major research question, '*...how might such perspectives be affecting SME participation in N/HRD?*'. Answers to these questions complete the project shift from an exploration of KV1 and KV2 as individual components to a comparative explanation of their characteristics in resolution of the research problem. Question 1.9 seeks evaluation of the project's outcomes and contributions.

In summary, level 1 questions aim to examine the causality suggested within the 'main stages' track of the conceptual framework and to furnish that hypothesis with new insights. This is achieved by drawing out a variety of possible alternative perspectives by exploring empirically the sub-variables in the conceptual framework with level 2 questions.

### **3.4 Some Philosophical Design Issues**

There are commonly claimed to be two broad traditions in the philosophy of science and

knowledge that offer different perspectives on the research process; these are 'positivism' and 'phenomenology' (Easterby-Smith et al, 1993; Reason and Rowan, 1981). A key argument of positivism is that reality exists independently and as such its properties must be objectively measured. The corollary to this view is that social research should follow the same procedures as those that apply to the natural sciences. This means that deductive reasoning, the construction of theoretical propositions for empirical investigation, and the drawing of causative conclusions about those propositions typify the positivist paradigm (Popper, 1972). Phenomenology - also known as 'social constructionism' and 'naturalism' (Easterby-Smith et al, 1993) - asserts that reality is not externally and objectively determined, but rather that it is socially constructed and that people confer their own, often subjective, meaning to direct and vicarious experience. A phenomenological approach suggests that the social sciences cannot be studied within the same kind of epistemological framework as the natural sciences, and that themes and patterns be teased out from an array of conceptual and empirical data in order to understand and explain why people interpret experience as they do, rather than relate findings back to *a priori* propositions. The ability to infer inductive meaning rather than establish causality is an essential ingredient of phenomenology.

The conceptual framework (Figure 8) positions this study within a positivist tradition, by setting out a starting hypothesis (that KV1 may be a causal barrier to KV2) for empirical examination so that conclusions can be drawn within the scope of that conceptualization. However, it was thought necessary to develop a fieldwork approach that would permit close interaction with research respondents to glean answers to the level 2 research questions shown at Table 5. This meant direct involvement, the sharing of ideas and the mutual exertion of influence; these are research characteristics more aligned to phenomenologist than positivist thinking. Here, then, there seems to be a tension between the presence of opposing research perspectives: conceptualization of the study is positivist, whilst expected explanations (which to some extent are dependent upon the interpretative world of research respondents) verge towards the rhetorical interpretative. But the research design, as well as enabling two levels of enquiry, also accommodates two levels of analysis and inference; first at empirical level within case-study findings, and second at theoretical level within a comparison of results about KV1 and KV2. It is at this second level of inference that generalization of results may occur (Yin, 1994). External validity (capability of generalizing results) in this study is discussed in more detail in the next section. The main point to be made here is that, because theory development following empirical results occurs at a level of

analysis within the 'main track' of the project's conceptualization, the manner of data collection and first-level analysis is not thought to undermine the study's essentially positivist conceptualization.

### **3.5 Evaluation of the Research Design**

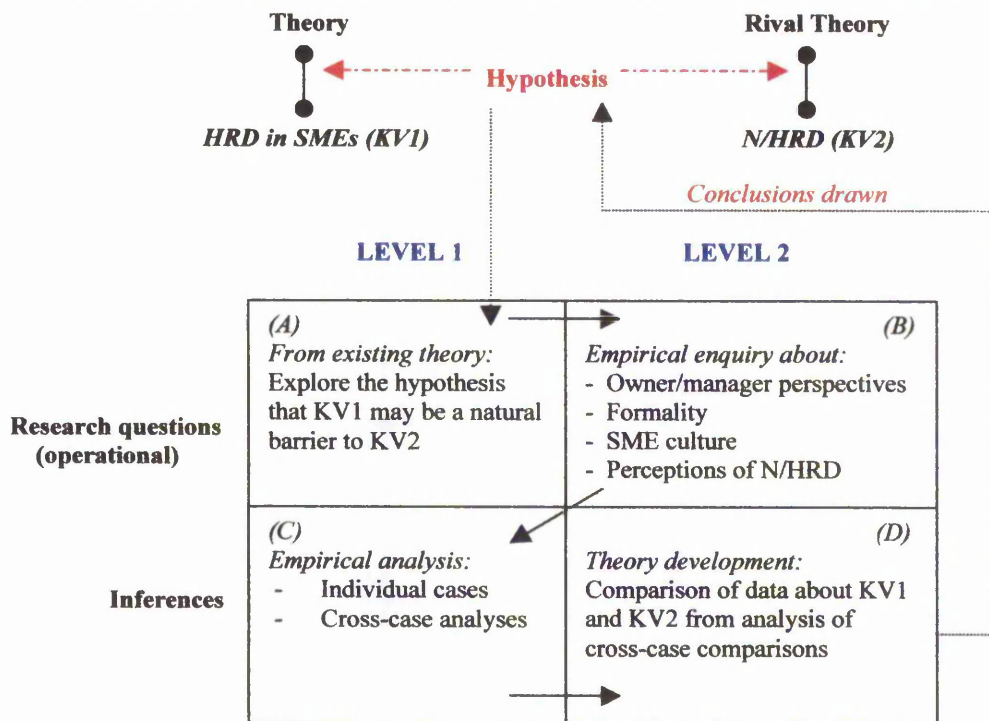
As both a conceptual and a practical tool, depiction of the study's design in the framework at Figure 8 helped direct thought and action in the fieldwork and writing of the thesis. As the conceptual framework describes and mobilizes the logic of the design that links the data to be collected and the conclusions drawn to the research problem, it also provides a "logical model of proof" (Yin, 1994: 19), and, as such, lends confidence and credibility to the study as a whole. A clear audit trail is an important feature of a research design, as this helps strengthen a study's internal validity (establish causal relationships) and reliability (repeatability of operations) (Yin, 1994). It is further argued that the manner in which the research design dealt with the research problem - by conceptualizing and investigating its dual and comparative dimensions in a focused way - is also a design strength. This 'like-for-like' approach assisted matters of construct validity (Yin, 1994) by enabling a logical identification of the project's key variables for empirical exploration, to help establish a set of "correct operational measures" (ibid: 33), as indicated in the conceptual framework. Having established *what* constructs to study, it was then thought that three in particular could be problematic in terms of how they were used and could, therefore, constitute a design weakness. These are: 'SME'; 'IIP' as a focal context for N/HRD; and 'formality'. As certain tactics for strengthening a study's construct validity can also be deployed within the data collection phase (Yin, 1994), other measures for addressing this potential weakness are explained within discussions of the research methodology in the next chapter. Difficulties with formality were also dealt with as suggested earlier in this chapter (page 51); that is by positioning it in different organizational contexts for empirical investigation. Thus, formality was conceptualized not as a discrete and perhaps invisible construct, but as an observable/describable characteristic of more tangible organizational frameworks such as management structures, staff induction processes, or employee involvement schemes.

A second area of strength in the research design lies in its conceptualization within a 'positive logic'. This means that the design is both capable of exploring the starting hypothesis regarding the impact of KV1 upon KV2, and promoting new insights into the relationship between the two. This process necessitated the development of project variables

and operational research questions at two levels to cater for an empirical investigation of both KV1 as a 'hidden' but nevertheless presumed *existent* organizational component (HRD), and KV2 as seen by SME owner/managers. In turn, display of the conceptual framework in two tracks allowed data to be seen and interpreted at two levels, too. This assisted what, perhaps, constitutes a major problem area in research design, that of establishing external validity - the extent to which a study's findings are capable of generalization to the wider population.

In discussing generalizing research findings to theory, Yin (1994) argues for a design that is capable of making inferences at two levels, within a principle he calls "analytical generalization" (ibid: 30-31). Yin (ibid.) suggests that theory following empirical results needs to be developed at an appropriate level before those results may be capable of generalization. This means that theory developed in a specific context (case or multiple-case study, for example) cannot be generalized directly at that first empirical level of analysis, it has to go through a 'higher' level of thinking in which a starting theory (and a possible rival theory) exists. It is at this second level of analysis and inference that an *appropriate* level of theory resides for generalization of results to occur. Figure 9, below, illustrates how Yin's

**Figure 9: Addressing External Validity through Analytical Generalization**





(1994) principle of analytical generalization has been applied in this study to assist matters of external validity.

As already argued, KV1 and KV2 offer different perspectives on what HRD should 'look like' (Table 4, page 43). In Figure 9, they are presented as a theory and a rival theory about HRD. The two co-exist within the study's starting hypothesis - that KV1 may be a natural barrier to KV2. This hypothesis then feeds the level 1 research questions (cell A in the matrix), that in turn feed level 2 questions (cell B). A first level of analysis and inference about the empirical results of level 2 questions is then made; first through individual analyses of case data, and then through cross-case analyses (cell C). At this point, a second level of analysis and inference can be made (cell D), and conclusions drawn about the starting hypothesis. This flow is also traceable in the conceptual framework (Figure 8). It is assumed in Figure 9 that KV2 is a rival, yet equally plausible, theory to KV1 about HRD. No assumption is made here that one is better than the other - just that they differ. KV2 is positioned as a rival theory to KV1, rather than the other way around, because KV1 is seen as the more 'prominent' dimension of the research problem. As it is assumed that KV1 impacts upon KV2, KV1 is the main focus of empirical investigation. Yin (1994:31) argues that the empirical results of a study:

...may be considered more potent if two or more cases support the same theory but do not support an equally plausible rival theory.

Validity in this study works with a similar, yet different logic that says: if results in two or more cases support the characteristics of *both* KV1 and KV2 as proposed at Table 4 (page 43), *and* indicate that participation in, or rejection of, KV2 is due to support for KV1, then internal validity and capability for generalization of results may be reasonably claimed.

Table 6, below, summarizes the above evaluation of design strengths and potential weaknesses.

**Table 6: Summary of Design Strengths and Potential Weaknesses**

STRENGTHS	POTENTIAL WEAKNESSES
<ul style="list-style-type: none"> <li>• Conceptual framework provides a logical model of proof and a clear audit trail</li> <li>• Design relates well to dual and comparative nature of research problem</li> <li>• Conceptualization within a 'positive logic' focuses fieldwork and analysis on research problem and aim/objectives</li> <li>• Use of analytical generalization within the design assists matters of external validity (generalizing results) by allowing conclusions to be drawn at two levels – empirical and theory-development</li> </ul>	<ul style="list-style-type: none"> <li>• Potential problems with construct validity (SME, IIP as a focal context of N/HRD, formality) impacting external validity</li> </ul> <p style="text-align: center;">↓</p> <p>Addressed through analytical generalization and use of triangulation as described within research methodology (Chapter 4)</p>

### **3.6 Expectations**

It was expected that the study would produce outcomes in two main areas: theoretical outcomes directly related to a resolution of the research problem, and outcomes that might be positioned more as other contributions to the existing body of knowledge about HRD in SMEs, and how to research it.

#### ***Theoretical outcomes directly related to research problem:***

From the cases studied, it was expected that different typologies of HRD in SMEs, located in varying organizational learning styles, would emerge: it was also believed that these typologies would differ from the 'model' of HRD engendered by N/HRD. A variety of owner/manager views of, and experiences with, N/HRD were also presumed present. These insights were intended to feed level 1 inferences (Figure 9, above), from which level 2 inferences would flow, thus addressing the research problem at two levels (in-case and generalized out-of-case). At this point, it was envisaged that an explanation of the suggested causality between KV1 and KV2 depicted in the conceptual framework (Figure 8) would be forthcoming. In all of this, there was an expectation to see how owner/manager perspectives and other internal and external influences had forged different organizational cultures, that in turn had impacted perceptions of N/HRD and thus the nature and extent of participation in N/HRD programmes (level 1 inferences flowing into level 2 inferences). A clearer understanding of the constitution and contribution of formality, as a common but antithetical 'feature' of KV1 and KV2, in this analysis was also presumed.

#### ***Other expected contributions:***

It was expected that a technique for analyzing the empirical results of the case data would emerge. Whereas it was intended that level 1 research questions would be answered through conclusions flowing from level 2 inferences, it was thought that a method for analyzing these first level empirical data would need to develop organically from their context and setting - HRD in SMEs. There was an expectation that such a method would be found within the issues designated as sub-variables in the conceptual framework, but the precise nature of this seemed indeterminable at the outset. On a practical level, there were two main aspirations, rather than perhaps expectations, of the study. It was envisaged that the research might inform the development of a generic SME *approach* to HRD that could be shaped and made content specific to suit individual organizational needs. It was also thought that, as a result of

examining owner/manager views and expectations of N/HRD, a framework for exploring an SME's cultural readiness for N/HRD programmes - to include potential motivators and barriers to participation - might evolve.

### **3.7 Summary of Chapter 3**

The chapter has explained the conceptual basis of the study, its practical and philosophical derivation, evaluated design strengths and potential weaknesses and discussed research expectations. So far, the thesis as a whole has covered the main project stages in the conceptual framework (Figure 8) from research problem to operational research questions. Chapter 4 takes discussions on to the next stage - research methodology.



## CHAPTER 4

### RESEARCH METHODOLOGY

#### 4.1 Introduction

The chapter builds upon the previous chapter by explaining the methodological strategy adopted and the operations of casework data collection and analysis methods used.<sup>4</sup> The chapter also evaluates the perceived strengths and weaknesses of the research methodology. The methodology was formulated with three general principles in mind. First, that there should be a continual build up over time of data collected from a variety of sources and perspectives, and that these data should be subject to an ongoing process of analysis. Second, that matters of construct validity and internal validity should be adequately addressed: as these matters can impact a study's capability for generalization, addressing them in data collection and analysis offers a further level of assurance in external validity too (Yin, 1994). The third principle upon which the methodology was founded was that the roles, contributions and inter-relationships of the various elements of the methodological strategy should be clearly defined.

A major factor in securing these principles was use of triangulation (a term borrowed from navigation and surveying), whereby multiple sources of evidence having converging lines of enquiry are used to strengthen a study's design and findings (Easterby-Smith et al, 1993; Yin, 1994). Four types of triangulation are commonly advanced. These are triangulation of theories and perspectives on the same data set (theory triangulation), data sources (data triangulation), methods (methodological triangulation), and evaluators (investigator triangulation). Theory, data and methodological triangulation were all applied in this study. As only a single researcher was involved, investigator triangulation was not used, although there was some reporting of survey and casework findings to 'client' and respondents respectively for their views. Empirical findings, data analyses and interpretations have also been scrutinized by the project supervisors.

Table 7, below, maps out how triangulation was used in the research methodology. Items and constructs in the table are cross-referenced by a 'tick' to indicate triangulation of data sources, methods and theory as appropriate. Specific details of *how* each item/construct

---

<sup>4</sup> The operations of data collection and analysis methods used in the survey are discussed in Chapter 5.

**Table 7: Triangulation in the Research Methodology**

Item/Construct	Theory	Data Sources	Methods
3 strategic elements (survey, multiple-case study, interviews)		✓	✓
Mixed use of both qualitative and quantitative data collection methods within the survey and casework		✓	✓
Three different organizations as case studies	✓	✓	
Exploration of formality in survey, casework and interviews	✓	✓	✓
SME definition: use of three different sized SMEs as case studies, together with use of a different SME characteristic in each case	✓	✓	
Exploration of IIP and N/HRD from three perspectives in three organizations	✓	✓	✓

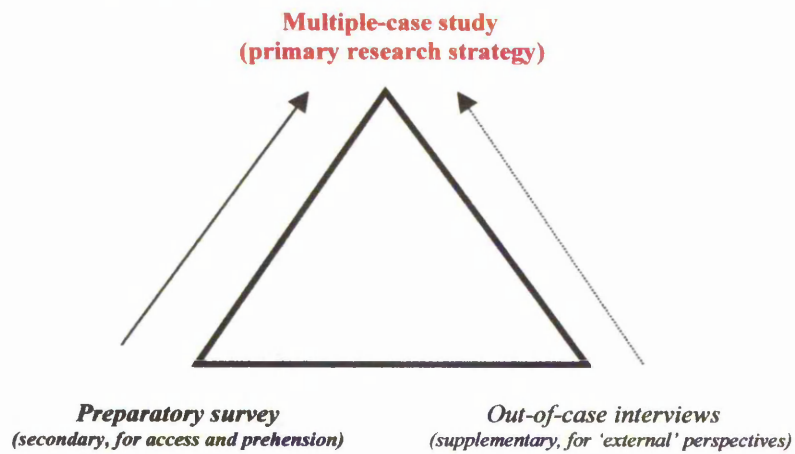
was triangulated are presented throughout the chapter as relevant examples occur.

#### 4.2 Methodology: overall strategy

##### *Three strategic elements:*

A clear strategy and set of supporting operational methods that allowed the collection and analysis of data over time was aimed for. The overall methodology comprised three elements: a primary and a secondary strategy, and a supplementary element. This configuration, which represents both data and methodological triangulation (Table 7, above) is shown at Figure 10, below. The primary strategy was to collect data intermittently by means of a multiple-case study conducted from October 1996 to June 1998, with one follow-up visit made during the first half of 1999. Access to the three case-study organizations was secured through a preparatory survey (secondary strategy) over the first half of 1996. This survey was supported by the local TEC and comprised two phases - a postal questionnaire and series of face-to-face interviews. The survey was also used to gain an initial understanding or 'prehension' (Kolb, 1984) of some of the problems, views and experiences of the owner/managers in a wide range of small organizations in the Wirral, thus providing an invaluable bedrock of data to inform the casework. The preparatory survey, including its data collection and analysis methods, results and contributions to the casework it preceded, is discussed separately in Chapter 5.

**Figure 10: Three Strategic Elements of the Research Methodology**



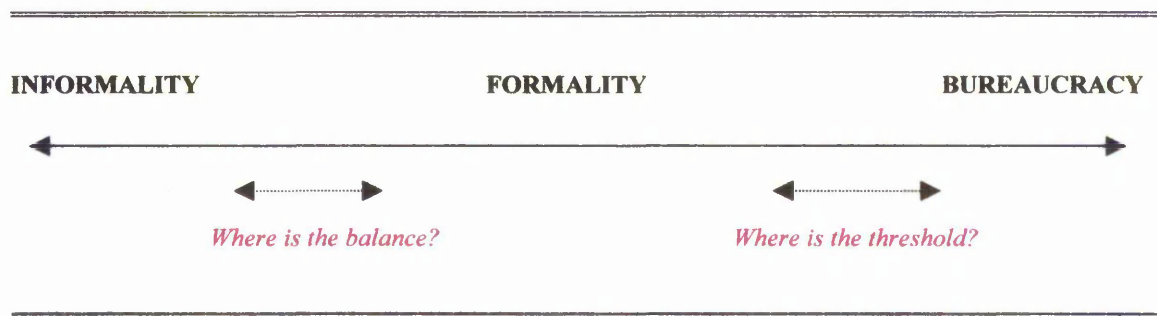
ELEMENT	MAIN PURPOSE	WHEN
<p><i>Secondary Strategy:</i> Preparatory survey of 350 SMEs in the Wirral</p>	Access to three organizations for ongoing casework; initial understanding of KV1 & KV2 to feed into casework.	From January to June 1996.
<p><i>Primary Strategy:</i> Multiple-case study of three SMEs accessed from the preparatory survey</p>	To collect data intermittently about KV1 and KV2. Individual and cross-case data analyses made, and project conclusions drawn from these analyses.	Data collection from October 1996 to June 1998, with a follow-up visit made to two cases in mid 1999.
<p><i>Supplementary:</i> Out-of-case interviews with: 1) Sir Brian Wolfson, former chairman IIP UK and founder of IIP standard. 2) Sir Geoffrey Holland, Vice-chancellor University of Exeter; President of CIPD; founder of TEC movement. 3) CEWTEC's IIP Manager. 4) Professor Paul Thompson, then Professor of Management University of Edinburgh; prominent labour process theorist. (see Appendix 5 for more details about these interviews)</p>	To gain supporting 'external' perspectives of issues examined in casework, particularly those relating to KV2.	1) 20 May 1997 2) 18 February 1998 3) 5 January 1999 4) 18 March 1999

Appendix 5 presents an overview of the rationale, structure and main contributions of the out-of-case interviews (third element, Figure 10). Selected data from these interviews are drawn into the thesis as and when necessary in support of a particular argument: full accounts of the interviews are not presented in the thesis. The interviews, although supplementary to the casework, were helpful as they offered credible external perspectives on some of the issues under investigation. For instance, formality is an important construct in the study. It is a sub-



variable to KV1 and a characteristic of KV2, and certain interview data contributed significantly to its ultimate analysis. Notably, the interview with Geoffrey Holland enabled a critical insight into the constitution of formality in an SME context, thus making an important contribution to project conclusions. This insight was even more potent as it was explicitly supported by respondents in two of the case-study organizations, and alluded to in the interviews with Brian Wolfson and Paul Thompson. Also on the subject of formality, the meeting with CEWTEC's IIP manager prompted an exploration of the notion that 'formality' and 'bureaucracy' are perhaps applied differently in differing contexts, with a result that even sensible or necessary formality may be perceived negatively by SME owner/managers and, therefore, deemed by them as 'bureaucratic'. As a result of this interview, 'formality' was conceptualized as shown at Figure 11, below, and used to help an analysis of data resulting from delivery of a casework questionnaire about formality.

**Figure 11: The Informality, Formality, Bureaucracy Continuum**



The figure positions 'formality' midpoint on a continuum between 'informality' and 'bureaucracy'. The relationship between 'informality' and 'formality' reflects the discussion of informality as an SME characteristic in Chapter 2 (page 27). The positioning of 'bureaucracy' in the figure represents the IIP manager's thoughts as discussed above. The model suggests that an understanding of formality in a particular context (such as organizational structure, performance appraisal/review, or leadership style) might be helped by reflecting, 'how do respondent perceptions of formality in a given context move between informality and formality?', or 'what does the respondent see as an appropriate balance here?', or 'at what point does formality seem to be perceived as bureaucracy?' This reflection on organizational formality helped with answers to level 2 research question 2.3 (Table 5, page 49).

It was thought that theory, data and methodological triangulation of ‘formality’ (Table 7, above), together with its application in specific organizational settings, helped the validity of this construct. Arguably, the multiple sources of evidence observed in different contexts facilitated multiple measures of the same phenomenon, and level 2 inferences to be made about the constitution and involvement of formality in the research problem.

**Data collection strategy:**

Table 8, below, summarizes the data collection methods (tools and techniques) used in the project as a whole. The table also indicates briefly the circumstances in which the methods were applied and whether qualitative or quantitative data were obtained. More information is provided about these methods in the casework and preparatory survey (section 4.4 of this chapter and Chapter 5, respectively). The various ways of collecting both qualitative and quantitative data from different sources as indicated in the table is an illustration of data and methodological triangulation (Table 7, above). In accordance with Martin’s (1990: 31) recommendation, the quantitative versus qualitative distinction of data collection was seen, “...not as a dichotomy, but as a continuum, with mixed methods at the midpoint of scale.”

**Table 8: Data Collection Strategy Methods**

*Data collected intermittently between January 1996 and mid 1999*

Method	Application	Type of Data Obtained	
		Qualitative	Quantitative
Questionnaires	Preparatory survey, phase 1; casework	✓	✓
Structured interviews	Out-of-case interviews (see Figure 10)	✓	
Semi-structured interviews	Preparatory survey, phase 2; casework	✓	✓
Unstructured interviews	Casework	✓	
Group interviews	Casework	✓	
Formal telephone interview	Out-of-case interview with Paul Thompson	✓	
Informal telephone interviews	Casework	✓	
Participant observations	Casework	✓	
Non-participant observations	Casework		
Informal observations & ‘overhearings’	Casework	✓	
Reviewing organizational documents	Casework	✓	✓
Internet searches	Government and other web sites (e.g. DTI, DfEE, IIPUK) for N/HRD information and statistics	✓	✓

It was thought that adopting a mixed data collection strategy would facilitate both respondent *explanations* of organizational phenomena (qualitative data elicited via semi-structured and unstructured interviews, for example) and help to position difficult constructs such as 'formality' in specific organizational contexts (structured questionnaires to elicit both qualitative and quantitative data). This point was especially relevant in the casework and is further developed later in the chapter within discussions of casework data collection.

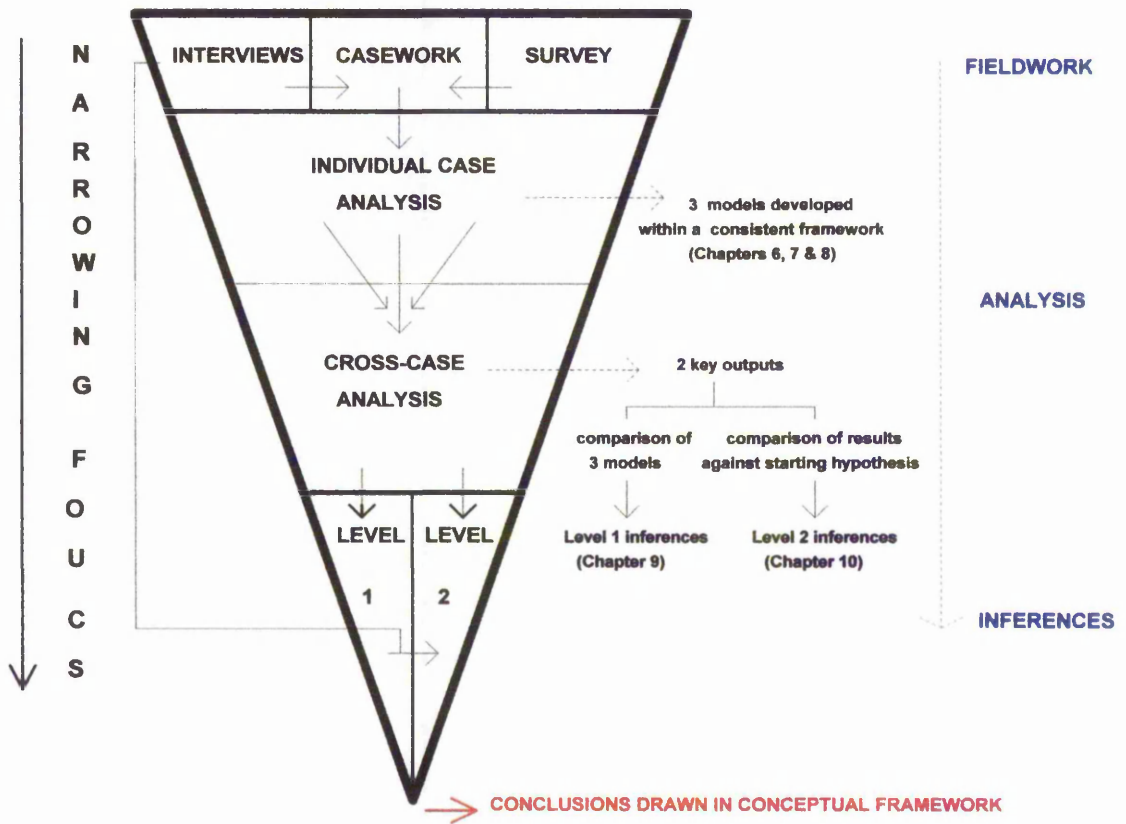
***Data analysis strategy:***

The general data analysis strategy was to follow the theoretical proposition (that KV1 may be a barrier to KV2) which led to the development of a set of research questions aimed at an exploration of the sub-variables in the conceptual framework. This meant that data analysis focused upon these constructs too. This section explains how the three strategic elements of the research methodology (designed to deliver data from multiple sources), worked together within the Convergent Analysis Framework (CAF) – a model developed for the research as shown at Figure 12, below. The CAF illustrates how data pertaining to the sub-variables were managed and reduced through an iterative process of analysis to an ultimate focal point for inferences to be made and project conclusions drawn. The CAF associates with the last two main stages of track 1 in the conceptual framework (Figure 8, page 47) noted as 'Fieldwork, Analysis & Results' and 'Conclusions & Outcomes'. The remaining chapters in the thesis discuss these activities. The first part of track 1 in the conceptual framework (also organized as part 1 of the thesis) could, metaphorically, be depicted as an inverted triangle sitting on top of the CAF, as initially it starts from a narrow 'point' (research problem) and broadens out into major research questions, a set of objectives, operational research questions and methodology. In this sense, conceptually, the research process is a diamond shape, starting and finishing narrowly with a thickening of information and activity in the middle.

It is difficult to describe the study's data analysis strategy without showing its relationship to fieldwork and inferences leading to conclusions. The CAF (Figure 12, below) is, therefore, organized in three main sections: fieldwork; analysis; and inferences. 'Analysis' and 'inferences' are further sub-divided to represent the two levels of analysis and inferences leading to an articulation of study conclusions. The relationship of analysis to fieldwork and inferences/conclusions reflects the general data analysis strategy of 'following the study's theoretical proposition'. The CAF shows that results from the preparatory survey



Figure 12: Convergent Analysis Framework (CAF)



(secondary strategy) informed the casework. This it did with three main outcomes (discussed in Chapter 5), one of which was a model of SME resistance to IIP used in the development of a questionnaire delivered to two of the cases. Outputs from the out-of-case interviews linked into the data analysis strategy in two ways. First, directly into the casework as a resource of different viewpoints (government policy-making, delivery and academic) concerning the opportunities/constraints facing SMEs, their development and potential contribution to UK economic and social growth. This helped with preparation of casework interview topic guides and offered alternative perspectives on what owner/managers had to say about matters such as business planning and development, leadership, growth and N/HRD, for example. Second, information gained in the out-of-case interviews helped crystallize formulation of project conclusions.

Casework results were directly analyzed and interpreted at two levels; first individually to produce a set of conclusions about each case within a consistent framework/model, and then across cases. There were two key outputs of cross-case analysis -



a comparison of the individual case conclusions (leading to level 1 inferences and cross-case conclusions, discussed in Chapter 9), and a further analysis of these results against the starting hypothesis about the relationship between KV1 and KV2 and the meaning of that relationship in the context of the research problem (level 2 inferences and overall project conclusions, discussed in Chapter 10). This pattern may also be observed in both the conceptual framework (Figure 8) and Figure 9 (page 54).

### **4.3 The Three Case-study Organizations**

The three case-study organizations are shown at Table 9, below. They were selected from the face-to-face interview phase of the preparatory survey because deliberations with owner/managers had been mutually pleasant, achieving a 'feel-good-factor'; and in each case, it was thought that effective collaboration would be possible over a sustained period of time. Whilst this may have added a potential weakness to the research methodology in that such factors could be atypical of the SME sector, and that the researcher/respondent relationship could, perhaps, be perceived as overly cohesive, such a weakness was judged acceptable given the well-known problems of access (Easterby-Smith et al, 1993). From impressions gained in the survey, the three organizations had advantages of a contrasting and complementary mix of management styles, organizational structures and cultures, markets and ambitions. Case 1, provided an opportunity to study the effect of innovation on the way it viewed HRD. As an organization at a cross roads with regard to the direction of its current national market position and growth, Case 2 demonstrated an interesting blend of trade and service aspects and, therefore, evolving HRD needs and activities. In complete contrast, Case 3 operated locally in a 'pure' service environment in the voluntary sector. All three organizations, whilst having some commonality of thinking about N/HRD, had had a variety of experiences with N/HRD programmes and delivery mechanisms, and, therefore, held mixed views about their usefulness. All these factors related well to the sub-variables, depicted in the conceptual framework at Figure 8 (page 47).

Over time, a particular SME characteristic (as discussed in Chapter 2) emerged that seemed to be *especially* typical of each case. That is not to say that all of the SME characteristics as discussed in Chapter 2 were not observed in each of the cases, just that one appeared to epitomize each organization. Each 'special' SME characteristic was, therefore, assigned for special consideration in the casework data collection and analysis.

**Table 9: The Three Case-study Organizations**

<b>Organization</b>	<b>Details</b>	<b>Approx. Nos. Employees (at time of selection)</b>	<b>'Special' SME Characteristic</b>
<b>Case 1</b> (Chapter 6)	Light engineering, design & build of machines for mainly the automotive industry. Trading as a limited company from a single site. International trade.	<b>19</b> (small enterprise)	<b>Innovation</b>
<b>Case 2</b> (Chapter 7)	Install/maintain security & telecommunications systems. Trading as a PLC from several sites over the UK. National trade.	<b>70</b> (medium enterprise)	<b>Evolution &amp; growth</b>
<b>Case 3</b> (Chapter 8)	Youth & community projects in the voluntary sector. Operating as a registered charity from a single site. Serving the local (Wirral) community only.	<b>6</b> (v. small/micro enterprise)	<b>Leadership</b>

This relationship is also indicated at Table 9, above. The final criterion governing the choice of case-study organizations was that of an appropriate spread in size - in terms of employee numbers. In accordance with the EC's definition of SMEs shown at Table 2 (page 22), the cases chosen provided a micro organization (Case 3 employing six people), a small organization (Case 1 employing 19 people), and a medium organization (Case 2 employing 70 people). These statistics altered over the life of the project and by the end of the fieldwork the gaps in employee numbers between the three cases had been significantly eroded: Case 1 expanded its workforce to around 23 before going into receivership in late 1998; Case 2 reduced employee numbers to just over 50; and by May 1999, Case 3 had 14 employees and several people working on either paid secondment or in a voluntary capacity.

#### **4.4 Casework: data collection methods**

Casework data were collected in two phases. The first, from October 1996 to April 1997, explored what HRD approaches had been adopted by the three cases and why this might be, to include the extent of participation in N/HRD programmes. Research questions 2.1 through 2.9 (Table 5, page 49) formed the basis of interview topic guides for this phase of investigations. During phase two, from May 1997 to June 1998, the line of enquiry changed conceptually from an *exploration* of HRD content and its rationale towards an *explanation* of how that might be impacting participation in N/HRD. Research questions 2.10 through 2.13 (Table 5) informed interview topic guides and a questionnaire for this phase of data

collection. In effect, the shift reflects the two levels of enquiry engendered in the research problem - from *exploration* (of HRD in SMEs) to *explanation* of possible causality. Further contact was established with Cases 2 and 3 during April/May 1999 in order to deliver another questionnaire, review site activities twelve months on, and generally tidy up loose ends. At this time, it was learned that Case 1 had gone into receivership.

Casework data collection methods (see also Table 8, above) comprised a combination of structured questionnaires, semi-structured interviews, unstructured interviews, group interviews, informal telephone interviews, participant observations, non-participant observations, informal observations and 'overhearings', and reviewing organizational documents. A brief discussion of each follows.

### ***Questionnaires:***

Two formal questionnaires were constructed for the casework: the 'Formality Questionnaire' (Appendix 6) delivered on 'exit' from the three cases over April/June 1998; and the 'IIP Questionnaire' (Appendix 7) delivered to Cases 2 and 3 as part of the follow-up process in mid 1999. These questionnaires delivered twelve months apart provided a degree of structured intervention in an otherwise predominantly semi- or unstructured pattern of data collection in the cases.

### ***Formality Questionnaire***

Appendix 8 outlines the process by which the formality questionnaire was completed and analyzed. The approach was a kind of 'ethnographic experiment' (Watson, 1996) whereby an identical sequence of questions could be delivered in different contexts in order to discern idiosyncrasies and patterns across the contexts. Watson (*ibid*: 450) describes the ethnographic experiment as "a compromise between the traditional ethnographic principle of allowing the 'naturally occurring' event to unfold with as little interference as possible, and the laboratory principle of attempting to shape and control subjects' behaviour as closely as possible in order for attention to focus on explicitly selected variables." The process outlined at Appendix 8 for managing the questionnaire combines aspects of naturalism and control (by encouraging the respondent to position the definition of formality in his/her own organizational context and respond 'naturally' to a controlled stimulus) and encouraged consistency in approach and analysis across delivery contexts. Individual case results are reported in Chapters 6, 7 and 8, and cross-case analysis of results in Chapter 9.

### **IIP Questionnaire**

The IIP questionnaire (Appendix 7) was developed from the preparatory survey described in the next chapter. As the origins of this questionnaire have not yet, therefore, been presented, a full discussion of its association to the survey is contained in Chapter 9 (cross-case comparisons and analysis).

### ***Semi-structured and unstructured interviews:***

These were the mainstay of the casework. Semi-structured interviews were managed by means of flexible topic guides, but it was not unusual for a semi-structured interview to evolve into an unstructured one - particularly in Case 3 where the usual respondent (the development manager) was difficult to keep focused on the planned subject matter as she liked to use the researcher to 'bounce ideas off'. Appendix 9 is a compilation of typical topics covered in casework interviews. As topic guides were developed from level 2 research questions (Table 5, page 49) in order to explore KV1 and KV2, there were common themes in their content across cases. But it may also be noted from Appendix 9 that enquiry in each case digressed too, in order to focus individually on the 'special' SME characteristics shown in Table 9, above.

### ***Group interviews:***

By and large, group interviews were unplanned. They tended to develop organically during a one-to-one session with a respondent, when typically other members of the organization might 'drop in' and contribute to proceedings. This phenomenon was perceived as a tendency towards informality in the cases.

### ***Informal telephone interviews:***

These were mostly 'opportunistic' and conducted during telephone conversations with respondents for purposes of scheduling/postponing/rescheduling site visits, clarifying information, and just generally 'keeping in touch.' This type of informal contact was, however, invariably useful and as such worthy of reflection and recording in case notes.

### ***Participant observations:***

This involved working with respondents to facilitate individual, team or organizational development through activities such as mentoring, team building, and appraisal development.

The appraisal form at Appendix 10 developed for Case 2 is an example of an output of participant observation.

***Non-participant observations:***

This involved observing individual and group behaviours - at management committee meetings and teambuilding sessions in Case 3, and shop-floor observations of management/staff interactions in Case 1, for example. This method was thought particularly useful in trying to identify 'HRD' embedded in normal organizational routines such as leadership and culture management, organizing and managing, information sharing and knowledge development, as discussed in Chapter 2.

***Informal observations and 'overhearings':***

These were opportunist in nature, but could be powerfully meaningful in content. This 'technique' basically entailed keeping eyes and ears open and being attuned to what might be happening outside of the planned scope of a particular contact. Feldman (1995) relates how semiotic analysis may be used in the interpretation of qualitative data. Drawing upon the work of Eco, she (ibid: 21) describes semiotic theory as "...a unified approach to every phenomenon of signification and/or communication. Semiotics is concerned with everything that can be taken as a sign. A sign is everything which can be taken as significantly substituting for something else." The data gained through informal observations and overhearings lent themselves particularly well to the principles of semiotic analysis. For instance, the situation described under "Group interviews", above, may be interpreted as a 'signified' example of SME culture. The practice of 'Reviewing organizational documents', below, also holds significance for the process of semiotic analysis, whereby the relevance of a document's content can become secondary to the relevance of the document's ontological status and the context and manner in which it is regarded by the respondent and offered up for scrutiny. Semiotic analysis features in the cross-case comparisons and analysis in Chapter 9.

***Reviewing organizational documents:***

A total of 22 documents from Cases 2 and 3 were catalogued (see Appendix 11) as off-site items - about 50% related directly or indirectly to HRD matters. Nothing was collected off-site from Case 1, although on site product information and technical drawings relating to

product at various stages of design were frequently produced. The sparsity of the off-site document collection (given three organizations and the longevity of the study) was viewed as another tendency towards informality; and the emphasis placed by Case 1 on exhibiting design documentation, as a sign of its focus on innovation and design capability.

#### ***Internet Searches:***

For referencing government and other web sites, such as DTI, DfEE, IIPUK, for N/HRD information and statistics.

#### **4.5 Casework: data analysis methods**

Data were analyzed continually by way of writing up and coding case notes, and then repeated readings of them to extract the most significant nuggets of detail for further analysis. The importance of writing up and coding within 24 to 48 hours of a particular contact was recognized very early in this process as case notes were constructed from raw, hand-written interview data. The coding system adopted was based upon that advanced by Miles and Huberman (1994) whereby first- and subsequent-level codes are applied to segments of data. For example, the first-level code used for national HRD was 'NATHRD'. This was then broken down by adding second-level coding to denote what aspect of N/HRD the data related to, for example:

- NATHRD-IIP
- NATHRD-MODAPP (modern apprenticeships)
- NATHRD-NVQ

A comprehensive list of codes was constructed to cover the study's key and sub-variables and other relevant items such as ORG-RES (organizational resources). The codes were kept to just two levels of definition as it was thought that the system could become too cumbersome and difficult to apply with more.

Periodically, a written summary or focus sheet was developed. Miles and Huberman (1994: 77-78) refer to this practice as the production of an "Interim Case Study", and describe it as "...the first attempt to derive a coherent, overall account of the case." The short organizational profiles introducing the three cases in Chapters 6, 7 and 8 were developed from a build-up of focus sheets. Another form of analytical precis used is shown at Appendix



12. This example of a time-ordered display associates significant information from case notes with the study's variables. As well as enabling visual clarity on how comprehensively each study variable was being explored, this technique also facilitated cross-referencing of data both intra- and inter-case. Appendix 12 relates to perspectives gleaned from Case 2's sales & marketing director. As the special SME characteristic in Case 2, evolution & growth is, therefore, exhibited. The corresponding column in relation to the other two cases focused on their special SME characteristic.

At various stages in the analysis process, data displays using formal tools such as flowcharts, tables, matrices and theory-building models - and less formal flip-chart jottings - were also tried. Many of the figures and tables in the thesis are the results of a continual refinement of formal and informal data displays, constructed over time. The project's 'ultimate' example of this may be found at Figure 28 in Chapter 10, which draws together conclusions. Data display has been an important feature of this study, not only for analytical purposes but also as a visual aid to discussions in the thesis.

As already explained (see the CAF, Figure 12) individual analyses of case data resulted in a set of conclusions about each case developed within a consistent framework. These are displayed at Figures 17, 19 and 23 in relation to Cases 1, 2 and 3 respectively; they are fully discussed Chapters 6, 7 and 8 respectively. Briefly here, each figure is made up of the following components that reflect the study's variables:

- What the organization was like;
- Approach to HRD;
- Organizational learning style;
- Formality;
- N/HRD;
- Leadership style & influences;
- Evolution and growth;
- A metaphor representing each organization's primary culture.

Results of conclusions about these components in each case were then used as a basis for the cross-case comparisons and analysis. The operations of cross-case comparisons and analysis are described in Chapter 9. Part of this process involved an analysis technique developed with the name, 'From Metaphor to Model'. This technique emerged from the individual case



analysis phase and, by exploring how the cases' primary cultures were alike and different, aimed to understand the role of organizational culture in influencing SME HRD approaches, and ultimately the impact of SME culture upon SME participation in N/HRD.

#### **4.6 Evaluation of the Research Methodology**

Methodological and data triangulation helped counter some of the weaknesses traditionally associated with individual data collection methods (Yin, 1994). For example, whilst interviews and observations tend to produce good insights covering real events, in real contexts, in 'real time', there can be problems with researcher and/or respondent bias leading to inaccurate reportings. To some extent, any tendency towards bias was offset by seeking out-of-case perspectives and reviewing case documents. But the availability of documentation in the cases was limited, due to either access being restricted or simply a natural lack of documentation. Another problem encountered in the casework that may, perhaps, be attributable to SME 'life' was the frequency of last-minute cancellations of scheduled visits, sometimes actually upon arrival on site. This was especially problematic in Case 1 where it was not unusual for an interview to be terminated midstream due to a job needing urgent attention. Whilst such occurrences may not be methodological weaknesses as such, they can still be quite seriously disruptive to a schedule of data collection planned for consistency across cases. When Case 1 eventually ceased trading, it was - fortuitously for the study - after the bulk of the casework had been completed. Had this happened early in the programme, it could have had an adverse impact on the research as a whole. This highlights a potential weakness in the case-study method, particularly in the context of SMEs as they are particularly susceptible to business failure (Storey, 1994). However, all these phenomena contributed significantly to the study's wealth of 'informal observations and overhearings'.

Despite the above comments about the potential for case studies to suddenly 'fold', selection of a multiple-case study as the primary research strategy is considered a methodological strength of this project. As earlier arguments suggest that SME HRD may be unconventional and embedded in notions of 'business as usual', this also implies that the *context* for researching HRD in SMEs is important. As case studies are thought better than, say, surveys for investigating organizational context (Yin, 1994), then casework would seem a fitting primary research method for this study. Yin (*ibid*: 13) argues that the case study:

...comprises an all-encompassing method – with the logic of design incorporating specific approaches to data collection and analysis. In this sense, the case study is not either a data collection tactic or merely a design feature alone...but a comprehensive research strategy.

Essentially, the case study provides an adaptable framework for application in a number of research contexts and environments that may be conducted through a range of sub-strategies engaging qualitative and quantitative methods that seek to explore, describe or explain the phenomena under scrutiny. It was thought that these factors (comprehensive, adaptable and arguably robust) made the case-study method particularly suitable for dealing with the research problem in this project, as it allowed for intra-case individualism and flexibility within the framework of a visibly consistent and rigorous inter-case process. This meant that there could be a steady build up of data over time to establish relationships with respondents and the emergence of patterns for comparison both cross-case and against the issues in the study's starting hypothesis as depicted in the conceptual framework. Scrutiny of normal organizational activities and routines over time also enabled glimpses *beneath* what superficially might have been perceived as an absence of HRD in the cases, thus reinforcing the positive logic of the study. The general approach to casework data collection - occasional structured intervention with formal questionnaires in a predominance of semi- or non-structured intervention and observation - seemed to reflect and suit well the general pattern of SME pace, rhythm and expectations.

Returning to issues of construct validity in the study, it was thought that, as well as 'formality', which has already been discussed in the chapter, two other constructs could incur methodological problems if not addressed. These are: use of the term 'SME; and use of 'IIP' as a focal context for 'N/HRD'.

#### Use of the term 'SME'

Although organizations employing up to 249 people are all technically classified as 'SMEs' according to the EC definition (Table 2, page 22), it is recognized that there could be vast differences in their structures, resources, capabilities and values, and therefore, perspectives on HRD and N/HRD. This might foster concerns about the capability of findings from the three SMEs used in this study for generalization to the wider population of 'SME'. The cases do, however, represent a very small, a small and a medium enterprise within the EC

definition, even though they gravitate towards the smaller end of the 0 - 249 scale.<sup>5</sup> However, as explained in the previous chapter, analytical rather than statistical generalization has been aimed for in the study to assist matters of external validity, so the fact that only three cases were used is not seen as problematic *per se*. Also, as analytical generalization helps strengthen a study's design (Yin, 1994), it should also help construct validity within the operations of that design. But there could also be an implication here that generalization of findings may only be claimed for organizations in the same size range (0 to approximately 70 employees) as the cases studied. A logical step might be to define 'SME' in the research as organizations employing 0 – 70 people. But this project is fundamentally concerned with HRD in SMEs as conceived and talked about (Sambrook, 2000) by a wide range of political and commercial stakeholders, who connect with the term 'SME' in its broadest sense. So, whilst acknowledging issues surrounding use of 'SME', it is argued that they have been adequately addressed through the design and methodological remedies already discussed. Furthermore, 'SME' is seen more as a label that serves to identify, limit and differentiate the research population (within which the 'representative' cases reside) from 'large' organizations. In this sense, the term is perceived less as a precise classification and more as sector parlance.

Another point here is that the casework has explored three diverse organizations defined not only quantitatively (by a representative spread of size within the EC definition of SME) *but also* qualitatively (by three different SME characteristics), thus injecting theory and data triangulation into the operational deployment of this construct (Table 7). It is thought, therefore, that capability for generalizing findings has been enhanced by encompassing some qualitative 'definition' of SME as well. For example, 'leadership' was the SME characteristic assigned to Case 3 for special consideration. It is argued (see discussion and references in Chapter 2) that SME growth (increased employee numbers) does not necessarily mean growth in leadership capacity; it would not be unusual for this to stay intact within the unchanged capabilities and perspectives of the owner/manager. As owner/manager perspectives may also greatly influence SME behaviours and preferences, then logically these too may remain unchanged, even during a period of growth. If patterns of leadership influence transcend organizational growth, then the results of a study that has considered the impact of leadership influences could be generalized outside of the size range

---

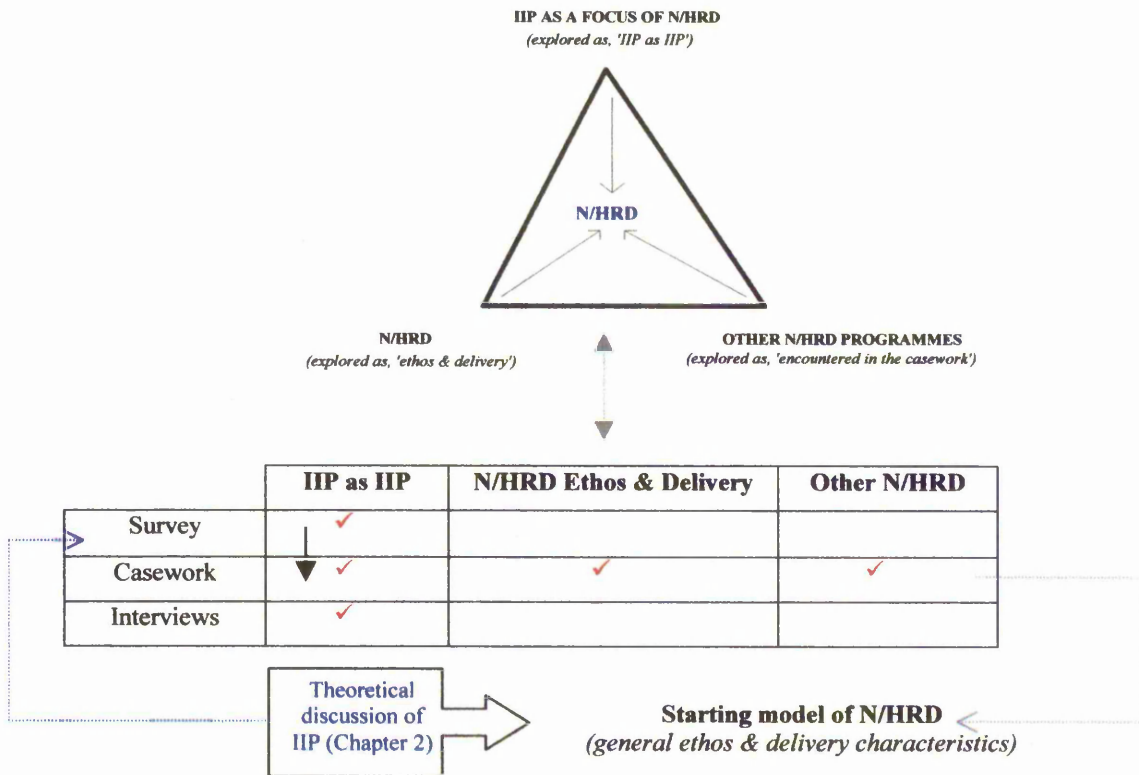
<sup>5</sup> As the cases were accessed by the preparatory survey whose target population was determined by the local TEC as the client, the cases were to some extent pre-determined too (see Chapter 5).

(employee numbers) of the organization(s) studied. Much of the literature about patterns of small organization growth does, however, indicate that there comes a point when qualitative characteristics, such as leadership influence, must change for the organization to survive (Scott and Bruce, 1987). As project conclusions will show (Chapter 10), the three cases, whilst demonstrating similar patterns of support/rejection for/of KV1 and KV2, did so from differing standpoints all of which were greatly influenced by leadership perspectives. This would seem to substantiate the foregoing arguments about the value of qualitative construct definition in the study and the enduring yet changing impact of leadership influence. It also reflects discussions in the previous chapter about analytical generalization (see Figure 9), whereby a range of different cross-case results (level 1 inferences) flow into a general pattern of 'similarity' (level 2 inferences).

'IIP' as a focus for 'N/HRD'

Figure 13, below, depicts how N/HRD has been explored from three perspectives using

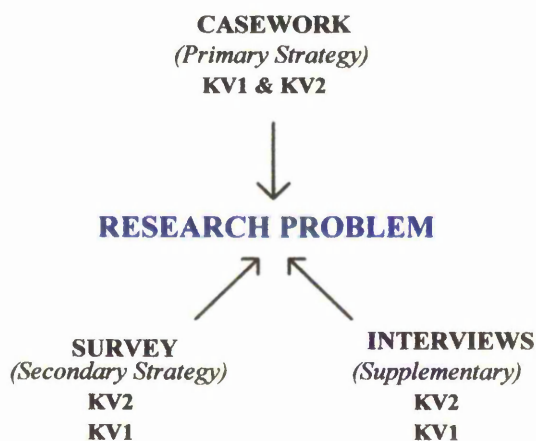
**Figure 13: How N/HRD was Explored**



converging lines of enquiry. The italic texts beneath each category heading in the top part of the figure indicate *how* N/HRD was explored: through IIP as IIP in the survey, casework and out-of-case interviews, through respondent views and experiences of the ethos and delivery of N/HRD as a whole, and through casework encounters of N/HRD programmes other than IIP, such as modern apprenticeships, NVQs and Skills for Small Businesses. This arrangement is echoed in the table at the lower part of the figure, which shows how the theoretical discussion of IIP in Chapter 2 led to a set of statements about the broad characteristics of N/HRD (Table 4), and fed development of a questionnaire for use in the preparatory survey (Appendix 4). The table also indicates how survey results about IIP were used to inform the IIP questionnaire (Appendix 6) delivered in the casework, and how results about N/HRD obtained in the casework were compared with the starting model of N/HRD to help formulation of project conclusions. Although IIP has been used as a focal context for N/HRD, it is not positioned as a substitute for, N/HRD.

Figure 14, below, summarizes how the methodology managed the research problem. The figure indicates that the study's two key variables (KV1 and KV2) were investigated within each strategic element of the methodology. KV1 and KV2 derive from the research problem as explained in earlier chapters. An exploration and comparison of KV1 and KV2 were guided by the research aim and objectives at Table 5 (page 49) by applying the tools and techniques (methods) described earlier in the chapter. The content of these methods was informed by level 2 research questions, also shown at Table 5. The relationship of the

**Figure 14: Summary of How the Research Managed the Research Problem**





research methodology to the research problem is also traceable within the conceptual framework at Figure 8, along with an audit trail flowing through project conclusions back to the research aim, objectives and problem.

Returning to Figure 14, above, the casework investigated KV1 with the explicit expectation of discovering an HRD model/approach in each case for cross-case comparison; the casework explored KV2 via respondents' accounts of personal views and experiences. The preparatory survey mainly explored KV2, using resistance to IIP as a focus. This inherently extracted owner/manager perspectives on KV1 too. The out-of-case interviews primarily concentrated upon KV2, but also engaged views about KV1. This pattern of investigating KV1 and KV2 meant that both key variables of the study were explored jointly and severally over time from multiple sources, for comparison and ultimate resolution of the research problem. This reflects the dual and comparative nature of the study as a whole. KV1 was explored by searching where it would most likely be found, that is embedded within SME infrastructures and routines. KV2 was understood from government statements (web sites, literature searches and other representative views). Because KV2 was mostly 'taken as given' (what was on offer to SMEs), insights into KV1 and owner/manager perceptions of KV2 enabled an understanding of why KV1 might be a natural barrier to KV2.

Table 10, below, summarizes the above evaluation of methodological strengths and potential weaknesses.

**Table 10: Summary of Methodological Strengths and Potential Weaknesses**

STRENGTHS	POTENTIAL WEAKNESSES
<ul style="list-style-type: none"> <li>• Overall methodological strategy allowed a substantial collection of a wide range of both qualitative and quantitative empirical data over time</li> <li>• General approach to casework data collection – occasional structured intervention in a predominance of relatively informal interventions – suited SME pace, rhythm and expectations</li> <li>• Multiple-case study as the primary methodological strategy allowed intra-case individualism/flexibility within the framework of a consistent and rigorous inter-case process</li> <li>• Use of triangulation in general to assist matters of validity and reliability</li> <li>• Use of triangulation in particular to address identified potential design weaknesses regarding difficult constructs (formality, SME &amp; IIP / N/HRD)</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for case studies to fold – SMEs especially susceptible to failure, fortunately Case 1 ceased trading after completion of casework</li> <li>• Possible over-reliance on respondent perspectives through the use of interviews, mainly due to a dearth of documentation in the cases</li> <li>• Was unable to collect the same amount of data across cases as different degrees of research access/receptiveness were achieved in each case</li> </ul>

#### **4.7 Summary of Chapter 4 and Synopsis of Part Two**

Chapter 4 has discussed the research methodology and evaluated the strengths and weaknesses flowing from it. The chapter brings part one of the thesis to a close. Part two moves on to explore what was discovered empirically about the research problem through a presentation of the fieldwork data, analysis and results. It begins with Chapter 5, which covers the preparatory survey carried out over the first six months of 1996. Each case-study organization is then discussed in Chapters 6, 7 and 8, followed by cross-case comparisons and analysis in Chapter 9.



## **PART TWO**

---

### **FIELDWORK: DATA, ANALYSIS AND RESULTS**

---

- Chapter 5: Preparatory Survey
- Chapter 6: Case Study Organization 1
- Chapter 7: Case Study Organization 2
- Chapter 8: Case Study Organization 3
- Chapter 9: Cross-case Comparisons and Analysis

## **CHAPTER 5**

### **PREPARATORY SURVEY**

#### **5.1 Introduction and Context**

Preparatory fieldwork between January and June 1996 comprised a survey of HRD activities in small organizations in the Wirral. The local TEC - the Chester, Ellesmere Port & Wirral Training and Enterprise Council (CEWTEC) - supported the survey as part of their overall strategy aimed at investigating the following issue:

*“Why is there so little take up of Investors in People in the CEWTEC area and what can be done to improve this?”*

The study was conducted over two phases. Phase 1 from January to March 1996, culminating in an interim report for CEWTEC, involved a postal survey of 350 SMEs. Phase 2 comprised a series of semi-structured interviews with the owner/managers of 23 of the postal-survey organizations who agreed to an interview. Phase 2 interviews, data analysis and final reporting on findings and recommendations to CEWTEC took place over the period April through June 1996.

CEWTEC is a north west of England TEC with offices in Birkenhead and Chester. Geographically, it services the area of land known as the Wirral peninsula (which is divided into two political domains: the Metropolitan Borough of Wirral; and the Ellesmere Port & Neston District Council) and parts of Cheshire as far south as Malpas. Within these geographical and political configurations, the CEWTEC area comprises three very different districts in terms of economic performance and industrial structure. The Chester economy has performed well due to strong service sector growth - particularly in financial and business services (MBNA International Bank, M&S Financial Services and Capital Bank, for example). The Wirral economy has suffered over the past decade from a decline in an industrial structure dominated by heavy industries - many with a maritime connection (Camel Laird shipyard in Birkenhead, for example). Whilst also largely heavy industrial (engineering and motor trade, for example), Ellesmere Port & Neston has achieved reasonable economic growth (CEWTEC, 1998). The topography of the Wirral's Mersey

shore and its proximity to the port of Liverpool tends to promote a prevalence of industrial and maritime enterprises. Whilst the economy of the Dee hinterland, close to the tourist areas of Chester and North Wales, tends to foster a proliferation of service industries, particularly those related to tourism, leisure and care of the elderly.

The research described in the thesis was conducted in the Wirral district only. A CEWTEC (1995b: 4) publication claims:

There is some evidence of short-term outlook especially with Wirral companies. They regard themselves as serving a local market even though that may be a local multi-national company. They do not therefore see themselves as subject to international competition and are slower to realise the need to improve the skill levels of their workforce and to compete on a high quality rather than low price basis.

TECs in general have to perform in several areas to secure a three-year licence and associated funding from central government. According to CEWTEC's then Head of Customer Support Services in 1996, three of these performance criteria then were:

- attain low-risk financial control status;
- be active and contribute to local businesses at board level;
- meet targets set for IIP.

In January 1996, the Head of Customer Support Services (and sponsoring 'client' of the survey) claimed that CEWTEC met the first two criteria, but not the last one. Table 11, below, shows that CEWTEC appeared to perform better at promoting IIP commitments than IIP recognitions. At the time of carrying out the CEWTEC survey, there were no IIP targets for organizations employing less than 50 people<sup>6</sup>, which seemed incongruent with the

**Table 11: CEWTEC's IIP Targets and Performances as at 31.3.96**

Target Population	Target	CEWTEC Performances
Organizations employing 50-199	55 IIP Commitments	61
Organizations employing 200 +	22 IIP Recognitions	17

---

<sup>6</sup> IIP targets for organizations employing less than 50 people were introduced in March 1998 (source: Business Link, Wirral). In November 1998, David Blunkett Education and Employment Secretary, announced (DfEE, 1998e) that £32 million had been pledged to boost small firms' competitiveness by investing in the skills of the workforce. He went on to comment upon a new and challenging target requiring that 10,000 small organizations with between 10 and 49 employees be IIP-recognized by December 2002. This target was one of the National Learning Targets for England announced on 28 October 1998.

government's policy about developing small businesses (Cabinet Office, 1996). According to the client, in the Wirral area in 1996, there were 72 companies employing 200 or more people. As 17% of the Wirral workforce was employed in these 72 companies, it indicated that over 80% worked in organizations with less than 200 employees. Despite the 1996/97 IIP TEC targets, that were based purely on IIP recognitions in companies employing over 50 people, CEWTEC believed that an investigation at that time into IIP in small organizations (10 to 50 employees) would be valuable on two counts. First, CEWTEC had little IIP data about this category of organization; and second, the client thought it was these smaller organizations that would benefit most from the structured HRD processes engendered by IIP. Perhaps such a view might have been more useful as a question. It could have been *the* question in the context of the survey objective – perhaps framed as, *Would these smaller organizations benefit from the structured HRD processes engendered by IIP?* CEWTEC statistics in January 1996 indicated that there were 1213 organizations in the Wirral employing between 10 and 50 people. Of these, only 37 were IIP-committed and 10 IIP-recognized. The target population for the survey was, therefore, determined by the client to be Wirral companies across all sectors, employing between 10 and 50 people, that were not participating in IIP.

Prior to commencing the survey, objectives were agreed between the client, the researcher and CEWTEC's then IIP manager. Initially, these (objectives were revised for Phase 2) were to:

- Establish/discount any patterns and trends in non-participant organizations;
- Establish the main reasons for resistance to IIP;
- Establish what, if any, alternative frameworks non-participant companies are using e.g. ISO 9000, TQM etc;
- Establish ways of reducing/overcoming resistance and improving IIP market penetration;
- Make a set of recommendations to CEWTEC in relation to the previous point.

## **5.2 Survey Phase 1: Methods**

Phase 1 (January to March 1996) comprised: a literature search directed at the IIP standard and process; the design and distribution of the postal questionnaire at Appendix 4 to 350 Wirral organizations employing between 10 and 50 people (the target population); and the

processing, analysis and reporting of responses.

***Questionnaire design:***

The questionnaire was constructed in six sections as follows and sought both quantitative (in terms of numbers of occurrences of a particular option) and qualitative data:

- Section 1: About your company
- Section 2: About training and development in your company
- Section 3: The Investors in People Standard
- Section 4: Your thoughts about Investors in People
- Section 5: Business improvement within your company
- Section 6: Further information

The questionnaire was developed in this way to encompass the agreed survey objectives. Most of the content of the questionnaire (format, content, wording etc) was left to the researcher's discretion, which meant that data collection could also assist the study's broader aim and objectives. Section 4 of the questionnaire ('Your Thoughts About Investors in People') was informed through the literature review and analysis of IIP (see Chapter 2).

***Questionnaire distribution:***

CEWTEC provided a database of 1232 non-participant IIP Wirral organizations employing between 10 and 50 people, from which a stratified sample of 350 was taken. There were two major sampling strata, the first and dominant stratum being organizations with 40 or more employees. The sampling then focused on industry type in order to penetrate a variety of businesses within both manufacturing and service sectors. The number (1232) of target companies on CEWTEC's database did not correspond with other statistics supplied by them in January 1996, which claimed that there were 1213 companies in the Wirral employing between 10 and 50 people. There was further discrepancy when, on processing and analyzing the returns, it transpired that some of the organizations mailed were outside of the lower (10) and upper (50) employee-numbers limits. This issue of encountering out-of-date databases highlights a common problem when doing research. The matter was reported back to the client at the end of March 1996 on presentation of interim findings. The 350 questionnaires were sent out on 3 February 1996. By 15 February, 50 responses had been received. On 16

February, 300 reminder cards were mailed which prompted a further 18 returns. Out of the total 68 questionnaires returned, seven were unusable leaving a total sample of 61 for analysis.

***Processing and analyzing returns:***

Apart from 1.1 and 1.2 of the questionnaire (Appendix 4), which sought confirmation of company name and address, each section was allocated a processing identification number - printed to the far right in brackets. For example, 1.3 was designated as (1). Potential responses within each section were allocated a numerical code that was printed to the immediate right of each section. For example, response codes to section 1.3 were designated 1, 2, 3 & 4. The returns were processed and analyzed using the identification numbers and numerical response codes by means of a database developed with a standard Microsoft package. The qualitative responses to sections 4.3 and 4.4 were analyzed using a simple data display technique (Miles and Huberman, 1994) and then themed as shown at Appendix 13. An analysis of the questionnaire is displayed in the findings summary at Appendix 14.

**5.3 Survey Phase 1: Findings**

The following discussion and Appendix 14 proceed in the same sequence as the questionnaire and are cross-referenced to further documents as appropriate.

---

---

**SECTION 1 ABOUT YOUR COMPANY**

***Sections 1.1 and 1.2:***

No analysis of responses to these sections was intended. Any differences in company names and addresses were reported to CEWTEC so they could update their database.

***Section 1.3 - Type of Company:***

Responses are reported in Figure 1.3a and Table 1.3a of Appendix 14. A dominance of limited companies (54.1%, Figure 1.3a) may reflect the level of risk felt by these small organizations. The returns from sole traders (9.8%) again highlights the issue of encountering out-of-date databases when conducting research. The inclusion of this category on a questionnaire not aimed at this trading arrangement was a learning point in questionnaire

construction, as was the fact that 'registered charity' had been omitted from the questionnaire as a trading status (see the breakdown at Table 1.3a, Appendix 14).

#### ***Section 1.4 - Nature of Business:***

There were no returns in hotels & catering and legal services, despite questionnaires being sent to these types of organizations. Given the demographics of the area, a nil return in agriculture, forestry & fisheries was not surprising - a further learning point in questionnaire construction. Overall, the responses to section 1.4 (Table 1.4a, Figure 1.4a and 1.4b in Appendix 13) suggest a predominance of service and retail industries in CEWTEC's Wirral district, with more frequent occurrences in care & education (6) and medical practices/health services (8). This would seem to support earlier comments regarding the demographics of the surveyed area. Having also suggested that leisure and tourism proliferate on the Wirral, there were only two returns from the leisure & entertainment industry. However, one of these was from the Department of Leisure and Tourism, which as part of the Metropolitan Borough of Wirral Council, represents a significant presence in this sector.

#### ***Section 1.5 - Total Number of Employees:***

Two of the respondents failed to indicate how many people they employed and, therefore, only 59 responses were processed in Section 1.5. Table 1.5a (Appendix 14) shows that 19 returns were from organizations outside of the survey target population. The distribution shown at Figure 1.5a suggests a majority of responses in those organizations employing between 1 and 30 (a total of 69.4%), with employer group '10 -19' representing the largest return (25.4%). A relatively high proportion of employers with less than ten people (23.7%) is, perhaps, indicative of the extent of the problem regarding the currency of CEWTEC's database. But as organizations employing less than ten people *were* part of the overall research target population, this issue was not regarded as problematic in the broader research context.

## **SECTION 2 ABOUT TRAINING AND DEVELOPMENT IN YOUR COMPANY**

### ***Section 2.1 - Who is responsible for training and development in your company?***

Answers to this question are sequentially represented at Figure 2.1a (Appendix 14) by



response categories C1 to C5. Here, C3 (Combination of Specialist and Line manager/supervisor) and C5 (Other) achieve equal top billing of 32.8%; a further breakdown of the answers to C5 at Table 6.1a reveals that, typically, it is the proprietor, owner, partner or similarly senior person cited as being responsible for T&D. This reinforces, perhaps, previous points about the level of involvement of 'owner/managers' and how their perspectives influence and shape organizational cultures and activities, including the development of HRD practices. As only 3.3% of respondents claim any 'specialist' expertise (C1) - a possible reflection of resource constraints - it would be interesting to understand just what percentage of C3 respondents saw line management or its equivalent as personnel/HR/training 'specialists'. Over 80% of respondents claim to have designated a specific resource responsible for T&D, typically someone of senior status, often an MD or equivalent.

***Section 2.2 - How are the training and development needs of your people assessed?***

Figure 2.2a (Appendix 14) shows that the majority of respondents (90.1% - totals of C1, C2 and C3) claim they assess T&D needs. The largest number of responses in C2 (Informally) would seem to concur with the discussion of SMEs in Chapter 2. It was thought that a deeper understanding of respondents' perceptions about what 'formal' and 'informal' in this context might actually mean would be interesting - an observation that was pursued in the subsequent casework.

**SECTION 3 THE INVESTORS IN PEOPLE STANDARD**

***Section 3.1 - Have you heard of the Investors in People standard before?***

Whereas over 60% of respondents had heard of IIP, it is interesting that, given the supposed national importance of IIP, over 30% had not.

***Section 3.2 - From whom/where have you already sought/had information about IIP?***

Figure 17.2a (Appendix 14) shows the largest representation (40.7%) had received IIP information from a TEC (not specifically stated as CEWTEC though). The next most frequently-cited sources (22.0%) were attributable to books, newspapers, journals, magazines etc. In third place achieving 11.9% of responses was 'a friend or business colleague'. Given

the relatively poor representations from other categories such as business associations (C2, 5.1%) and notably from IIP's governing body IIP UK (C6, 0%), there would appear to be room for improvement through such agencies. A breakdown of the responses to C8 (6.8%) is given at Table 3.2a. It shows that larger organizations, as respondents' 'customers', are cited as other sources of IIP information.

#### **SECTION 4 YOUR THOUGHTS ABOUT INVESTORS IN PEOPLE**

##### ***Section 4.1 - Which of the following statements most closely matches your company's understanding of Investors in People?***

Most responses fall into two categories: 45.0% (C3) thought that IIP was about T&D of people, whilst 25.0% (C2) saw it as a national standard about training practice. None of the surveyed respondents perceived IIP as a way of managers managing their people (C4), which is particularly revealing as 16 out of IIP's then 23 assessment indicators (IIP UK, 1996) were specifically linked to 'management' processes. Few respondents believed IIP was about either culture change (C5, 12.5%) or organization development as a whole (C6, 12.5%); even fewer saw IIP as a way of creating a learning climate (C7, 5.0%). None (C1) likened IIP to a quality standard like BS EN ISO 9000. Collectively, these responses suggest that the owner/managers of the surveyed organizations positioned IIP narrowly as a training initiative rather than a management/business tool, and perceived T&D in general as something separate from the wider issues of organization development, culture management and change. The notion here that HRD - when positioned and discussed in conventional terms - may be seen by owner/managers as something separate from/other than 'business as usual' reflects earlier discussions about a supposed 'absence' of HRD in SMEs. This important argument in the study is further explored in the casework.

##### ***Section 4.2 - Relate each of the following 12 statements to how your company feels towards IIP.***

The majority of the 40 organizations that contributed to this section completed it in full. This provided a useful insight into views and perceptions of IIP - although it is acknowledged that the relatively small sample available for analysis here (equating to 3.3% of total target

population) may not have been fully representative. Appendix 15 shows the responses in a series of pie charts. The frequency and strength of the 'Uncertain' response within the 12 statements may indicate a need for information tailored specifically for individual companies. Alternatively, it could reflect an indifferent attitude towards the questionnaire and/or its subject matter. Where the respondents were more decisive in their responses, it tends to be in a positive rather than a negative vein. Globally, the feeling appeared more towards 'positive potential' than 'negative resistance', but this represents a small portion of the total target population (3.3%). Short commentaries against each statement are presented below at Box 7.

**Box 7: Preparatory Survey Phase 1: summary of thoughts about IIP**

***Statement (a): "We don't need it"***

Whilst only 20% of respondents agreed (there are no strong agreements recorded) and a total of 45% strongly disagreed/disagreed with this statement, 34% were undecided.

***Statement (b): "We don't have the time or resource to implement it"***

Although responses to this statement were fairly evenly distributed, the issues of time and resource appear problematic.

***Statement (c): "We believe it would bring some good business benefits"***

An appreciation of the business benefits of IIP comes through quite strongly here. An indirect articulation of these benefits has been extracted via point 4.3 of the questionnaire ("How specifically do you feel that training & development could benefit your company?"). The responses are themed at Appendix 13.

***Statement (d): "We believe it's too bureaucratic"***

There was uncertainty and, therefore, concern about this issue in relation to IIP. On the other hand, relatively little concrete agreement (SA = 2.9% & A = 20%) indicates a possible need for information/education.

***Statement (e): "It would suit our company culture well"***

High levels of uncertainty indicated by the responses appears congruent with results at point 4.1 of the questionnaire - only 12.5% of respondents saw IIP being about changing the culture of an organization.

***Statement (f): "We are not really sure of what it's all about"***

By disagreeing with this statement, nearly 50% of respondents claimed they *did* know what IIP was all about. This does not correspond with other responses - strong Undecided responses (over 30%) are recorded against statements (a), (d), (e), (g), (h) and (k).

***Statement (g): "It involves too much extra work"***

The responses here might reflect similar feelings regarding uncertainty as those concerning the issue of bureaucracy - statement (d).

***Statement (h): "We are not ready for it yet"***

Again much uncertainty about this point, which does not really correspond with the results to statement (f). If respondents really do know what IIP is about, then perhaps they should have a better understanding of whether or not they are ready for it.

**Statement (i): "In principle, we have no real aversion to it"**

Despite indications of lack of awareness and resistance in other areas, responses here indicate very little right aversion. This suggests some objectivity in resistance to IIP.

**Statement (j): "Our customers are asking us to consider it"**

IIP would appear not to be customer driven and, therefore, perhaps not seen as a priority issue.

**Statement (k): "We are concerned about assessment"**

Assessment would appear to be an issue and clarification on specific concerns might be helpful.

**Statement (l): "It links training and development to business goals"**

Some compatibility here with other survey data, which suggests that the surveyed organizations do not see IIP in the context of 'management' and strategically.

**Section 4.3 - How specifically do you feel that training and development could benefit your company?**

Themed responses to questions 4.3 and 4.4 are presented at Appendix 13. Commentary from the 31 respondents who offered a view about question 4.3 indicates that there is substantial awareness about the possible benefits of T&D. Paradoxically, however, the 30 responses to question 4.4...

**Section 4.4 - What specific reservation(s) might your company have about Investors in People?**

...suggest reluctance to participate in a potentially beneficial framework (IIP). On the one hand, respondents acknowledge that T&D would enable them to become more effective and efficient; whilst on the other, they reject IIP, predominantly because of: cost, time and resources; a fear of formality; and a loss of flexibility and individualism.

**SECTION 5 BUSINESS IMPROVEMENT WITHIN YOUR COMPANY**

**Section 5.1 - What business improvement activities/projects are your company currently involved in?**

The 61 respondents offered a total of 75 responses across the range of options. The responses at Figure 5.1a (Appendix 14) show most involvement in NVQs (28%), Customer Care (21%) and BS EN ISO 9000 (14.7%), with the remaining responses (a total of 36%)

spread fairly evenly through the other categories. The information in section 5.1 was mainly acquired for the client.

## **SECTION 6 FURTHER INFORMATION**

An analysis of responses to the two questions in Section 6 are shown at Appendix 14. The matrix at Appendix 16 analyzes these responses together with responses to section 3.1 ("Have you heard of the Investors in People Standard before?"). Of the 61 usable returns, 40 respondents had heard of IIP and 21 had not. Of the 40 respondents who had heard of IIP, 23 answered "yes" to either part 6.1 or 6.2 of the questionnaire (information or visit respectively), and 17 answered "no" to both 6.1 and 6.2. Out of the 21 respondents who had not heard of IIP, 11 said "yes" to either part 6.1 or 6.2 of the questionnaire, and 10 said "no" to both. The ten respondents shown in box 4 could be demonstrating general disinterest or apathy rather than actual resistance to IIP, and without further empirical evidence it may not be sensible to offer any firm view on this. The matrix does show that 40 out of 61 respondents *had* heard of IIP (boxes 1 and 3) and of these the greater proportion (23) were interested and curious enough to know more. This suggests that the respondents may be open-minded and optimistic, and be willing to be informed and influenced by external intervention.

---

---

### **5.4 Survey Phase 1: Conclusions**

The rather poor response to the postal survey (19.4% after a reminder had been sent) could indicate a degree of apathy towards T&D in general and IIP in particular, but there is a sense that the majority of organizations who took the time and trouble to respond would be receptive to further information and clarification. Despite an awareness of the potential benefits of T&D, there appears to be much apprehension about the nature and value of IIP, with conventional barriers such as lack of time and resource, cost and bureaucracy still apparent (see Box 6, Chapter 2). This suggests that there is a need to help small organizations find an acceptable (to them) framework to achieve business aims. Generically, IIP could be such a framework - Brian Wolfson, former chairman of IIP UK, believes it is

(source: research interview) - but it may or may not be the one that small organizations seek. It will be interesting to see if the revisions to the IIP process and standard through projects STAR and LASER have addressed the relevance of IIP for SMEs appropriately.

The survey results support the discussion of SME characteristics (Chapter 2) by highlighting the value that owner/managers seem to place on organizational informality. Much of the so-called resistance to IIP may be underpinned by a perceived need to remain informal and a belief that the formality of IIP would incur an unacceptable reduction in operating freedom and flexibility. Also reinforced is the role and influence that owner/manager background and perceptions play in shaping HRD activities. Finally, the survey results show that IIP is viewed more as a training initiative than as a strategic tool for bringing about organizational development and change, which is why perhaps IIP may not be considered sufficiently specific or useful for many small organizations.

### **5.5 Interim Reporting and Feedback with the Client**

An interim report setting out findings, conclusions and recommendations was prepared for the client at the end of March 1996 (Hill, 1996a). One of the recommendations was that the survey's original objectives should be revised for Phase 2 research in order to seek answers to the following:

- What are the characteristics and values of an organization employing under 50 people?
- How well does IIP suit the needs of an organization employing under 50 people?
- What sort of HRD framework would be practically effective for an organization employing under 50 people?

The report was discussed during a meeting with CEWTEC's IIP manager in early April 1996. As well as seeking the IIP manager's views on the results, it was also an opportunity to invite her to comment on the some of the survey issues. Appendix 17 shows an account of this interview, in which the IIP manager provides some interesting insights. For example, in questions 2, 5 and 8 she alludes/refers to the 'selling' of IIP which tends to position it as an off-the-shelf 'product'. This view is countered in question 5 with a reference to IIP needing "*handling with care...*". As well as offering some general reasons why small organizations may resist IIP, in questions 3 and 4 the IIP manager explained the part that local demographics and societal issues play in creating barriers to change. Finally, the IIP



manager's reference in question 7 to training being perceived as a 'jolly' or a 'reward' and her point about the DTI not funding IIP in question 8, may constitute a mutually reinforcing barrier to IIP. For, why would a small organization want to participate in something that is perceived as non essential and irrelevant, and not viewed by government agency as sufficiently compelling to attract financial support?

As the interview highlighted a need to broaden Phase 2 research objectives to encompass aspects of business planning, markets and competitiveness, the IIP manager agreed to the objectives expressed in the three questions above.

### **5.6 Survey Phase 2: Methods**

Semi-structured interviews were carried out in 23 organizations during April and May 1996. These were drawn from the 27 postal survey respondents who indicated in their returns that they would be willing to be interviewed. They are summarized anonymously by respondent (R) number in Appendix 18. The interviews were managed by means of a topic guide (Appendix 19), which was used as a flexible frame of reference to focus discussions rather than as a rigid list of issues to get through. Open dialogue was encouraged and then steered towards the prepared interview questions as and when appropriate. The relationship of these questions to the level 2 research questions at Table 5 (page 49) may be noted. Many interviewees (most of whom were owner/managers) spoke of their organizations with a great sense of pride and joy - some saw their businesses as an extension of self and family. Arguments advanced in Chapter 2 about small business ownership, entrepreneurialism and its involvement with concepts of identity and personal achievement were readily identifiable in the interview conversations. For example, several of the respondents remarked on how useful discussions had been in allowing them time and opportunity to reflect upon achievements to date and what else needed to be accomplished. The interviews also showed how the research process can be an effective mechanism for encouraging respondent reflection and learning, even during a relatively transient interaction.

### **5.7 Survey Phase 2: Findings**

The interview content and resultant data were themed as follows. The themes relate well to the sub-variables in the conceptual framework (Figure 8, page 47):

- Business planning;

- Markets;
- Competitive edge and business focus;
- Influence of larger organizations;
- Management style and leadership;
- Influences on current T&D policy and practice;
- Common issues;
- Unique issues;
- Views about IIP;
- Views about CEWTEC and Business Link.

Each theme is now briefly discussed.

***Business Planning:***

Of the 23 respondents, ten said that they had a formal (written down) business plan in place - in most cases focused on financial aspects of the business. There were some references to planning in relation to marketing, but there were no mentions of T&D inclusion in any written plan. Appendix 20 outlines what these ten respondents said about formal business planning in their organizations - the underlined text suggests what might be influencing the presence of formal planning. The remaining 13 respondents without a written-down business plan gave a variety of reasons for this, with phrases such as, “*no formal plan - in the head*”, “*nothing written down*”, and, “*fluid and flexible*”, being common. These data are listed at Appendix 21. Of those respondents who were asked, “What specific help would you like in relation to business planning?”, nine said they did *not* want any help, seven said they *did not know* what help they wanted, R26 said that he wanted help in developing a successor for his business so that he could retire, and R42 said “*...only financial help, there are many people wanting to take money off us, but not many offer to help bring in money*”.

In relating T&D to business planning, thirteen respondents believed that it figured strongly - even if they had no formal written plan in place. One respondent felt very strongly about the lack of availability of specialist training and, therefore, had “*great difficulty in relating training and development to business planning*”; and the remaining respondents were unsure how they made the connection, if at all. Only five organizations had a budget for T&D.

***Markets:***

Twenty-one respondents said that the most of their business was done within the north west of England, or Wirral and Merseyside, or just the Wirral. Some of these 21 organizations had very localized markets, trading solely within a radius of two or three square miles of base. Two respondents had markets further afield than the north west. R29 had an 85% domestic market (none of it local to the Wirral) and a 15% overseas market in Holland, Sweden, Belgium and the USA. R46 said it was a “...one product, one customer business”, its customer and sole market being a large international corporation.

***Competitive Edge and Business Focus:***

Appendix 22 summarizes the respondents’ thoughts about their competitive edge, which are themed as follows:

- quality and standards of service;
- flexibility and responsiveness;
- personal touch;
- technical/industry knowledge.

There are some overlaps in these themes. Collectively, the first three infer that small organizations value an ability to deliver a quality service or product whilst retaining flexibility of operation and closeness to the customer. This competitive ethos is underpinned by sound technical knowledge and industry experience. In terms of business focus, two organizations (R8 and R23) said they were primarily concerned with survival; six (R14, R19, R28, R42, R52 and R99) believed they were somewhere between survival and stability; two (R24 and R26) thought themselves to be stabilizing ready for growth; one company (R46) traded for “*stability, strength and enjoyment*”; another (R27) was focused on delivering excellent standards of care combined with a friendly service; and the remaining eleven organizations - representing 47.8% of Phase 2 respondents - were directing their efforts towards growth. Appendix 23 shows how prevailing business focus translated into future plans for the 23 respondents, illustrating the different forms that SME growth can take.

***Influence of Larger Organizations:***

Fourteen of the respondent companies collaborated with a single larger organization. This took several forms: total reliance for all business; substantial reliance in terms of repeat business; being part of the larger organization (franchised or owned); strategic alliance with financial arrangements. A 60% presence in this construct indicates that the *extent* of SME vulnerability through reliance on a single, larger organization is quite considerable.

***Management Style and Leadership:***

Industry type and background/education of the owner/manager seemed to be major influences on business planning, HRD activities and organizational practices in general. Owner/manager perspectives were further shaped by a multitude of other influences and pressures, particularly those from the external environment, reinforcing arguments in Chapter 2 about the impact of ‘uncertainty’, especially ‘external uncertainty’. It was also interesting to note that different influences and management styles seemed to produce different organizational environments, as summarized below. Each is illustrated by an example(s) from the respondent population:

- purist professional environment (architects practice R42);
- caring professional environment (nursing homes R8, R14, R27);
- long-established family firm environment (dispensing/retail pharmacies R55);
- innovative environment (solarium R53);
- trade or service environment (signmaking & engraving R52).

***Influences on Current Training and Development:***

Table 12, below, summarizes what the respondents claimed was driving HRD in their organizations. These were the products of influences from operating conditions both outside (such as industry needs and regulations; legislation; TEC and Business Link; and customer requirements) and inside (such as financial and time constraints; human resource constraints; job skill needs; enhancement of competitive focus; and organizational culture and management style) the organization. There was very little evidence that current T&D practices were part of any formal planning. Some organizations had developed individual training plans and/or records for their people, typically because they had received help from

**Table 12: Preparatory Survey Phase 2: influences on HRD initiatives**

<u><i>Nature of Influence on HRD Initiatives</i></u>	<u><i>Number of Citations</i></u>
Core trade/skills need	14
Customer care/standards	9
Business development need	7
ISO 9000	6
NVQs	5
Apprenticeship schemes	4
Fear of legal action against company	3
Health and safety	3
Industry governing body/other regulating body	2
Fear of internal failure	1
Management skills need	1
IT	1
Availability of funds	1
Nothing in particular/ad hoc	1

the TEC or had them to satisfy an external framework such as ISO 9000. There appears to be a hierarchy of influences at Table 12 cascading from 'we do it because it is necessary to our growth/survival' (represented by items 1, 2 and 3 on the list), through to 'external drivers' (items 4, 5 and 6), through to 'the assuagement of fear' (items 7, 8, 9 and 10), and finally on to 'ad hoc incidentals'. It is interesting to note that 'management skills needs' shows in this final category, which seems to concur with perceptions of IIP discussed earlier at section 4.1. A comparison of the data at Table 12 with those shown as determinants of HRD in SMEs at Table 1 (page 18) indicates some commonality. For example, implementation of change initiatives such as ISO 9000 or NVQs, technology (IT) and business development needs feature in both sets of data. However, the representations do differ. Whilst the items shown at Table 1 appear to be more 'strategically' and 'culturally' positioned, those at Table 12 are more specifically located within day-to-day operational issues and situations.

***Common Issues:***

The interviews revealed a pattern of issues common to many of the respondent organizations. These were: banks and other funding institutions; a lack or shortage of finance for T&D; a lack of specialist HRD expertise; confusion about the roles of the TEC and Business Link; fear of formality; how to bring about organizational and culture change. A lack or shortage of finance for T&D was an issue common to most respondents, and in some cases was linked to sentiments about banks not supporting the growth of small businesses. None of the

respondents claimed any internal HRD expertise, and perspectives on training were mostly limited to it being thought of as 'going on a course'. This might seem a contradiction of other evidence (from this survey and other sources - see Chapter 2) suggesting that most small-firm T&D happens informally on the job. However, this may be related to the argument that the real extent of HRD in small organizations is unknown and underestimated, and that owner/managers are not aware of the full potential of 'the job' as a base for learning and development - with a result that T&D is perceived as 'going on a course', which makes it an expensive luxury. Which may be why it doesn't happen. Whatever the position, it appears confused and confusing.

The practice of compulsory competitive tendering (CCT) impacted several of the survey organizations, directly or indirectly. Respondents in the three nursing homes all spoke at length about the constraints that CCT placed on business and financial planning, and the time and resource needed for T&D. A respondent in the department of Metropolitan Borough of Wirral said that they were being "*shackled by CCT*" and were "*...caught between two stools. On the one hand having to wear an authority hat, and on the other being a commercial enterprise*". The construction industry is also heavily impacted by CCT practices, with a knock-on effect on businesses associated with construction - architects and estate agents, for example. A fear, or in some cases an abhorrence, of formality was expressed by all respondents in some guise and to some degree. When asked what formality actually meant to him, one respondent said:

Formality means more paper work, putting more things in writing, making things black and white so that peoples' feelings cannot be taken into account.

Generally, respondent opinion about formality ranged from absolute refusal to introduce any kind of formality to their business, through uncertainty, to thoughts about needing to develop a sensibly controlled business whilst avoiding the creation of a "*bureaucratic nightmare*". Many respondents felt that the formalization of T&D was a threat to their flexibility and an unnecessary drain on resource. Interestingly, a need to introduce some form of organizational change was also a common theme, with a corollary that few really knew what they needed to change into or how to go about it. Respondents were, however, clear that change was now necessary for their survival and/or growth, and that this might incur increased formality. Despite a common belief that change was necessary, underpinning



circumstances and rationales were different in each organization. A unique change driver was identifiable in most of the respondent organizations (see Appendix 24).

***Views about IIP:***

There were three instances of real aversion towards IIP. These respondents, despite only a perceived superficial understanding of IIP were forceful in their protestations that it could do nothing for them. Seven respondents spoke positively about IIP - to the point of saying that it might be right for them, or they were in the early stages of taking things further. As two of these respondents had involvement with IIP in other larger organizations, it suggests that personal experience may be an important factor in shaping perceptions of the standard and its processes. The remainder of the respondents appeared ambivalent towards IIP, by their not understanding it, being undecided about its value, or inferring that the time was not yet right to look at it seriously. For them, IIP was not a critical or priority issue.

***Views about the TEC and Business Link:***

There was much confusion and anxiety about the roles of the TEC and Business Link, and to a lesser degree, the Chamber of Commerce. On balance, the commentary was more indifferent or negative than it was positive. The overall messages coming through were that, by and large, CEWTEC and Business Link provide useful support, but confusion about the roles and relationships of these agencies may be keeping them distanced from SMEs. Assistance was perceived as too generalized, impersonal, fragmented, abstract and extreme - the term "*all or nothing*" was used by some respondents. Resistance towards IIP appeared complex and situational, rather than simply attributable to plain aversion.

**5.8 Survey Phase 2: Conclusions**

The data suggest that if there is no tangible influence (external/internal 'change agent' or affiliation with a larger organization, for example) or an owner/manager sees no need for formal business planning (such as R26 who in saying "*...no formal business planning because we have never had the need to do any, but things may be changing now*", perceives a threat to his livelihood), then it does not happen. Informality, does not, however, extend to financial planning whereby all survey respondents exercised some degree of formal financial

control, as financial awareness was seen as both necessary for survival and a requirement of external agencies such as banks, insurance companies, and the Inland Revenue. On the other hand, formal planning for activities in production, marketing, and HRD were perceived as desirable but optional, even in matters concerning survival and external scrutiny. Sixteen respondents said they did not want help with planning, or were unclear about what help they might need, which suggests mixed levels of confidence about personal and organizational capabilities. Interestingly, most respondents appear not to make any distinction between formal planning and *having plans* (a distinction emphasized by Geoffrey Holland during the research interview with him when he said that he couldn't imagine running a business without some sort of idea, but that the term business planning may be too 'big' for small organizations). The following respondents seemed to position business 'planning' as a more relaxed and organic process. R28 said that planning was:

...in the head - take each day as it comes. Not necessary to have a formal plan. Our aim is to keep as many people employed as possible whilst making a comfortable living.

... and R29 (the technical manager of what became Case 1) had no formal plan, but illustrated long-term *planning* by saying that:

There is planning around work schedules - a fluid system that plans according to individual client contract needs.

There is evidence that SME alliances/dependencies with larger organizations have a contingent effect on HRD perspectives, as it seems that cultural and operational influences of large organizations may encourage their smaller 'partners' to invest in HRD. R5, the owner of a scaffolding company almost exclusively contracted to Unilever Merseyside Limited (UML), had received positive reinforcement from UML about the value of IIP for enhancing teamworking, claiming, "*the management at UML are good at saying well done*" and "*IIP has helped UML employees to have pride in their work and see themselves as part of a team.*" UML's reported ethos may have helped shape R5's philosophy about the importance of effective teamworking for productivity and safety in the scaffolding industry. He said:

The men need to be self-sufficient. They work in gangs of three and if one man isn't pulling his weight, the rest of the team will tell him. You need to be able to work and think on your own and motivate yourself and the rest of the gang.

Survey evidence also indicates that owner/manager backgrounds and perceptions are

important influences upon HRD policy and practices. For example, one owner/manager who was described by R18 (the business administrator) as being very involved in the community, had almost allowed his long-established family business to become a hands-on hobby, over which he kept a fatherly if not sometimes meddling eye. R18 said:

He has been away on a strategic planning weekend organized by the industry body. He was very fired up and did job descriptions with people but did not publish them to other employees. As a result there is confusion over who is doing what. Information flows are erratic. He did start to brief everyone together but this became unmanageable, so he stopped them. He has lots of good ideas but is always too busy to discuss them properly or capture them to paper in a proper business plan. He needs sitting down and talking to.

There is a strong sense of frustration in these words. As a result of the owner/manager's reported leadership style, changes aimed at "*promoting a trendier image*" were not happening, and neither was T&D. The organization appeared constrained by unclear and inconsistent values and may be suffering from a lack of strategic direction and appropriate leadership. It is likely that T&D, even if introduced, would be ineffective in such an environment. Generally within the 23 respondent organizations, HRD was either ad hoc or developed through involvement with an external influence or framework such as NVQs, ISO 9000, or an apprenticeship scheme. The biggest influence on T&D was the need for employees to function competently within contemporary skill requirements of the job. On-the-job instruction was mainly provided by the owner/manager or someone in a supervisory role. There was little evidence of any HRD expertise within the respondent companies, nor identification of any internally-developed T&D programmes. Legal constraints and liabilities also seemed to be triggers for T&D. For example, R22 and R42 - both consultant professions and particularly vulnerable to litigation - placed considerable emphasis on the value of keeping their people up to date with current legislation and what was going on in the courts. R22 held monthly sessions with all staff to impart legislative information and reinforce messages about the criticality of such issues to the business; the owner/manager also saw the sessions as having a teambuilding effect, saying that "*our mission is to be the best briefed of all estate agencies in the north west of England.*" R99, a construction company, was very mindful of the importance of health & safety training for everyone in the organization, possibly out of an amalgam of altruism and self-protectionism.

The universal picture painted by the interviews suggests a complex pattern of

unrelated, related and inter-related organizational and environmental issues. These small organizations felt a sense of isolation, and in spite of government rhetoric about SME significance in the future of the British economy (Cabinet Office, 1996), they felt undervalued, underestimated and underfunded. None of the organizations interviewed was involved in networking with other small businesses. Perhaps an absence of this type of peer support heightened their sense of isolation and engendered a skewed perception of the magnitude and uniqueness of some of their problems. It could be argued that some of these problems may be caused, or at least exacerbated, by a certain apathy and negatively-entrenched thinking - coming, perhaps, from a sense of isolation and confusion. But whatever was causing the respondents to direct negativity at their operating environments, there are some important messages for the TECs who seemed not to be getting through effectively to local owner/managers.

In summary, how SMEs planned and managed their operations and developed their people was influenced by a blend of owner/manager perceptions, and external pressures and influences from markets, competitors, creditors and various other associations and agencies. Business planning was perceived more as an informal 'thought-through and lived-in' phenomenon than a formally written-down ritual. Confidence in support offered by agencies such as the TEC and Business Link was mixed, but on balance not strong.

## **5.9 Overall Survey Conclusions**

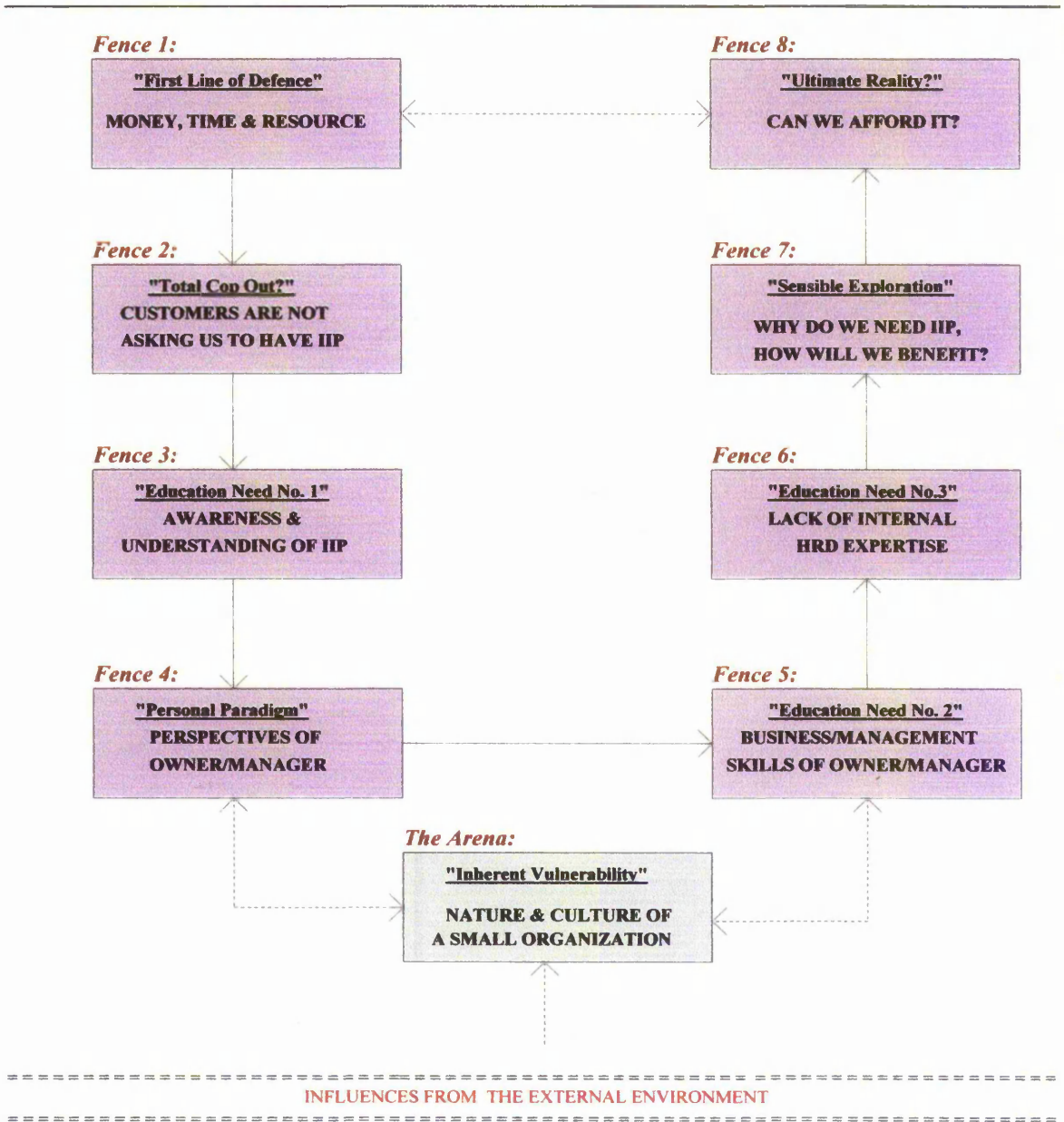
### ***The IIP Small Organization Hurdle Model:***

Overall findings indicate that resistance to IIP revolves around:

- issues involving time, money and resource;
- fear of unnecessary formality and bureaucracy;
- lack of clarity about the essential nature of IIP;
- confusion and uncertainty about the value of IIP to a small organization.

At a deeper level, however, the survey results suggest non participation in IIP is the product of a complex set of issues and influences within an organization's internal and external environments. It is this complexity, and the need to describe and understand it, that inspired development of 'The IIP Small Organization Hurdle Model' (Figure 15, below). The next

Figure 15: The IIP Small Organization Hurdle Model



Successful running between fences is contingent upon the following factors:

AVAILABILITY OF FUNDING

AVAILABILITY AND USABILITY OF RELEVANT INFORMATION

AVAILABILITY AND APPROPRIATENESS OF SUPPORT AND ENCOURAGEMENT

section presents a justification of the model's conceptual base and composition by associating its constituent parts to the survey findings just discussed.

***Justification of the model's conceptual base:***

Whilst the variables may be readily located in the survey data, their sequencing within the model does not claim empirical precision. Sequencing of variables (or 'fences') at Figure 15 was more a hypothetical development at this stage of the research programme (Chapter 9 explains how the model was subsequently used to inform the IIP questionnaire used in the casework). Discussion here begins at fence number one 'First Line of Defence' where the issue of money, time and resource is seen as problematic by the respondent organizations - data from the postal questionnaire support this (see Appendix 13). What is not clear is whether, and to what extent, such matters constitute a genuine hurdle or an ill-conceived excuse. Fence 2 'Total Cop Out?' reflects the need for a small organization to feel close and responsive to its customers; the discussion of the respondents' thoughts about their competitive edge and business focus and, generally, remaining informal and flexible leads to this conclusion. The survey also indicates that the respondent organizations are not being asked by their customers to participate in IIP. An important message from the survey is that there is a need for clarification and assurance regarding the use and value of IIP to a small organization; a need that may be extended to the role of the main agency responsible for its administration - the TECs. Fence 3 'Education Need No. 1' points to the confusion felt about IIP, demonstrated by the vociferousness of respondent opinion on this.

Fences 4 and 5 'Personal Paradigm' and 'Education Need No. 2' are inextricably linked and mutually reinforcing in their separate and combined natures. Evidence from the survey suggests that it is not unusual for a small organization to assume the personality of the owner/manager, which may have positive or negative connotations. Business and management skills in the surveyed organizations appeared predominantly 'raw', 'intuitive' and 'knowing' rather than educated and knowledgeable in any formal sense. Fence 6 of the owner/manager, which may have positive or negative connotations. Business and management skills in the surveyed organizations appeared predominantly 'raw', 'intuitive' 'Education Need No. 3' relates to the survey findings in that small organizations do not have any internal HRD expertise. This has two broad implications: first, T&D activities are carried out (or not carried out) according to the perspectives and capabilities of the



owner/manager and are, therefore, embedded in the challenges presented at Fences 4 and 5; and second, the underpinning ethos and application of IIP are neither understood nor explored. This leads to the penultimate fence in the model at Figure 15 - 'Sensible Exploration'. Here the benefits of education and appropriate expertise may enable a runner to make an informed judgement about the value of IIP in the context of his own business before confronting the question presented at Fence 8 'Ultimate Reality - Can we afford it?'. This ultimate reality is substantiated in this thesis by Case 3, who have sufficient expertise to make an informed judgement about IIP, would like to adopt it, but cannot afford it.

'The IIP Small Organization Hurdle Model Arena' represents the inherent characteristics and vulnerability of a small organization. It is, perhaps, metaphorically appropriate to depict the arena at a 'turning point', as the environment here is subject to a multitude of influences and difficulties. The survey data attest to this. Much of these data support the existing body of literature about the emphasis and value that small organizations place on flexibility, spontaneity and informality. The 'arena' encircles an important issue - the tension experienced by the owner/manager of a small organization when faced with the prospect of adopting IIP (which is a formal framework) whilst supposedly wanting to retain informal organizational policies and practices.

***Further discussion of the model:***

Figure 15 depicts a rhetorical defence chain showing how many of the findings and conclusions drawn from the survey interlink, subsume or are mutually dependent upon one another. The 'fences' in 'The IIP Small Organization Hurdle Model' are metaphoric barriers to participation in IIP. The model embodies what is perhaps an essential question - how can a small organization be asked to consider the benefits of IIP (Fence 7, 'Sensible Exploration') when it has not yet reached or passed several challenging, and more often than not contingent, hurdles? The model suggests equidistant fences, which is technically and conceptually inaccurate. For example, movement between Fences 1 and 3 may be relatively easy and a reasonably fit runner should take Fence 3 without too much distress. But the journey between Fences 3 and 7 is a long haul, fraught with much incognizance, deep cultural misfit and many eclectic influences. As the model implies, even those runners who do survive the course and get over Fence 7 still have to confront the stark reality of funding and resource. This time these issues are probably acutely genuine rather than arbitrary 'excuses'.

Despite having fallen at the last fence, the race may not be totally lost. The trophy for the small organization is that, hopefully, it will have learned and benefited from the many educational experiences and intellectual exercises along the way. The 'Arena of Inherent Vulnerability' represents the essential nature and culture of a small organization. The complexities of this often turbulent environment may significantly impact a small organization's willingness and capability to embark upon the journey that IIP requires, and then to stay the course. External influences impact from a range of social, financial, technological and political sources and stakeholders to compound the complexity in the small organization arena. Intimately bound with the culture of any small organization are the perspectives and capabilities of the owner/manager, or perceived leader. Fences 4 and 5 of the model - 'Personal Paradigm' and 'Education Need No.2' - depict this association. Finally, Fence 6 'Lack of Internal HRD Expertise' represents a frequent feature of small organizations and a significant barrier to the adoption and implementation of IIP.

#### **5.10 Critique of the Preparatory Survey**

This section evaluates the following aspects of the preparatory survey:

- survey objectives;
- findings and conclusions;
- contributions to the subsequent casework.

##### ***Survey objectives:***

By and large, the outcomes from Phase 1 research (postal questionnaire) satisfied the original objectives as agreed with the client at the end of 1995. Specific outcomes provided general demographic data about small organizations in the Wirral, and an appreciation of the views held by the owner/manager of these small organizations towards IIP in particular and T&D in general. These outcomes, whilst useful within the context of the survey, were, perhaps, relatively lightweight to the overall research aims and objective; although they do support the input of owner/manager perspectives, formality and SME culture (sub-variables in the conceptual framework, page 47) to the formulation of SME HRD perspectives. The decision to review and revise the survey's objectives for Phase 2 proved sensible and productive. As the study evolved, it gravitated towards the examination and analysis of two main constructs:

the nature and degree of HRD practices in place, and the nature and degree of formality in the respondent organizations. Widening the focus of the investigation to take in aspects of business planning, competitive environment, strategic influences and organizational capabilities, enabled richer insights into the characteristics of small organizations and owner/manager perceptions of HRD and IIP.

***Findings and conclusions:***

Although, on balance, findings and conclusions may have leant more towards a reinforcement of existing understanding than new knowledge, if further research continues to support existing knowledge, then this may be indicative of a failing of N/HRD ethos and delivery to be sufficiently penetrative to reach SMEs. The empirically-derived model at Figure 15 contributes to theory building and holds practical implications. The depiction of the research domain in the model facilitates an analysis and understanding of the issues associated with IIP in small organizations, and whilst not advocating an over simplification of these matters, illustrates the use of metaphorical display to distill complexity. As well as providing a conceptual analysis, 'The IIP Small Organization Hurdle Model' may be used as a practical diagnostic tool to help an organization examine its state of cultural readiness for IIP and what it needs to 'learn' in order to stay the course. The practical utility of the model is demonstrated in Chapter 9 with data obtained in two of the case-study organizations. Furthermore, the model has practical implications in the broader context than that of its derivation in IIP, as it could be applied as an assessment tool to a variety of HRD initiatives and programmes. Deletion of the term 'IIP' from the model moves it from specificity to generality in both content and context, and by substituting IIP with say, NVQs, arguably its applicability remains in tact.

***Contributions to the subsequent casework:***

The two main reasons for carrying out the survey in advance of longer-term case studies - access and prehension - were satisfactorily accomplished. The postal questionnaire stimulated a level of interest in the target population which allowed the identification of 23 respondents for interview. The interviews enabled the development of trust and rapport with owner/managers, which in turn facilitated access to three organizations for longer-term casework. As the survey was focused on IIP and took in broader aspects of HRD SME life,

the results provided a useful foundation for the subsequent casework as more specifically indicated in Chapter 3.

### **5.11 Summary of Chapter 5**

The chapter has described and evaluated the preparatory survey conducted over the first half of 1996. A major outcome of the survey was The IIP Small Organization Hurdle Model, developed in order to describe and understand the survey's main findings and conclusions. A justification of this model's conceptual base has been presented together with some further discussion about its relevance and importance in the context of the overall research project. Chapters 6, 7 and 8 present fieldwork data, analysis and findings in the three case-study organizations.

## CASE STUDY ORGANIZATION ONE (Design & Build Engineering)

### 6.1 Organizational Profile

Case 1 was a light engineering company involved in the design and build of specialist machinery for the motor trade. It went into receivership in late 1998. Early contacts with the technical manager (the primary research contact) in 1996 revealed that then the organization had been in business for ten years, was a limited company, employed 19 people (including an MD and four other senior managers) on a single site in the Wirral, had an 85% UK domestic (all outside of the Wirral area) and a 15% international market<sup>7</sup>, predominantly in Holland, Sweden and Belgium with plans to establish trade in the USA. Employee numbers increased to 22 in October 1997 during a period of market expansion and product diversification. The management structure - in terms of roles and main responsibilities - is shown below at Box 8, below. As indicated in the box, all managers reported into the MD. The shop floor was run by two chargehands: one over the machine shop and the other over the fitting room.

**Box 8: Management Structure of Case 1**

<u>Role</u>	<u>Main Responsibilities</u>
▶ Managing Director	Leadership & direction, marketing & promotion, customer retention, some product design
◀ Technical Manager	Product design, workflow logistics & manpower planning, apprentice training, quality assurance, premises, health & safety
◀ Financial Manager	Financial planning & accounting, management information systems (MIS), personal computers, purchasing of non-production items, payroll management, aspects of employee legislation
◀ Purchasing & Design Manager	Procurement of raw materials & other production items, product design
◀ Analytical Manager	Shop-floor management of electronics & electrics, product innovation

<sup>7</sup> These statistics suggest that Case 1 was not typical of Wirral companies in respect of its markets. A CEWTEC employer survey in 1997 into the trading patterns of local firms indicates that: 7.8% trade outside of the CEWTEC area with the rest of the UK; 0.4% trade internationally inside the EU; and 0.3% internationally outside the EU (CEWTEC, 1998: 8).

A non-shop floor, non-management person was taken on in early 1998 to support the purchasing and design function and to “*fill a skills gap*”, as the technical manager put it. The HR function was managed as a shared adjunct of the technical and financial managers with a focus upon legislative and payroll issues. Although Case 1 was expanding an already substantial overseas market, business development and planning was directed at premises and finance. HRD was not a consideration in organizational growth, for as the technical manager explained “*our employees gain the competence and skills levels needed before they come here.*” There was no specific budget for HRD, and workforce T&D activities were mainly ad hoc with a reliance on an informal sharing of expertise on the shop floor. There was no formal process to encourage management development or a dissemination of knowledge and skills amongst the management team. The impact of T&D and performance in general were not formally evaluated; although mistakes were seen as learning opportunities and employees encouraged to make suggestions for improved working practices on the grounds that, ‘they are the experts’. Preferring in general to employ qualified craftsmen, Case 1 had an apprentice who was following the traditional route which comprised day release at college and on-the-job coaching/mentoring with a variety of Case 1’s qualified craftsmen. Although the technical manager explained that T&D followed the ‘buddy system’, it was informal, uncontrolled and probably undermaximized. Case 1 claimed it had a proven expertise and reputation in design, innovation and customer responsiveness and was keen to implement the international quality standard ISO 9001 to augment and formalize its design control processes. Design innovation in Case 1 was a purported focus for organizational learning and development with the training and development of individuals receiving little or no formal attention.

## **6.2 Overview of Research Agenda in Case 1**

Appendix 25 shows a timeline of the main research events/contacts in Case 1. Other brief telephone calls were also made but not recorded in case notes - to arrange appointments for site visits, for example. In summary, the research agenda comprised: a postal questionnaire, eight site visits, seven information-gathering telephone calls and three letters over the period February 1996 to April 1998; and an unsuccessful attempt to make a follow-up visit in April 1999. As the technical manager shared an office with the MD and the financial manager, much unscheduled and unstructured group debate ensued during site visits, particularly



between the technical manager, the MD and the researcher. The financial manager, who worked on a part-time basis, contributed less frequently to group discussions preferring to keep his head down and himself to himself. It was common for the other managers and shop-floor employees to wander in and out of the 'management office' (as it was known) and interrupt or join in with discussions: the presence of a researcher was apparently not perceived as a barrier to the assortment of jokes, arguments, work and personal issues presented to the MD and/or technical manager by those who 'dropped in'. It was also common for either the MD or the technical manager (or both) to disappear for a while during an interview to accompany a caller back to the shop floor to deal with an urgent matter. The informality and spontaneity of these occurrences were viewed as typical examples of small-firm behaviour that provided good opportunities to observe first hand site activities and the interactions of managers with managers and managers with employees. The research role in these scenes seemed to slip randomly and naturally between that of participant and non-participant observation. Although no documents were offered to take off site, the technical manager was keen to show and explain a wide range of items and aspects of Case 1's work on site: technical drawings, examples of design and product innovation, raw materials, work in progress, finished product, plans for factory and office extensions, advertising material, competitor advertising, and a partly-developed quality systems manual, for instance. No specific HRD-related documentation nor data existed.

### **6.3 Individual Interviews with Key Personnel**

As well as joint and several discussions with the technical manager and the MD - the main output of which is embedded within the arguments throughout the chapter - the three other management team members and the apprentice were interviewed individually. Summaries follow.

#### **6.3.1 *Semi-structured interview with the financial manager (1.12.96):***

This interview sought the financial manager's views on: his role and personal development; how individual performance in Case 1 was assessed; and how organizational performance in Case 1 was assessed.

### *Financial manager's role and development*

Although self-employed, the financial manager worked almost exclusively with Case 1. Part qualified in accountancy, he believed that his role had changed in the time he had worked for the organization. Originally he was taken on to, "*keep the books*", but this had broadened significantly to include elements of strategic financial planning and management to support the MD. When asked what impact this had on his personal development, the financial manager said it was "*mostly down to his own motivation and commitment*", although he believed that if he chose to complete his qualifications, the MD would help out financially. The financial manager was not undertaking any development activities at the time of the interview, claiming that he worked "*within the limits of his own capability*" and tended to contact the company's financial auditors for information and advice. Over time, it became apparent that 'working within the limits of individual capability' was a typification of Case 1's culture and HRD ethos.

### *Views on how individual performance was assessed*

The financial manager felt that formal assessment of individual performance was not necessary in an organization of Case 1's size, explaining that "*management is very hands on and there is continuing supervision on the shop floor to include that done by the MD, who spends about 60% of his productive time there.*" The financial manager went on to discuss under performance:

The work of known under performers is continually checked by the foreman and errors pointed out. But there are one or two extreme cases where under performance continues, where individuals will not stop and ask for guidance despite being encouraged to do so rather than make a mistake. This is down to attitude, and despite warnings, individuals do not really believe they will be dismissed. There is no formal disciplinary system in place and, in the past, (Case 1) has not been very judicious in its employee selection process.

When asked how employees knew what was expected of them, the financial manager explained that performance expectations were not discussed with individuals as this "*...would be the consequence of a formal plan. We don't formally assess performance but keep monitoring known under performers. We can do this because of the smallness of the company. Overall, individual assessment is managed by default.*" When probed for more information about the notion of performance assessment by default, the financial manager said:

In the machine shop, for example, individual performance is reflected in the manufacturing process itself. If the manufactured parts meet the requirements of the manufacturing specifications, then individual performance is deemed to be adequate to company needs. This evaluation process works because one person is dedicated to one manufacturing procedure (milling, grinding, boring etc) and productivity can be examined at this level. Other than discreet observation there is no real measure of individual performance in the fitting room. Obviously, as the company grows and it becomes necessary to employ several individuals on a single machine process then this method of measuring individual performance in manufacturing - based on productive output by machine type - will no longer be adequate.

He then indicated that there was no formal appraisal system in Case 1, but again believed that growth of the company would necessitate the introduction of one and, in general, require more frequent channels of communication. He said:

For example, information sessions about how the company is doing in general terms. This happens now very informally. The MD talks to groups of people in the canteen, but growth would necessitate a more formal and frequent system because the closeness to employees goes as the company gets bigger. There is also certain statutory obligation on companies employing 24 people or more, so this has considerable bearing on the level of formality within a business.

*Views on how organizational performance was assessed*

The financial manager explained that company performance was monitored and assessed in financial terms only. There was no HRD needs analysis of any sort against business needs. He thought "*the need for formal systems would grow with the company*", to include the formalization of HRD planning. Financial evaluation of organizational performance was done by means of an "*after-the-fact*" kind of activity-based costing system that he had devised. For example, he could compare the fitting costs of a job against the last similar job. Any discrepancies would then be investigated. "*Before-the-fact*" client costings were done "*by the MD based on experience, feel for the job and referral to colleagues where applicable.*" The financial manager's analysis here provides an illustration of how cost projections were developed via a learning process whereby the MD's own tacit knowledge (own experience and feel for the job) was made explicit (referral to colleagues), potentially adding to the development of collective knowledge.

### **6.3.2 *Semi-structured interview with the purchasing & design manager (24.1.97):***

This interview sought the purchasing & design manager's views on: his role; what knowledge, skills and behaviours he needed to do his job well; and how his performance was assessed and his development needs managed.

#### *The purchasing & design manager's role*

The purchasing & design manager was an enthusiastic young man who had worked for Case 1 for about five years. He seemed highly ambitious, respectful of both the MD's and the technical manager's engineering experience and expertise and, therefore, keen to learn from them. He had acquired purchasing skills in previous employment but had neither formal education nor qualification in corporate procurement. He summed up his role as "*a link piece to relate what happens in the buying and design areas to what happens on the shop floor*", adding that the concentration of his job was on the buying side but he had a "*personal goal*" to move more towards the design function. Some tension in the articulation of this goal was detected, a suspicion that was borne out later when the technical manager indicated that *he would prefer the purchasing & design manager to concentrate on procurement for the time being whilst picking up what he could about design along the way*. The purchasing & design manager described the design function in Case 1 as being about the development of both new ("*from a blank piece of paper*") and modified ("*improvements to existing machines already in place with customers*") products - a description that supports the discussion of creative and adaptive innovation in Chapter 2.

#### *Knowledge, skills and behaviours needed for the job*

The purchasing & design manager explained what knowledge, skills and behaviours he needed to do the purchasing side of his job well. He seemed less able to describe the knowledge, skills and behaviour requisites of design - perhaps because he had limited practical experience and no formal education/qualification in the subject to draw upon - but summarized his thoughts thus:

You need to be good at mathematics. The technical manager has very good mathematical skills. There is a conflict between mathematics, what works on paper, and what is real in a job - there seems to be a void which I try to understand. Cost-effective design is seen as key in Case 1 and, generally, all design is kept internal - jealously guarded. Me and the technical manager work mostly on separate

design projects, but there is a need for us to work more closely together. We need to get involved in each other's design.

When asked for his views on the academic versus vocational/competence educational route in engineering, he said, "*I believe that experience is more important than theory, you need theory to back up the experience. Some come from the point that theory needs to be followed by experience, but I believe it is the other way around.*" Both the MD and the technical manager supported this perspective.

#### *Performance assessment and management of development needs*

The purchasing & design manager said that his performance was "*monitored on the smoothness of the job on the shop floor - and how I handle customer relations is very important.*", but reiterated that he wanted to get more involved with design. When asked what he believed this would contribute to the business, he said:

It will relieve the pressure on the front-end issues for the MD and allow him to get out and about more with clients. He needs to be the visible presence of (Case 1), getting feedback from existing customers and keeping them, and looking for new markets.

Taking this comment in conjunction with one made by the financial manager (that the MD spent 60% of his productive time on the shop floor), it seems that the MD had problems in 'letting go' of the day-to-day operational side of the business. Or perhaps he was not sufficiently confident in the capabilities of his management team to feel able to let go. When asked for his views about the effect of growth on Case 1, the purchasing & design manager said:

Don't think it would change us. It's down to the MD's character. He is never arrogant. We have standard product ranges for the bread and butter business, but these have been built from a flexibility point of view. We don't have the luxury of larger companies - time, money etc., but we are not scared to tackle anything. We know in our hearts that we will succeed. Our competitors are arrogant and set in their ways. We say 'what do you want?' to our customers and we are starting to increase our market share worldwide now. We can't afford to become arrogant because there is always another competitor coming up behind you. We must carry on keeping our ears open and listening to our customers. The MD is the driving force behind the company and because of his leadership style he transmits what he wants. He is fair in his approach and tolerant of mistakes. To learn from projects is instilled in each and every one of us.

This affords a good insight into the MD's leadership style, which appeared rhetorically supportive of learning and development. To what extent he actually had the time, volition or expertise to actively facilitate learning from work projects was less obvious during field visits, and there was no evidence to suggest that the 'instillation' of learning was purposively managed. The purchasing & design manager concluded the interview by saying that he was educated to HNC level and liked to think that Case 1 would support him in completing a degree in a couple of years time, but meanwhile was planning to start an HND to improve in certain technical areas. He added that he also needed to see the commercial side of the business - "*the bigger picture*" - in order to help his design skills. The purchasing & design manager believed that he could learn much of what he wanted to know about from within the company - a comment which hints at the extent of knowledge available within Case 1. But it is likely that most knowledge in Case 1 remained the personal property of individuals, and as alluded to by the financial manager, was used to feed the 'limits of individual capability'. The purchasing & design manager concluded his appraisal of learning in-company by adding, "*but time is a barrier to it happening, time is the biggest enemy*".

### **6.3.3 Unstructured interview with the apprentice (24.1.97):**

The young apprentice had worked for Case 1 for about a year and was following the traditional apprenticeship route. When asked to describe his apprenticeship, he said that he was serving his time as a fitter and was doing a two-year ONC course in Plant Engineering. He attended a local college on day release one day a week. The apprentice explained that the course work was purely theoretical with no practical testing at all. Evaluation of his progress comprised phase testing and written assignments and he had to achieve a certain number of marks over the two years. There was no internal or external assessment of the practical application of his learning at work other than the usual performance monitoring by the tradesmen and chargehand as described above in the interview with the financial manager. The apprentice explained that he worked to a range of tradesmen with no one in particular assigned as a coach/mentor, but believed this would be helpful. He did, however, like seeing the variety of approaches by working with different tradesmen and had learned that although there are set ways of doing things in a job, certain aspects - usually the "*cosmetics*" - can be left to the discretion of the tradesman. The apprentice said that he was becoming more confident now to ask questions in order to learn. For example, he liked to know why a particular tradesman did something a certain way and what his motivation for doing it that



way was. When asked how his performance was assessed, he said *"When I have done something I ask the tradesman if this is what he wanted"*, adding that he got feedback on good aspects of his work as well as advice on improvements. Following the interview, it was confirmed with the technical manager that the apprentice's account of the management of his apprenticeship was accurate. In accordance with initial research 'contracting' arrangements, the technical manager was offered what he had termed an *"informal nudge"* - a suggestion that he set up a learning log to support and record the apprentice's progress and development at work. After an explanation of what this might entail, the technical manager seemed to think that it was a good idea and made a note to talk to the apprentice about it. During a subsequent visit (21.3.97), the technical manager advised that learning logs were *"now there for everyone"*, but when asked how useful he was finding them, he seemed a little uncomfortable in admitting *"these things take time, but we will get there in the end."*

The apprentice had friends on the same college course as himself who were doing a modern apprenticeship (MA). Although he was not aware of what an MA was and how it differed from his apprenticeship, he said that his friends spoke of *"being taken to the office every so often to go over things that they have collected for someone who comes in from outside of their company."* These words reflect a prime aversion of Case 1's technical manager to modern apprenticeships - the intervention of the third party in respect of the NVQ assessment. According to the technical manager, *"under a traditional apprenticeship scheme, the apprentice is producing and the company is the best judge of practical competence, not an external body."* A fuller account of the MD's and the technical manager's views on modern apprenticeships is presented further on in the chapter.

#### **6.3.4 Unstructured interview with the analytical manager (29.5.97):**

The analytical manager was very elusive, but an unscheduled interview was eventually forthcoming. He saw his role as being about *"design and innovation"*, explaining that he could *"do the job now without the need for training, but if (Case 1) went hi-tech I would probably need formal training."* When asked if he had any development needs, the analytical manager replied that there was a big gap in his knowledge about management and financial matters, adding that he and the other managers *"live in their own environments and do not see the big picture."* The analytical manager felt that this was wrong and that no one else besides the MD had a real financial knowledge of the business, adding that employees knew

broadly where the business was going because the MD kept them informed informally. When asked if employees were happy with this arrangement, the analytical manager said:

They need a goal, they need to know where they are going, but some more formality might be useful to the staff to help them understand things in a wider sense so that they could come up with more ideas. There are grey areas surrounding information from customers to the shop floor. I suppose a formal form would be useful.

On further exploration of his thoughts about formality in Case 1, the analytical manager said “...yes it needs more, but it’s a catch 22 situation, although we encourage individuality on the shop floor, it gets in the way of processes and procedures”, and went on to explain that the management now requires employees to submit ideas rather than just implementing them without referral. The MD had already recounted the history of this during a previous site visit (29.10.96), saying:

...a former liberalized management structure led to near anarchy whereby the operatives had made processes unnecessarily complex because they wanted to work their own agenda. The end product has been good, but the process has not been consistent and efficient.

It may be that ‘near anarchy’ in this passage meant the same as what the apprentice had described as discretionary ‘cosmetics’ of the job. Both the analytical manager and the MD here allude to the problem of balancing process creativity with process control - a balance which can be particularly critical within a design-oriented, precision engineering environment like Case 1. On establishing that he had effective (good product) but not efficient (inconsistent process) production, the MD sought to formalize the manner in which shop-floor ideas got implemented or rejected in order to improve process control. Whilst this may not have been an entirely equitable solution for retaining and improving operative creativity and motivation, the MD also had plans to introduce cell working for enhanced job and process ownership, which suggests a capacity for managing potentially contentious issues intuitively.

When asked about formality and T&D in Case 1, the analytical manager replied, “*all are trades people so have been formally trained, but it’s the cross over. What happens is that if a person is enthusiastic they will take it forward themselves with (Case 1) supporting if there was something in it for the company.*” When asked if he thought this was the right way around, he said that if the management see potential, “*then they should push them provided there was advantage to both the business and the person.*” The analytical manager did not

clarify if this actually happened. He then described his latest design idea - a machine that could be set up via a touch screen called a man/machine interface (MMI). He said that his initial idea was to build a machine that combated machine set-up problems of time involved and the facility to recall pre-set positions - referring to these as his "*foundations for thought.*" Designing the machine was then a combination of doing and problem solving as he went along. Conceptually, the analytical manager had entered a learning cycle (Kolb, 1984). Kolb (ibid.) contends that a convergent learning pattern as demonstrated here is typical to engineering professions where mathematical principles are important precursors to learning - or as the analytical manager put it, 'foundations for thought'. The purchasing & design manager had also indicated an engineering penchant for making theories fit the facts in his disclosure about the 'conflict between mathematics and what actually works on paper', a phenomenon that the technical manager also referred to as a "*gap between mathematics and what actually works.*" When the analytical manager was asked what he had learned from the MMI project, and if he could repeat the experience, he said, "*there have been no formal notes taken to help the memory, but maybe it would have been useful to write it down in my own language.*" Had the analytical manager completed his journey around the learning cycle by more deliberately reflecting upon and making sense of his experience, he might have been better able to explain and share his new knowledge and thus achieve an effective learning outcome for himself, the management team and the organization.

#### **6.4 Innovation in Case 1**

During a group interview about innovation in Case 1, the MD and technical manager described the following two scenarios. The first relates to the project mentioned in the above interview with the analytical manager. The headings 'Drivers', 'Action' and 'Results' were applied - as seen in case studies about innovation in a Competitiveness White Paper (Cabinet Office, 1996) - as a framework to guide discussions.

---

##### **EXAMPLE 1: MMI MACHINE**

###### **Driver**

Customer-led demand. Case 1 listened to its customers about their problems regarding machine setting and its effect on production time, maintenance and performance repeatability.

### **Action**

The analytical manager designed a new machine that could be set up via a touch screen (MMI -man/machine interface), which makes setting up easy and user-friendly. The machine was also able to recall pre-set positions to facilitate high repeatability and consistency of production. The machine was maintenance-friendly because it was more accurate and, as the technical manager put it, required less "tinkering" with. He described this technology as innovative not inventive as it is not an entirely new concept. The MD and the technical manager had arranged a meeting with the DTI to see about the possibility of obtaining a SMART (Small Firms Merit Award for Research and Technology) award for their innovation. One of the machines has already been sent to Holland and the MD and technical manager planned to go over in the near future to see what it can do.

### **Results**

The MD said that "*a high degree of confidence with customers has been achieved.*"

## **EXAMPLE 2: TRUE COST ANALYSIS COMPUTATION**

### **Driver**

Again a customer-led need. The technical manager said that large customers were asking how much money Case 1 was making.

### **Action**

Case 1 adapted an existing PC package using a spreadsheet to produce a method called a 'True Cost Analysis Computation'. The technical manager described this as a "*predictive system which allows us to know if financial projections for a job are on target and when a job may be in trouble.*" The MD added that they needed to "*tighten up on the financial aspect of the business anyway as we have over quarter of million pounds of orders in the books*".

### **Results**

Better financial control and more confidence-building in the customer.

Tushman and Nadler (1996: 143) argue that, "The most innovative organizations are effective learning systems; they maximize both their ability to acquire information about customers, competitors and technology, and their ability to process that information...While costly, chaotic, and potentially disruptive, this process of generating ideas and solving problems provides the foundation for tomorrow's innovation." These words, perhaps, challenge Case 1's claim to innovation. The examples given by the MD and technical manager indicate that Case 1 was customer focused and technically competent; and from other discussions with the

MD and technical manager, it appears that they did monitor competitors quite keenly. But it would also seem that the organization was neither an effective learning system nor particularly adept at processing information - especially about what it might have learned: there was no evidence to suggest that Case 1 either learned effectively from its performance in design innovation or developed learning as a core organizational capability (DiBella et al, 1996). In the context of Tushman and Nadler's (1994) arguments, Case 1's self-appraisal as an innovative organization may have been more aspirational than real. Kolb (1984: 34) seems to encapsulate Case 1's prevalent *and* aspirational performance/learning/development capability:

Performance is limited to short-term adaptations to immediate circumstance, learning encompasses somewhat longer-term mastery of generic classes of situations, and development encompasses lifelong adaptations to one's total life situation.

#### **6.5 Formality Questionnaire in Case 1 (3.4.98)**

This section reports the delivery, results and analysis of the formality questionnaire (Appendix 6) carried out during the casework 'exit' visit (Appendix 8 outlines the process for completing and analyzing the questionnaire). The technical manager was the sole respondent on this occasion and the results of the questionnaire represent his views and work ethos - perspectives that from other observations, closely matched those of the MD.

##### ***Results of questionnaire:***

Appendix 26 reports the questionnaire results in Case 1 in the respondent's own words. Proper names have been altered or omitted to retain anonymity.

##### ***Summary of formality questionnaire ratings:***

Box 9, below, summarizes the formality ratings as shown in Appendix 26. An interpretation of the data follows.

##### ***Interpretation of the formality questionnaire:***

The mean average rating over the 13 variables is 4.38, slightly above that applied by the technical manager as the overall current rating (3). This could suggest conflict or confusion

**Box 9: Summary of Formality Ratings in Case 1**

<u>Formality Variable by Variable</u>	
<u>Variable</u>	<u>Rating</u>
Training and Development	1
Selection Process	8
Induction Process	7
Performance Appraisal/Review	3
Succession Planning	7
Reward and Recognition Systems	1
Employee Involvement Systems	9
Job Rotation/enhancement/enlargement	4
Communication Systems	2
Knowledge Management	6
Leadership Style	1
Power and Influence	1
Organization Structure	7
<u>Overall Summary of Formality</u>	
Current Formality Rating	3
Formality Rating 12 months ago	5

in the respondent's perception of formality in Case 1, or it could be a subconscious averaging out by the respondent between 'current' and '12-months-ago' ratings. The overall rating profile seems rather extreme, achieving a modal rating of 1 (four occurrences) followed closely by three occurrences of 7, one of 8, and one of 9. At first it was thought that this might be attributable to the personality of the respondent, who was perceived to be quite an impatient and volatile man with firm, and sometimes extreme, views. On further appraisal, however, it appears that the moderate to high ratings (4 - 10) are assigned to variables that, in Case 1's context, relate to systems, products and industry norms; whilst the low ratings (0 - 3) apply to variables more associated with the 'softer' side of organization life - human development and relationships, and communication. In summary, Case 1 considered it had: *high formality* (7 - 10) in Selection (8), Induction (7), Succession Planning (7), Employee Involvement (9), and Organization Structure (7); *moderate formality* (4 - 6) in Job Rotation/enhancement/enlargement (4) and Knowledge Management (6); and *low formality*



(0 - 3) in Training & Development (1), Performance Appraisal/Review (3), Reward and Recognition Systems (1), Communication Systems (2), Leadership Style (1) and Power & Influence (1). The current formality rating of 3 had moved from 5 twelve months previously. The technical manager attributed this shift to Case 1's growth and the need to find ways out of problems rather than anticipate and plan for the solution of problems, which suggests that formality had been relaxed over the year in order to cope with the need for increased flexibility, operational expertise and technical competence. In reporting a shift from formality to control as a benefit in Case 1 and then saying "*...more control will ease formality but not the reverse*" (question 14), the technical manager may have had associated formality with bureaucracy, and *control* with an appropriate level of formality.

After completing the questionnaire, the technical manager said that they were "*beginning to be more formal on paper but interactions are flexible*" and that "*growth patterns need more structure*". Apparent contradictions in the technical manager's assessment of formality in Case 1 were puzzling, but these may have been due to technical, industry-specific processes being significantly more formalized than other organizational processes - particularly those relating to HRD. For example, design and production processes were controlled by the kind of procedures, documentation and technology typical to an engineering environment - drawings, job cards and CAD/CAM<sup>8</sup>, etc. There is both paradox and inadequacy in Case 1's perspectives (as explained by the technical manager) on formality. For instance, there is tension within the technical manager's response to question 7 when he claimed that the high levels of involvement are not formal, and then rated this variable at 9. On closer appraisal, however, this could be feasible as the technical manager may have made a distinction between the formality of a process when afforded an HRD 'title' (employee involvement) and formality in the same process when associated with Case 1's feedback mechanism for linking production and design expertise. The technical manager could have meant, 'we don't have a formal employee involvement scheme because that speaks to the language of HRD, but we do encourage the ideas of our qualified workers to ensure that we have proper control over our design processes.' Formality in this context speaks to the language of Case 1 as it appealed to its concern for design innovation. Similar examples of Case 1's paradoxical position over formality can be found in the technical

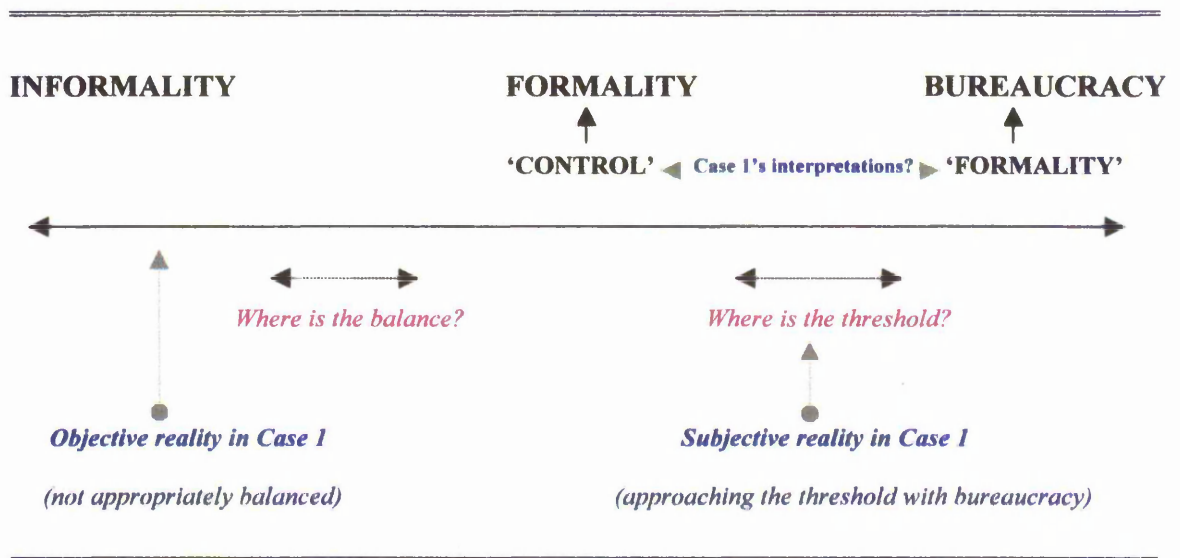
---

<sup>8</sup> CAD/CAM stands for Computer-aided Design and Manufacture, a methodology that uses computer technology to integrate and manage production and design processes such as machine set up and design changes.

manager's responses to questions 2, 4, 6 and 8, where he indicated there was no formal policy and then went on to describe what was in effect a policy in Case 1's own context and language: it was just not written down. A further paradox lies in the technical manager's seeming confusion about whether formality was 'good' or 'bad'. He claimed that having to afford an overall formality rating to Case 1 (question 14) belittled the formality in the company (formality is 'good'?), but also suggested that the informal approach to management development was their strength and others' sadness (formality is 'bad'? - question 15). As no opinion as to whether formality was 'good' or 'bad' was voiced during delivery of the questionnaire, one wonders why the technical manager felt obliged to defend Case 1's informality rather than just explain it. Perhaps small-firm informality has become synonymous with inadequacy.

Figure 16, below, positions Case 1 on the informality/formality/bureaucracy

**Figure 16: Case 1 and the Informality, Formality, Bureaucracy Continuum**



continuum introduced in Chapter 4 (page 61). It may be that the organization did not establish an appropriate balance between informality and formality, signified by disparate formality levels in industry-specific and non-industry-specific processes (objective reality). Furthermore, despite admitting a need for increased formality (expressed by the technical manager as 'control') during a period of rapid expansion, Case 1 sought to reduce formality to avoid becoming bureaucratic, fuelled by its own perceptions and prejudices about

'formality' (subjective reality) - reflecting a view already advanced about the technical manager's possible association of formality with bureaucracy. .

The influence of formality in Case 1 on HRD is perhaps summed up in the following words by the technical manager: "*formality of the skill of the job leads to feedback to me about the design, which in turn leads to formal changes to design. The evolution of knowledge in the company happens as the guys on the shop floor come up against new machines from abroad.*" Drawing upon the experience of time-served craftsmen (formality of the skill), the technical manager sought to transfer individual capability to organizational capability through a process he termed 'the evolution of knowledge', thus exercising 'control' over HRD in terms of organization development. Development of individuals was mainly left to their own resource and discretion, to include the management team. HRD in Case 1 was planned and carried out informally to the point that it was needed, with skills training happening on the job. The technical manager believed that individual development was not the responsibility of the company - the two notable exceptions being his own master's degree and the one traditional apprenticeship. Generally, Case 1 preferred to 'buy in' human expertise with skilled people selected for either a specific engineering function (turning, milling, fitting etc.) or to plug skills gaps in specialist disciplines such as project or logistics management.

Responses to the formality questionnaire indicate that Case 1 was more likely to be alienated by N/HRD initiatives. The technical manager's responses to question 15 show that he inextricably linked N/HRD with formality and, believing that formality in a training structure inhibits the education process in general and the way in which engineering skills are acquired in particular, would not select N/HRD initiatives in preference to alternatives such as informal on-the-job training and traditional apprenticeships.

## **6.6 Summing up HRD in Case 1**

This section draws together the findings about Case 1's HRD approach, one that is summed up within the following two comments from the financial and technical managers respectively: 'working within the limits of individual capability'; and 'everything is done against the background of the product'. These two statements are combined into a version that seems to reflect Case 1's HRD philosophy.

***'Within the limits of individual capability and responsibility against the background of making the product'***

Individuals were mainly held responsible for their own development and, to a great extent, for their own performance. For example, the financial manager said that his personal development was mostly down to his own motivation and commitment, and both he and the technical manager indicated that performance appraisal in Case 1 was by default, the latter saying:

Performance appraisal is by error, being pulled up for doing something wrong. I don't believe in individual performance appraisal. Each person has a role within an overall company performance. The appraisal of collective contribution is more important than individual appraisal, who is to say that one person has contributed more than another has. Contribution is more meaningfully appraised by default.

On the basis that individuals in Case 1 were all qualified craftsmen, and that 'collective contribution' was assessed in terms of product/project compliance and financial return, then Case 1's philosophy of performance appraisal by default may have been contextually effective. Whether or not it paid adequate attention to the quality of the processes involved in making the product is another matter, although there was evidence to suggest that the MD was concerned about process efficiency as well as product effectiveness. There was nothing to show that performance and development of the management team was assessed and understood, they worked on and learned from product/project development independently as individuals. For instance, the purchasing & design manager said "*me and the technical manager work mostly on separate design projects, but there is a need for us to work more closely together*", and the analytical manager's suggested that the other managers "*live in their own environments and do not see the big picture.*" From the evidence presented, Case 1's primary knowledge base was tacit/individual and had been shaped at operational level against the background of *making* the product, rather than against the background of the product *per se*. To claim 'HRD is against the background of the product', would have necessitated Case 1 to have developed more predominantly socially grounded knowledge at organizational level (explicit/collective) in support of the design and innovation function - and for HRD to have been more actively involved in the collection and sharing of knowledge. Informal sharing of expertise amongst operatives on the shop floor together with apprenticeship training may have created some tacit/collective and explicit/individual

knowledge; and the technical manager's account of 'formality of the skill in the job...' possibly provides an example of tacit/individual and tacit/collective knowledge made explicit/collective to feed a prime organizational need. Even allowing for the important role that tacit knowledge can play in "...developing a rich understanding of ambiguous situations." (Baumard, 1996: 88), there was little in Case 1 to show that HRD was deployed in the process of converting dispersed tacit knowledge into cohesive organizational capability.

The approach to the development of individuals was uncomplicated: employees came to the organization already qualified to do the job (a miller mills, a turner turns) and received little formal or planned T&D thereafter, apart from any reactive 'needs' training and what might be learned naturally 'on-the-job'. In discussing the workplace as a setting for learning, Billett (1994) argues that on-the-job learning and workplace learning are not the same, with the former typified in a pattern of highly informal on-the-job skills development, and the latter characterized by a more formal and deliberately managed process involving off-the-job training as well as on-the-job skills development. In comparing Billett's views to what Case 1's apprentice had to say about his apprenticeship, it seems that, despite the informal manner in which on-the-job skills and learning were assessed, the model leans more towards workplace learning than on-the-job learning. There is evidence that the apprentice was encouraged to self monitor, self correct and ask questions to increase his confidence and enable learning; and as a learning methodology, Case 1's traditional apprenticeship integrated the development of conceptual knowledge and practical skills through a combined programme of college tuition and work application. But what might have happened to the apprentice's development when he eventually became 'time served'? It is most likely that his development would have continued informally and reactively on-the-job, thus perpetuating into the next generation Case 1's HRD ethos of 'within the limits of individual capability and responsibility against the background of making the product'.

## **6.7 Case 1's Views on National HRD**

The technical manager summed up his views about N/HRD as follows:

Our requirement of HRD comes from two main needs. One, can't do it and need to do - a new customer order requiring new skills for, example. And two, a personal development request - I'm fed up working this machine and I'd like to learn how to weld, for example. We don't see national HRD programmes fitting in to this picture because our needs are so personalized, say for example when a



customer-led demand will want an HRD result now, not at the end of a pre-set programme. The timing of national HRD programmes is wrong, they are processes. In terms of process inputs, theirs misses the vital ingredient for ours, that is the fifth 'M' for Mystery - the other four are Man, Machine, Material and Method. We often don't know what the exact outcome of a customer project and staff training requirements may be... The formality of a training structure can inhibit the education process. We do not achieve skill by formality. National HRD programmes do not produce skilled workers, they are a number crunching process. And inextricably linked to national HRD programmes is the fact that consideration for the person is not there.

There is much in these statements that reinforces Case 1's HRD ethos as being 'against the background of (making) the product': for as work processes were typically unknown and unpredictable at the outset of a particular project, so were its HRD needs in terms of both learning inputs and outputs. Table 13, below, is an analysis of what might be barriers to N/HRD from Case 1's point of view. The two sets of data seem incompatible across the variables, and in that respect mirror the comparison of KV1 and KV2 depicted at Table 4 (page 43). Case 1 almost challenges N/HRD by asking: 'how can we utilize a set of predetermined HRD processes when our own work processes and dependencies such as HRD are variable, unknown and unpredictable?' The evidence suggests that Case 1 required HRD to be a set of flexible means to a bespoke end, but perceived national HRD as a generic end driven by a collection of rigid means.

**Table 13: Case 1's Comparison of National HRD with its own HRD Requirements**

	<i>Satisfaction of Process Needs</i>	<i>Learning Inputs</i>	<i>Learning Outputs</i>	<i>Consideration for Learner</i>	<i>Formality Factor</i>
<i>Case 1's HRD</i>	Work processes unknown & unpredictable at start of a new project	Against background of product, but unknown at start of a new project	Immediate skills achievement & application needed	Individualized development requests catered for 'against background of product'	Informal and personalized to organizational & individual needs as and when necessary
<i>National HRD (as assessed by Case 1)</i>	Designed to satisfy known & predictable work processes	Assumed within framework of a set programme	Delayed output of non achievement of skills	None	Inhibiting & bureaucratic

Neither the MD nor the technical manager had much to say about IIP during the casework field visits, but the technical manager's responses to the preparatory survey in 1996 questioned IIP's "...relevance to small company situations", arguing that "There is nothing



*wrong with the theory, it's the application that is at fault. The thought of adapting a company to fit a given framework causes doubt and concern. Any system can bring about business benefits, it's only the application that is bad."*

#### Views on Modern Apprenticeships (MAs)

The modern apprenticeship scheme was discussed during several site visits with various people, but MAs were targeted as the main focus of attention during a joint interview with the MD and the technical manager on 21.3.97. They shared similar views about MAs, their main objection to them centering upon the NVQ element. The technical manager believed that MAs were a *"re-hash of other schemes such as youth opportunities - all schemes utilize government money to retrain young people"*. The MD added that he employed young people who *"are apprenticed to me for four years and if after that time they are still not up to scratch go on an improvers rate. We use old standards, we send them to college to get engineering qualifications, not NVQs."* The MD went on to explain how he believed that many young people are exploited by government schemes, citing an example of when a local technical college sent a youngster with no real engineering training on a secondment to Case 1, saying *"we couldn't understand why he was useless."* The MD also spoke about the standard of trainers, claiming that *"when you get to the bottom of it many of them are former shop stewards - due to the demise of the strength of the unions - who have become training officers. They get paid for placing young people with companies regardless of current skills."* The MD conceded that:

...of all the training schemes on offer, the modern apprenticeship is nearer the mark than anything I've seen before, but the people who represent the scheme all they want to do is send the youngster on a course. The TECs see it all as a scheme. This damned insistence that they want kids to go to a training school. All the lads that I've had from training school have learned nothing. They train them on rubbish machines, not modern equipment. We are not anywhere near the technical level we want to be at but we have much more to offer youngsters here on site. Why can't I be party to that scheme if I've got the facilities - at the end of the day you end up with an NVQ rather than an internationally recognized qualification like an ONC or HNC. It's the people who are employing you who determine if you are qualified to do the job. An HND is a qualification that means something.

The technical manager offered the following views about NVQs:

You can guarantee that everyone without an NVQ will be better trained. The main difference between say an HND and NVQ is that an NVQ is practical and you have to think with an HND, which means

that these skills are in the head and you have to use them. NVQs can't do this for a human being. You can never unlearn what you have learned, you may forget at times but when it is in your head it's there forever, it's a bit like riding a bike, you may fall off a few times but you never forget how to do it. It's the difference between forgetting and not having it there in the first place to draw from. There has been a tremendous dilution of traditional learning skills. NVQs encourage a generalist rather than a specialist approach and despite claiming to be practically based, do not teach youngsters how to do anything. For example, the spark is going to wire the machines not get involved in design.

The MD joined with the technical manager in criticizing the TECs for not valuing the quality of the process, but just trying to process youngsters for a "*...quick turn around and operating to meet targets. Eighteen months should be five years, and if you put fourteen through the course, next time the TEC will get their funding for a further fourteen, and so on.*" The technical manager also described how he believed that NVQs were "*...lifting the aspirations of employers to the levels of the certificates they (the TECs) are putting out. They are using a workforce of certificates and bringing the work skills down.*" The basis of his argument was that on seeing these youngsters with NVQs employers perceive them to be good when they are not - the certificates representing an untrue reflection of what these youngsters can do and have learned. Traditionally they would have learned from one-to-one working with a qualified craftsman backed up by conceptual understanding through day release at college (traditional apprenticeship) over a period of four or five years. Under the modern system "*employers of NVQ certificates*" are having their benchmark standard of a qualified workforce dropped, which over a period of time means an overall lowering of expectations of what a trained and qualified person looks like. The technical manager also considered that NVQs "*are better for non-productive subjects such as IT and office administration*". When asked why he thought this, he said "*these type of skills are easier to teach and quicker to learn. You have a battery of computers, a clean room and a nice environment.*"

The overall commentary here on modern apprenticeships suggests that the MD and technical manager shared two fundamental criticisms of the MA/NVQ approach: one the ethical validity and effectiveness of the delivery mechanism; and two the effectiveness of the NVQ as a learning mechanism. A large part of their disaffection with the MA seems to emanate from an aversion to external intervention by an NVQ assessor - an external scrutiny that would not have sat comfortably with Case 1, as both the MD and technical manager believed that the employer was the best judge of skills and competence. This observation could, perhaps, be extended to Case 1's feelings towards *all* N/HRD programmes.

### *Views about TECs and Business Links*

When asked for their views about the TECs and Business Links, the technical manager replied *"Nice to have when we want to use them, not so nice when they are pushed on us. Nice to be able to get information and decide for ourselves. Nice that they are available. We see a greater marriage with Business Link for funding and overseas trade."* This assessment reflects Case 1's independent and individualistic nature (there was a tendency not to network with other businesses and agencies) and a preoccupation with overseas trade. The MD and technical manager mistrusted the delivery mechanisms of N/HRD programmes in general, but were ambivalent towards the TEC and Business Link in adopting a somewhat egotistic and opportunist stance about enlisting their help.

## **6.8 Case 1 - Conclusions**

Figure 17, below, summarizes conclusions about Case 1 within the framework outlined in Chapter 4 (page 71).

### ***What was it like?:***

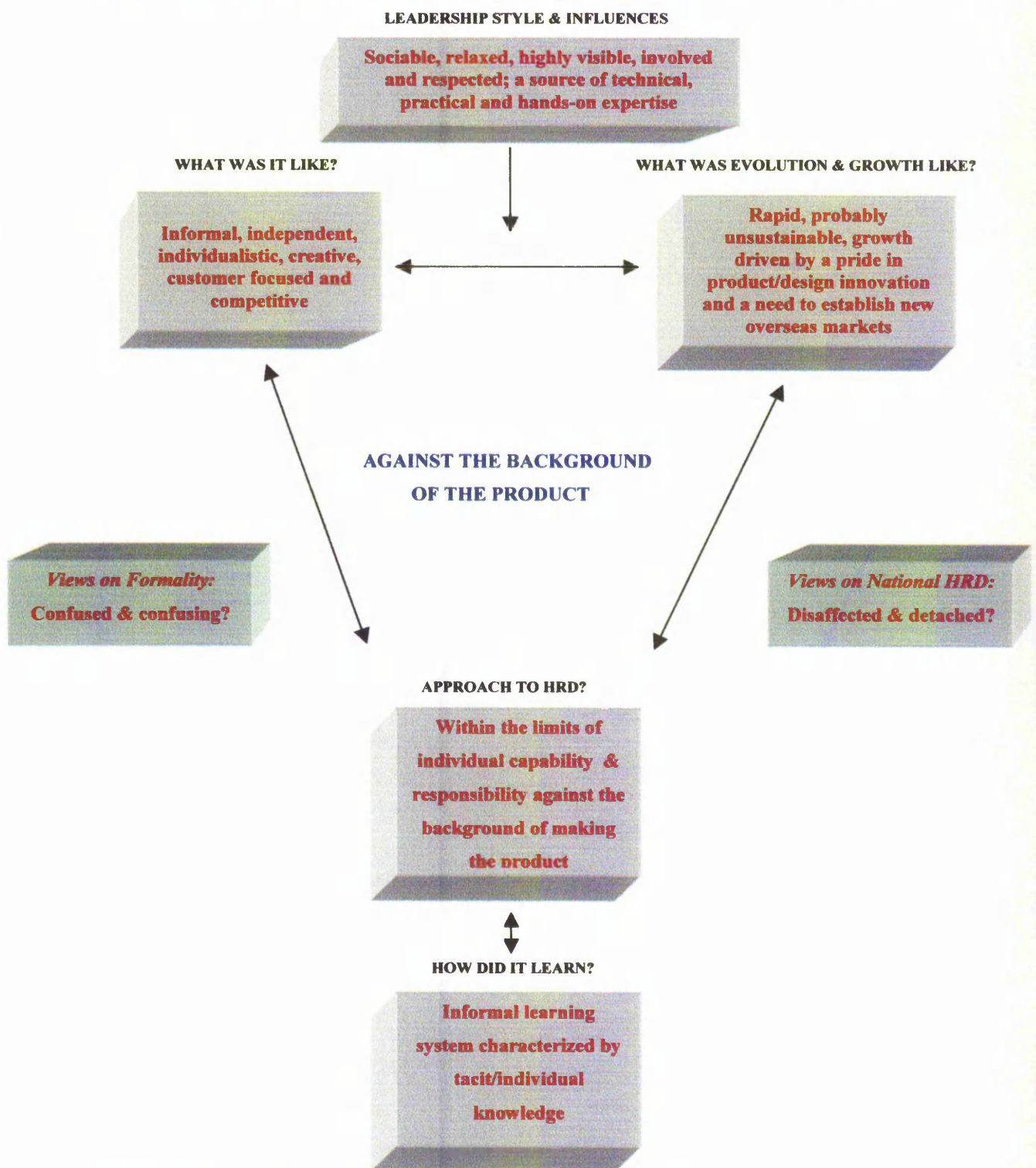
Creativity, competitiveness, customer focus, informality, humour, independence and individualism were Case 1's warp and weft. The management team (particularly the MD and technical manager) frequently spoke with immense pride about individual and company achievements associated with innovation, and how this set them apart from major competitors - an outlook which at times generated declarations bordering on defiance. For example, when describing Case 1's experience with the DTI SMART<sup>9</sup> scheme, the technical manager argued that their failure to 'fit' the SMART qualifying framework *"...hasn't stopped us doing what we want to do, we don't have to have certificates to say we are innovative"*. The technical manager described Case 1's beliefs and values as follows:

Self-belief in all aspects of our successes. Individuals are the company, you can't split the company...  
We take pride in innovation and actively try to make people believe in us... Our products are our best subliminal salesmen. We want to be first choice not the last resort for customer.

---

<sup>9</sup> The DTI SMART (Small Firms Merit Award for Research and Technology) scheme helps SMEs and individuals to research, design and develop technologically innovative products and processes for the national benefit. SMART provides funding of 75% of project costs, up to a maximum of £45,000 to assist in technical and commercial feasibility studies, and 30% to help the development of technological products. Source: DTI website ([www.dti.gov.uk](http://www.dti.gov.uk)) accessed 21.8.99.

Figure 17: Summary of Conclusions about Case 1



These words suggest that, although Case 1 aspired to being market leader, it had doubts as to whether it was being taken seriously. This may have explained why the organization was secretive and suspicious towards competitors, with the MD uncharacteristically angry about *"plots and sabotage"*, *"this anti (Case 1) thing"*, and a major competitor *"being up to a lot of jiggery-pokery"*. Paradoxically, the MD had plans for a strategic alliance with a Belgian company and/or a takeover of a small UK company. Case 1 was very intent on developing the overseas business as the MD believed that *"being European is a distinct advantage in establishing joint ventures in the USA as they don't want direct involvement with European law."*

In addition to evidence about operational and competitive values, there were also signs of Case 1 as a caring, people-focused organization. For example, the MD believed that they paid relatively well; and the manner in which he described his hurt and disappointment at being let down by a particular employee following the introduction of substantially improved working conditions, suggests that the MD viewed this type of behaviour as a 'betrayal'. He said:

Long-term welfare of employees is paramount, but they need to have long-term concern for the company as well. How can you trust a guy like that?

The technical manager also indicated a concern for human matters by saying *"The HR of keeping that person here is down to financial aspects and a clean and tidy work environment. That is the black and white side of it. Another reason people stay is the job interest - we are not making nuts and bolts."*

In summary, Case 1 operated to traditional engineering values (employing time-served craftsmen and traditional apprenticeships) in pursuit of a visionary product and marketing strategy. Values directed at human interactions were grounded in expectations of self-sufficiency, mutual trust and respect. The organization was informal, independent, individualistic, creative, customer-focused and competitive. Although it made specialist machinery, its real 'product' appeared to be design innovation - a business ethos that was fastidiously galvanized into a set of operating beliefs and values.

#### ***Approach to HRD:***

Case 1 seemed content that its informal, needs-driven approach to HRD mirrored organizational beliefs and values. However, whilst organizational skills requirements

appeared adequately served through a 'suitable' recruitment and training policy (buy in qualified craftsmen and other expertise, and satisfy any T&D needs on the job as and when they arose), there is evidence to suggest that Case 1's ad hoc approach to HRD was not sufficiently supportive of the levels of creativity and competitiveness that it aspired to in line with organizational beliefs and values. For example, the management team neither worked nor learned together as a team, and there was no obvious intervention to assist the purchasing & design manager's request to develop his design expertise. Potentially, this was a significant omission for not only did Case 1 forego an opportunity to coincide the pursuit of a personal goal with an important organizational value, but it also lost existing skills capacity when the purchasing & design manager left the company (the technical manager hinted at this denuding of organizational capability during the final site visit on 2.4.98, saying "...with the added complexities of more and more varied projects, the system of procurement from drawing through to finished product was under stress and failing on occasions").

Case 1's commercial and product environment, and the backgrounds and perspectives of the MD and the technical manager, were seen as primary influences in shaping the organization's HRD approach. An engineering environment had influenced Case 1, and had also shaped the experience and expertise of its owner/managers. This meant that HRD was bound by the needs of *engineering* tasks, individuals, and work arrangements (formal and informal) and as such had to be specific to an engineering environment. The MD and the technical manager recognized this, but had neither the time nor more particularly the HRD expertise to know what to do and how to do it. So, they relied upon 'traditional ways' as that is what their formative professional experiences had taught them worked best. The 'nudge' to the technical manager about a learning log for the apprentice does, however, indicate that Case 1 was willing to try out new HRD processes provided they were simple, informal and seen as genuine 'help' rather than unwelcome interference - on the basis, perhaps, that help is defined by the person being helped not the helper (Mumford, 1997).

### ***Organizational learning:***

Case 1's learning system was informal and characterized by tacit/individual knowledge. In terms of DiBella et al's (1996) typology of organizational learning styles (Appendix 2), Case 1 mostly matches the statements at 'rugged individualism'. There are also elements of 'techno-analytic' in its makeup as the organization had a 'design/make' focus and showed some concern over process efficiency as well as product effectiveness. The main reason that



Case 1 did not have a complete techno-analytic learning style may be due to a preference for the development and dissemination of knowledge internally and informally. Case 1's learning system was, however, not effective as there was a breach in its learning capability. The technical manager referred to a 'gap between mathematics and what actually works' - a gap the purchasing & design manager described as a 'void which he tried to understand'. This gap/void may be a subconscious symbolism of Case 1's learning system, whereby 'mathematics' is representative of explicit/collective knowledge, and 'what actually works' representative of tacit/individual knowledge in Case 1. In organizational learning terms, the purchasing & design manager's and the technical manager's reflections may be translated as: 'I know how to describe what should work and why it should work, but what does work is different from that, and I can't describe the how and the why of that'. Case 1's ineffective learning system was reinforced by an equally ineffective approach to HRD. In effect, Case 1 was a knowledge-hungry organization that didn't know, and had inadequate ways of knowing, what it knew.

***Formality:***

Formality in Case 1 seems confused and confusing. The results of the formality questionnaire indicated that formality levels had decreased over the preceding twelve months. There are, however, several comments by individual members of the management team that growth of the company would necessitate more formality, with an implication that formality would occur naturally as a consequence of growth. If growth was planned and it was also recognized that growth meant increased formality, why was formality not planned too? Or perhaps it was, but not perceived as formality. There may be some clues in the technical manager's assertions that they had "*deviated from formality to control*" and that "*internal changes and growth have caused a less structured regime of doing things.*" On the other hand, he also said "*we are beginning to be more formal on paper but interactions are flexible*", which may have meant the same as deviating from formality to control. These observations may be symptomatic of Case 1's dilemma as to whether it should relax or step up formality to enable controlled growth, symptoms which have shaped an analysis of formality in Case 1 as confused and confusing.

***National HRD:***

Case 1 favoured simple and informal systems, but its organizational learning and

development needs were bespoke and complex. Even if Case 1 had been disposed towards participation in N/HRD, which the technical manager considered was too formal, it is questionable whether such programmes would offer an appropriate balance between informality and formality, simple yet effective mechanisms for collecting and processing tacit/individual knowledge, and effectiveness in connecting with and speaking to the 'background of Case 1's product'. Even an enthusiastic tilt at the DTI's SMART scheme was thwarted by what Case 1 perceived as a set of confining and bureaucratic participation criteria.

***Leadership style & influences:***

The two most influential characters in shaping Case 1 were the MD and the technical manager, with the former playing a visionary/sociable role to the latter's deployment of a 'colder' mathematical/analytical capability. This seemed an effective alliance crafted from a base of mutual respect and understanding. The two men were of a similar age and of almost parallel professional and educational backgrounds. Both had in the past lived and worked overseas, which could account for Case 1's atypical overseas performance and aspirations. Both were 'time-served' qualified craftsmen who favoured a practical above a theoretical engineering education. The technical manager had a first degree in metallography, which he acquired after vocational training and work experience, a personal development sequence that mirrored his belief that practical application should precede theoretical understanding. Both men argued strongly for organizational informality, were cynical towards most government schemes and saw all organizational phenomena in Case 1, including HRD, in an engineering and product context. The technical manager frequently claimed that "*everything is done against the background of the product.*"

The MD thought he might be seen as "*a soft touch*" by the younger employees believing that older workers had more respect for their employers. He also explained that he had stopped communicating everything to his workforce as they were not comfortable with this amount of information and wished to retain "*space*" between them and management. The MD, who described himself as a "*liberal*", said he found this movement "*a little distasteful*". If, then, he was prepared to compromise a personal principle and bow to subordinate pressure, was this a demonstration of leadership flexibility or weakness? Somehow, the MD did not come over as a weak man, nor one who would readily capitulate for the sake of an easy option. He seemed an equitable, phlegmatic yet sensitive character

who led by regularly walking his 'lived-in' work ethic on the shop floor. Although generally a more vociferous and irascible personality, the technical manager commanded a similar respect due to his profound industry experience and expertise. In summary, it seems that leadership in Case 1 was transmitted by the 'presence' of one or two individuals rather than delivered through the collective wisdom and direction of the entire management team.

***Evolution & growth:***

Significant growth was driven by a pride in product/design innovation and a need to establish new overseas markets. But, Case 1's design and marketing capabilities were developed to a level that were not sustained through effective organizational processes or a cohesive management team. Unsustainable growth was further compounded by inadequate HRD expertise and learning processes that might have led to improved organizational processes and management capability. Case 1's growth pattern was a paradox of strength and vulnerability, whereby innovation and visionary leadership were offset by a complex set of circumstances evolving from an overplay of these inadequately supported strengths.

***'Against the background of the product':***

This metaphor represents Case 1's primary culture perceived as a both an input to and a product of the foregoing conclusions. The metaphor reflects a phrase regularly used by the technical manager. It is positioned as significant of Case 1's core value - market reputation in design/product innovation - a value frequently encountered during site interviews and observations.

**6.9 Summary of Chapter 6**

Chapter 6 has reported the research in Case 1. The programme of work has investigated its HRD approach, views on N/HRD, formality and other relevant issues, such as an organizational focus on design/product innovation. Case 1's approach to HRD is shaped by traditional engineering values and needs, located in rather entrenched owner/manager perspectives. The appraisal of Case 1's HRD needs/approach (Table 13, page 126) seems to constitute a significant barrier to its participation in N/HRD. Furthermore, it is thought that this situation would have prevailed, even assuming that Case 1's management could have modified personal views towards N/HRD. Evidence has been presented in the chapter to

suggest that the reason for rejection of N/HRD programmes lies within views of what Case 1 needed HRD to be, and that this was not compatible with N/HRD. Unfortunately, Case 1's HRD needs as stated were more aspirational than operational. Espoused beliefs, values, markets and products - although mobilized operationally - were not appropriately transmitted to the HRD approach and learning processes in place. Typically, these were informal, individualistic and introspective. But it is not thought that a lack of HRD understanding/expertise *per se* was a significant contributory factor to its firm stance on N/HRD, just that it prohibited the development of HRD to satisfy Case 1's stated agenda - one that did not include N/HRD.

Chapter 7 reports on the research in Case 2, the security and telecommunications organization.

## **CHAPTER 7**

### **CASE STUDY ORGANIZATION TWO**

#### **(Security and Telecommunications)**

#### **7.1 Organizational Profile**

Case 2 is a family business founded in 1985 by the present MD and sales & marketing director, who are brothers-in-law. There are two other directors, both of whom are related to the MD. The sales & marketing director, who has additional responsibilities towards HR and quality assurance, was the main research contact in the organization. On initial meeting with him in April 1996, Case 2 had around 70 employees, operated nationally out of four sites to include a head office in the Wirral. Until 1996, Case 2 was heavily dependent upon one large corporation for its business. Enforced change came when this customer turned in unexpectedly low half-year profits and suspended trade with several of its regular suppliers. The sales & marketing director described the impact of this as:

...a shock that allowed us to take a step back and look at the overall picture – we were a bit blinkered relying so much on one customer. Overall the incident was a catalyst and a valuable learning experience.

The programme of rationalization and market expansion that followed in mid 1997 restructured Case 2 to an employee base of just over 50 operating from three sites: one in England (Northern and Head Office); one in Scotland (Scottish Office); and another in Wales (Southern Office). This programme also entailed a change of trading status from a limited company to a PLC and an integration of its four divisions (Alarms; Telecom; Access Control; and CCTV) under a new corporate name, with separate branding of the four product lines. The sales & marketing director explained that they aimed to give the impression of a much larger organization capable of nation wide coverage, and to get away from the prevailing image that Case 2 “*just installed and maintained intruder alarms.*”

Case 2's evolution was significant to the skills and development needs of the workforce, and the organization itself. The sales & marketing director admitted that Case 2 had limited knowledge and expertise in CCTV in particular, an area that was seen as especially important for future growth. He was mindful that the changes would mean considerable cross-training for approximately 30 engineers and supervisors in all aspects of

their products “to a reasonable level in order to maintain customer confidence in the new corporate image and operational policy.” This held, “a huge challenge on the HRD front” - a challenge which the sales & marketing director was not clear how to confront. Despite recognizing that the workforce and management team needed to acquire different and integrated skills, he said, “Small firms tend to employ people with the skills already in place so that they do not have to train them - the main reasons for training being motivation and morale.” The sales & marketing director managed a small training budget some of which had gone towards external courses for the management team.

**Figure 18: Case 2's Executive Management Team**

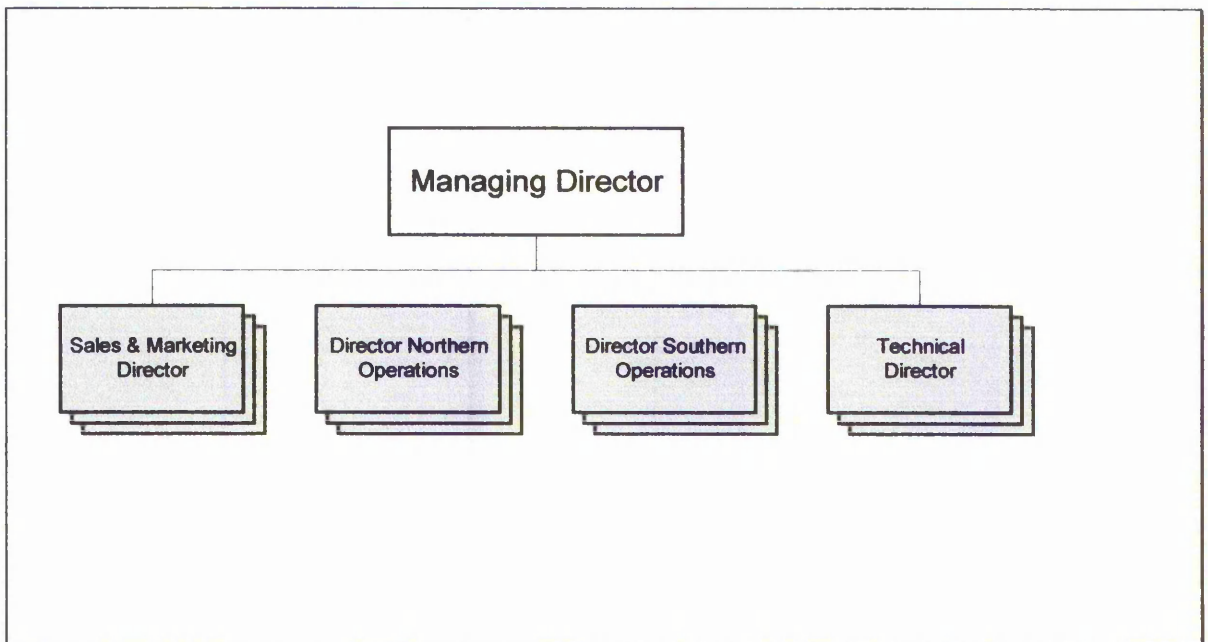


Figure 18, above, shows the executive management team. The MD, sales & marketing and technical directors were based in the Wirral (Northern and Head Office), the director of southern operations in Wales, and the director of northern operations divided his attention between the Wirral and Scotland. Accessing the MD proved difficult and after several aborted scheduled attempts, just one impromptu interview was achieved. It was not possible to interview either of the two operations directors, or the technical director. The sales & marketing director thought a request to interview all the directors together about Case 2's HRD approach amusing, offering the following three suggestions as to what he believed they would say: “that's (the sales & marketing director's) job”; and “we need people working



*five days a week*"; and *"I wish we could inject their brains with knowledge overnight so that it wasn't disruptive to work"*.

In comparison to Case 1 where a traditional apprenticeship route was favoured, Case 2 had one young field engineer participating in a Modern Apprenticeship (MA) in Telecommunications. Experiences with this MA are described in the chapter. Personal development plans (PDPs) were discussed (though not generated) with all Case 2 head office employees (around 20 people, excluding field engineers) during individual appraisal interviews with the MD in late 1996/early 1997. Employee consensus was that this was a successful and worthwhile exercise which achieved a positive, if transient, effect on morale and communication. The interviews were a direct result of the local TEC's intervention with Skills for Small Businesses (SfSBs) - a N/HRD initiative that had been mentioned to the sales & marketing director during the preparatory survey in 1996.

At the time of the final contact with Case 2 in May 1999, the sales & marketing director was endeavouring to introduce consistency into the now annual appraisal system. He explained that the MD was currently doing the appraisals, and was concerned to note that, despite positive feedback from the staff about *"people communicating openly with the MD"*, he (the MD) was not sharing any feedback with the sales & marketing director. When asked why this might be, the sales & marketing director just replied *"capricious"* - not the first time he had described the MD this way. Generally, the sales & marketing director appeared frustrated by his thwarted efforts to muster up a universal management commitment to what were by then pressing T&D needs.

## **7.2 Overview of Research Agenda in Case 2**

Appendix 27 shows a timeline of the main research events/contacts in Case 2. In summary, the research comprised: a postal questionnaire; eight site visits (plus 1 aborted visit); and around 15 other contacts by telephone, letter or fax. Five site documents were collected from Case 2 during the field visits (see Appendix 11). All of these documents were in the public domain, but access was denied (by the sales & marketing director) to any notes relating to the MD's first round of appraisals with the staff. It is thought likely that information gained during these interviews was used to identify potential candidates for 'restructure' during Case 2's change programme in 1997. The sales & marketing director explained that these interviews took the form of *"an open conversation about relationships, inter-departmental effects, and generally looking for information about what was going on."* One of the

employees interviewed revealed that, during her interview with the MD, she offered a view about the suitability of a colleague to perform a particular role, the upshot of which was that the individual was removed from her position and put on filing duties. The MD had apparently made the interviews an opportunity to find out what people thought of their work colleagues.

In addition to conversations with the sales & marketing director - the main output of which is embedded within the arguments throughout this chapter - interviews were conducted with four head office employees, the modern apprentice, and the MD. The interview with the MD was also attended by the sales & marketing director who maintained a passive but watchful presence. The next three sections summarize the interviews.

### **7.3 Semi-structured Interviews with Head Office Employees (27.2.97)**

The main purpose of these interviews was to obtain employee perspectives about the introduction of Case 2's appraisal and personal development planning process. Four employees, chosen by the sales & marketing director to the researcher's 'broad specification', were interviewed separately. Discussion with each revolved around the following questions, which were constructed by the researcher and sales & marketing director jointly. The way in which the questions are phrased suggests that PDPs had actually been developed, but, as the interviews imply, this was not the case.

1. What has happened with regard to your PDPs since your interview with the MD?
2. What have been the benefits of your having a PDP?
3. What have you found difficult or frustrating?
4. Where do you think all this will lead?

Feedback with the sales & marketing director took place immediately after the interviews, as he was keen to understand more of how employees perceived the process. The occurrence of the MD interviews was a significant milestone in Case 2's evolution, as, on the MD's own admission, it was the first time ever that he had actively sought any kind of dialogue with employees. If considering ethics in the HRD function (Harrison, 1997; Stewart, 1998), the MD's motives and methods might be thought questionable, but the event heralded a new pattern and era of communication in Case 2 and, perhaps, signified an important turning point in its development as an organization.

### **7.3.1 Interview with the credit controller:**

'Linda' had worked for Case 2 for about two years and described her role as "*in charge of anything to do with invoicing matters.*" Having previously experienced a much more formal and structured working environment within a multinational corporation, she said that coming to work for Case 2 "*was a bit of a shock.*" Linda reports direct to the MD and explained that nothing had really happened regarding her T&D since the appraisal with him - the main change being that he was now "*more approachable.*" She said:

I don't think we gained anything from the appraisal, but he did listen... I was comfortable with the appraisal, we were listened to, but the main problem is that we got no further meeting or comments on what the management thought about our performance.

Linda said that she would put two main development needs on her PDP: training in county court procedures, and how to use the computer to better effect in her job. She then suggested that the former could be satisfied by talking to someone with knowledge of how the courts work; and the latter, by a Case 2 employee who has good knowledge of the computer system, adding that she would be willing to stay after work to receive computer training. When asked how she believed that training in these two areas might improve her own and Case 2's performances, she was able to cite very clear and specific benefits. She then explained that she found not having a job description frustrating as on first starting with Case 2 she "*needed to clarify the process more.*" For example, when reporting aged debt to the MD, he gets cross if he thinks that Linda should have referred to him earlier; but nothing is written down and nothing is clear for her to know at what stage a debt should be referred. Linda explained, however, that things are better since she became "*emotional*" in front of the MD after he had shouted at her, but that she wants to take more responsibility and a job description would "*ringfence*" this for her. Linda does not know what will happen with regard to her T&D. Nothing has happened so far, there are no set procedures and no structure for clarifying responsibilities. The MD has told her that she *is* a manager, but no one seems to know this and as a result Linda sometimes finds it difficult to get others to do things. She added that she was disappointed that suggestions for improvement are not acknowledged.

### **7.3.2 Interview with the assistant credit controller:**

'Carol' reports to Linda and has also been with Case 2 for about two years. Despite previously working at the bailiff's office, she claims no actual experience in county court

procedures as she was a “junior” there. She too expressed disappointment that “nothing really” had happened since the interviews with the MD (except that they were all “swapped around”) adding, “what is the point of saying what you think if you are then going to be ignored?” Carol explained that there had been several redundancies after the interviews and people were making an association between the two. She felt that the main benefit of her having a PDP would be to identify her strong and weak points, claiming that “better technical knowledge” would enable her to improve in her job. Carol was frustrated that nothing had been done about T&D, saying “we need training definitely”. There had been no sharing of knowledge or ideas since the interviews, and she was unable to offer a view as to where the process might eventually lead.

### **7.3.3 Interview with the service administrator:**

‘Joy’ came to Case 2 just over four years ago as a YTS candidate and Case 2 has been her only employer. She explained that her role entailed taking the fault reporting and service enquiry calls, and then notifying an engineer. Joy believes that the interviews with the MD have changed the organization by making it “...more efficient.” She said:

As a direct result of the MD listening, the office has been reorganized and improved. Everyone is now more aware of who they report to and are more focused on what to do, and it has cut the noise levels down. There is now one manager per section, so staff know who to go to. Before there were too many chiefs and not enough Indians.

Joy claimed that her interview with the MD made her feel better about her job, because he commented on the way that *he* felt. She added “before it was a them and us and now it is them listening to us.” Joy confirmed that “nothing has happened on the training side.” She too believes that having better technical knowledge of the job would allow her to “give more to the department”, and that a PDP would instill confidence because, if she can improve herself, she can help improve the company. Joy said that she has her own PDP “of sorts”, and explained that “I like to try new things, read up about things, find out things for myself and ask lots of questions.” Believing that an office needs to “feel good to work well”, Joy went on to say:

You only ever hear when something has been done wrong - a thank you would go a long way when things are going right. We haven’t had a pay rise for two years. The pay doesn’t reflect the effort that people put in. But we have come out from under a cloud. Now we know who to talk to, once it was being sent around in a circle between four or five different managers and then back to the one you

spoke to first.

Joy doesn't know what will happen now, but on a personal front her own supervisor has told her that she could easily run the department. The sales & marketing director has intimated that she is capable of going further, but:

Most women in (Case 2) who have ambition just look on the job as a way of getting experience, as a stepping stone until something else comes along. There is not a lot of feedback, and staff matters tend to get put aside. This may be why we haven't had a pay rise for two years, as it got overlooked and was then too late to implement. It's amazing how little upstairs - the Ivory Tower - knows about what goes on downstairs, even though it's only a few feet away.

#### **7.3.4 Interview with the installation manager:**

'Neil' has worked for Case 2 for six years and has eight engineers and a false-alarm manager working to him. He said this about the interviews:

Things got better almost immediately after the MD appraisals, but the approachability is now going back to what it was. The process helped to allay my job security fears - as it did for many people. Things are drifting back through a lack of communication, whispering in corridors. People are quick to say when something has been done wrong, but there is not enough praise. There used to be regular management meetings, no agenda or anything, but these have also lapsed.

Neil would like man-management training - specifically how to deal with difficult situations and people. He is frustrated by the way everything is reactive, saying that "*it's drop what you are doing, we've got this on now.*" He would also like more training on the computer system and would be prepared to go to night school if the company would meet him half way on the cost. Neil is unable to say what will happen now, but he would value "*seeing a training plan through - to see something from it.*" He hopes the interviews will lead to this as, "*we are always saying that it is going to happen, but it never has.*"

#### **7.3.5 Feedback session with the sales & marketing director:**

Feedback, although specific, respected respondent anonymity. There was nothing really unexpected in the feedback for the sales & marketing director, but he decided to look at some of the suggestions made for staff development because he could envisage how such relatively simple interventions might promote an "*immediate pay back to the business.*" He was less receptive to the idea of pushing ahead with job descriptions, stressing that "*they are not priorities with no immediate cost saving to the business, but we will get there in due course.*"

The notion of 'getting there in due course' is interesting. The installation manager alluded to Case 2's continual journeying without arrival: the technical manager in Case 1 also made explicit reference to his organization 'getting there in the end', and Case 3's development manager often spoke in similar terms. It is possible that the process of continual journeying without perceived arrival may be a small-firm phenomenon - a sign of the level of uncertainty felt by them, perhaps. Or is perpetual travel equally applicable to larger firms? If so, large organizations may though have more clarity about, and control over, the journey and its ultimate destination. The notion of 'getting there in due course' may be an attempt to understand what is known tacitly in a small organization about its own particular stage or pattern of evolution; or it may just be a way of offering encouragement - a kind of metaphoric pat on the back.

### **7.3.6 Critique of the interviews:**

The interviews indicate that Case 2 employees are keen to have their T&D more formally planned and implemented, and that they have a clear understanding of how this might benefit them as individuals and the organization as whole. They appear willing and able to identify ways of meeting their development needs, and are prepared to commit personal time and resources to this. Despite the MD listening to his employees' T&D needs and personal commitments to development, nothing happened. There are now signs of frustration, and it is possible that staff commitment could turn to discontentment if the appraisal process continues to generate unsatisfied levels of energy and enthusiasm. This is summed up by Carol who wanted to know what was the point of saying what you think if you are then going to be ignored. There is evidence that the MD is capable of exchanging feelings as well as information with his employees - telling Joy how he felt about her role, and responding positively to Linda's self-confessed emotional outburst, for example. Many commentators believe that sharing and matching feelings in a controlled environment (French & Bell, 1990; Laborde, 1987) is a way of creating empathy and rapport, and generally improving communications. The MD's sharing of 'self' with his employees was probably a mammoth step for him. So why, then, did the communication process come to an apparent halt? Why were employees left wondering where it would all lead? Discussion of the interview with the MD further on in the chapter offers an explanation.

The feedback session with the sales & marketing director provides an insight into what might constitute an acceptable HRD intervention in a small organization. The main



characteristics being:

- there is a highly tangible/visible and immediate business benefit;
- the intervention itself is simple, internally located (supported by internal expertise and/or ready access to expertise) and made with as little disruption to normal work patterns and routines as possible;
- it incurs as little financial cost as possible.

For example, the credit controller could seek information herself about county court practices from Case 2's solicitors over the telephone; and technical/product knowledge could be provided informally to small group(s) of head office staff by an experienced service engineer. On the other hand, the more involved process of developing job descriptions did not fit any of the above criteria and was, therefore, rejected.

#### **7.4 Structured Interview with the Modern Apprentice (7.11.97)**

This interview was conducted using prepared questions given to the respondent beforehand. Appendix 28 shows the interview questions and a summary of responses. In reporting this interview, the apprentice is called 'George'. Conclusions about the MA from this interview are discussed along with Case 2's general views and experiences of N/HRD further on in the chapter (section 7.9).

#### **7.5 Unstructured Interview with the MD (6.2.98)**

The main aim of this interview was to seek the MD's perspective on the appraisals carried out twelve months previously. The MD was so pleased with the outcome of the staff interviews that he decided to make them an annual event and, in January 1998, directed the researcher (via the sales & marketing director) to design "*a simple form on one side of A4 paper*" to help manage the process more effectively. This form is reproduced at Appendix 10. Although it was not feasible to capture all the requisite elements on a single side of A4, the MD was content with the form. So, a further aim of the interview with the MD was to discuss design of this form. Before going into the interview, the sales & marketing director advised that the MD "*still just wants a form*", and that he (the MD) intended to review around 45 people across all the regions personally using the new form. After a brief introduction by the sales & marketing director, the MD quickly proceeded to explain that his

*“formula”* for conducting staff appraisals was to ask:

1. How are you?
2. How do you relate to each of the staff working with you?
3. How do you feel about things such as pay, holidays, sickness and vehicles?
4. What do you feel about me (the MD)?

The MD indicated that the interviews were *“useful”* because the process enabled him to clarify misconceptions about company systems, identify people *“who weren’t pulling their weight”*, obtain feedback about himself, and allow him to arbitrate between any manager/employee disputes. When asked what sort of personal feedback he had received, the MD laughed, explaining this could be summed up in the words of the person who had suggested that *“It’s like walking on broken glass dealing with you.”* The MD went on to say that *“I found out a lot about the business and it made me re-evaluate my attitude and demeanour with staff. I’ve changed - a little.”* The MD confirmed his brief regarding the form for the imminent round of appraisals by saying *“just give me a form”*, as he wanted to formalize the approach taken last year to save him having to write up lots of notes. The MD explained that the employee and line manager would complete an identical form independently of each other and then submit them blind to the MD for him to perform the interview. He confirmed that the main purpose of the meeting was to *“seek staff views on a number of company issues on a one-to-one basis.”* When asked about the identification of T&D needs, the MD responded:

Training is important but peoples’ employment terms and conditions are far more important. Training has never really been developed in (Case 2) as it’s lost time. Training is a balance between the costs of running a competitive business. We are not Unilever, we can’t afford to take people away from their jobs.

...which probably explains why nothing had happened following the initial round of appraisal interviews. Both the MD and the sales & marketing director, however, agreed that T&D which involves minimal disruption, such as on-the-job training and a sharing of internal expertise, is valuable. The MD then reinforced a concern raised by the sales & marketing director - that once trained, staff might leave the company. He was, however, keen to explain that they do some training, citing George’s MA and eleven people attending college in the evening as examples. He added that evening college attendance *“...is done in their own time and doesn’t cost us anything in real terms, and brings about bonding - they all go to the pub*

afterwards.” Paradoxically, the MD admits that he is nervous about an untrained workforce as the “*business liability is greater with them*”, and explained what could happen if a trainee wired a security system incorrectly in a warehouse containing £3 million of tobacco.

He then described how staff are assessed and graded not only on technical skills but also on social skills such as integrity, flexibility, communication and customer service. There is an emphasis on the softer skills because as the MD put it, “*when you are in someone’s home or place of business, it is an intrusion and a skilled engineer can disarm people very quickly.*”<sup>10</sup> Having been a field engineer himself, the MD understands the business very well from this perspective, so when he receives a thank you or praise letter, he publishes it to all Case 2 employees as a model of good practice in the field. This claim seems to contradict employee opinion about a lack of thanks or recognition when things go right, but the MD gave the following example:

An engineer was on a job and called over to assist a non-(Case 2) customer with a troublesome alarm. Now the engineer could have said no, it’s not our customer, but he didn’t, he said okay, I’ll have a look. He fixed the problem and recorded his action for his log. We didn’t send them a bill, but the company wrote to us to say thank us and we are now tendering for a multi-site contract with them. If we are successful, I will publish the story and reward the engineer.

He summarized his thoughts on engineer competence by saying “*The best engineers have both technical and social skills and they are reliable and trustworthy. Formal training in soft skills is probably needed.*” The MD concluded the meeting by dismissing the notion of using the forthcoming interviews to identify T&D needs.

### ***Critique of the interview:***

The interview provided good insights into the MD as a leader of an organization over which he exerts a huge influence. An impression was gained that, when the MD speaks, everyone listens. Despite this somewhat authoritarian image - which he is possibly content to perpetuate - the MD seems not to take critical feedback personally, treating it dispassionately as information. Whilst there appears to be consensus that the MD did *listen*, his response to employee views was selective and, perhaps, dismissive - changing management structures but

---

<sup>10</sup> No pun was intended here in the word ‘disarm’ - the MD apparently meant ‘compensate for the intrusion’.

ignoring T&D needs, for example. However, the manner in which he engaged staff opinion about themselves, colleagues, and the organization, suggests that there may be a 'softer' side to the MD's personality. His interview 'formula', particularly the language used, indicates a person influenced by feelings in NLP<sup>11</sup> terms (Laborde, 1987). The emphasis the MD places on the importance of social skills seems to infer a concern for feelings. Or does it? The MD may have deployed the staff 'appraisals' in a focused and calculating manner in satisfaction of his own agenda to gain intelligence for improved organizational performance, with staff welfare and development figuring as secondary considerations - if at all. Whilst there may be nothing strategically nor ethically wrong with this *per se*, it is questionable how staff expectations of the interviews had been shaped. Interviews with them suggest that theirs was a different agenda, aimed at the identification and satisfaction of their own HRD needs.

A second point here focuses upon Case 2's dilemma of being unable to take people off the job for training, whilst appreciating the potential business liability of an inadequately trained workforce. Given the MD's views about T&D not being as important as peoples' terms and conditions of employment anyway, it is unlikely that he would champion T&D even if time and resource were not issues. The MD and the sales & marketing director hold similar yet opposing views on HRD: similar in that they both perceive training as disruptive to work and fear that trained staff may be poached by competitors; and opposing in that the sales & marketing director has come to appreciate more over time the strategic role of HRD, and would like to put effort into identifying development needs in line with business objectives. But the MD sees this as "*lost time.*" It is conceivable that this position causes some tension between the two, and may be a source of frustration for the sales & marketing director.

## **7.6 Formality Questionnaire in Case 2 (9.4.98)**

This section reports the delivery, results and analysis of the formality questionnaire conducted with the sales & marketing director during the casework 'exit' visit. Appendix 8 outlines the process for completing and analyzing the questionnaire.

---

<sup>11</sup> NLP stands for Neuro Linguistic Programming. It is a model of human interaction that seeks to understand and improve patterns of communication and influence within a framework founded upon principles of integrity, reciprocity and mutual respect.

**Results of the questionnaire:**

Appendix 29 reports the questionnaire results in Case 2 in the sales & marketing director's own words.

**Summary of formality questionnaire ratings:**

Box 10, below, summarizes the formality ratings shown in Appendix 29. A brief interpretation of the data follows. Further reflections on formality are contained within conclusions towards the end of the chapter.

**Box 10: Summary of Formality Ratings in Case 2**

<u>Formality Variable by Variable</u>	
<u>Variable</u>	<u>Rating</u>
Training and Development	3
Selection Process	7
Induction Process	7
Performance Appraisal/Review	8
Succession Planning	5
Reward and Recognition Systems	6
Employee Involvement Systems	2
Job Rotation/enhancement/enlargement	0
Communication Systems	2
Knowledge Management	3
Leadership Style	5
Power and Influence	6
Organization Structure	9
<u>Overall Summary of Formality</u>	
Current Formality Rating	4
Formality Rating 12 months ago	3

**Interpretation of the formality questionnaire:**

The mean average rating over the 13 variables is 4.84, slightly above that applied by the sales & marketing director as the overall current rating (4). There is no single modal rating, with one occurrence in both ratings 8 and 9, and two occurrences in each of the other ratings.

Case 2's profile seems less extreme than Case 1's. But like Case 1, Case 2 exhibits high formality in organizational structure and 'front-end' selection and induction processes, manifested by the content of Case 2's employee handbook. In summary, Case 2 considered it has: *high formality* (7 - 10) in Selection (7), Induction (7), Performance/Appraisal Review (8), and Organization Structure (9); *moderate formality* (4 - 6) in Succession Planning (5), Reward & Recognition System (6), Leadership Style (5), and Power & Influence (6); and *low formality* (0 - 3) in Training & Development (3), Employee Involvement Systems (2), Job Rotation/Enhancement/Enlargement (0), Communication Systems (2), and Knowledge Management (3). The current formality rating of 4 had increased from 3 twelve months previously, a shift the sales & marketing director attributed to the introduction of employment contracts and an employee handbook.

#### **7.7 Twelve-months-on Visit (17.5.99)**

The sales & marketing director reported that Case 2 had experienced its "*best year ever*" in terms of turnover and profit, as they had secured national CCTV coverage with a retail discount chain and are in final negotiations for similar business with two major petrol companies. The sales & marketing director said that these contracts will provide Case 2 with a "*foundation as a national provider.*" Despite the huge impact of all this on cross-functional skilling, there had been little movement in Case 2's approach to HRD since the last site visit. CCTV training for engineers has been provided on an "*ad hoc*" basis by the CCTV distributors as a "*paid add-on*" to their product. The sales & marketing director would like to make this training more formal and comprehensive, but, in adding that "*others disagree*", he once again alludes to the division of opinion between him and the MD about the role of HRD in Case 2. George was "*cracking on with his modern apprenticeship*", and the sales & marketing director was pleased with progress and its value to the company in terms of George's increased levels of confidence and competence. He also reported that his view about T&D in general had shifted from it being a "*nice to have*", to a "*need to have*" due to Case 2's greater demand for different skills.

#### **7.8 Summing up HRD in Case 2**

The sales & marketing director used the term "*ad hoc*" several times to describe HRD in Case 2. As there is little to indicate otherwise, it is reasonable to suggest that HRD in Case 2 is historically and predominantly 'ad hoc', although there is some movement in this position.



The appraisal process, for example, is perceived by both management and staff as a turning point in Case 2's history - a phenomenon alluded to by Joy as them having come out from under a cloud. Even though the system itself may not yet be fully understood nor developed, there is evidence that the appraisals facilitate direct dialogue and a sharing of organizational knowledge and 'feelings' between the MD and his employees. What is to say that this approach is potentially any less effective and motivational than the performance management processes prescribed by a variety of human resource commentators (for example, Armstrong, 1994)? On examining the discussion of OD advanced by French and Bell (1990), we might argue that the MD is applying a crude form of action research, with data gathering and feedback seen as essential ingredients: or even that he might be strategically engaging the tension between technical and human theories of control (Argyris, 1992) in his methodology. But how could the MD know how to apply these techniques? There is nothing to suggest that he may have acquired an explicit understanding of such matters. Is he consciously aware that he could be applying a 'technique' at all? The MD's management of the interviews appears mainly instinctive, directed by his experiences as a current owner/manager and former field engineer. There is, however, a focused determination in his behaviour here that seems too formal and orchestrated to have been guided by raw instinct alone. This may implicate, perhaps, a knowledge form peculiar to entrepreneurialism and small organizations that is neither wholly tacit nor explicit. Regardless of the MD's motives, the appraisal process seems to have generated false expectations in the minds of employees. If appraisal and by association HRD, is to attain a positive and credible status in Case 2, then individuals' T&D needs may need to be accommodated more formally and explicitly.

Even though the sales & marketing director stated on several occasions, that Case 2's growth and aspirations had a significant impact on HRD and that "*Utopia would be to have an engineer knowledgeable of all divisions of the business*", not much was done about this in terms of cross-skills development and the integration of organizational learning. The sales & marketing director also explained that cross-skills training would be to a "*reasonable level*", that he wanted engineers who can "*within reason, create customer confidence*", because they needed people working five days a week without interruptions for training. In September 1997, the sales & marketing director reiterated that HRD 'fall-out' needs of organizational changes had "*not yet crystallized, but tend to focus on the engineering side.*" The interviews with head office staff seem to concur with this statement. An overall picture emerges in Case 2 that neither field nor office staff receive adequate T&D. It may be that organizational

values in general and HRD perspectives in particular generated a situation of negative compromise, whereby confusion and hesitancy over what to do about HRD meant that nothing much was done. Then there is the issue of a difference of opinion about HRD between the MD and the sales & marketing director. Both see the new appraisal system and employee involvement as a way of bringing about change in order to further company objectives. But the two hold different philosophies about how to achieve this. Whilst the MD appears not to position reciprocal advantage as an outcome of exchanging information with employees, the sales & marketing director perceives the appraisal process as both a springboard for changing organizational culture and leadership style and a mechanism for addressing the development needs of individuals to sustain organizational needs. Case 2 may have a significant way to go on this, as by and large, employees are recruited to perform a narrow role with little scheduled exposure to wider experiences, although in reporting at the end of 1997 that *"we want to get the best out of people, we want people to have a different view of their roles, for example, everyone will have a responsibility towards selling (Case 2) PLC"*, the sales & marketing director may have acknowledged their exposure in this position. In April 1998, however, he seemed to contradict this point by arguing that changes of roles or duties *"...are not necessary as people would tend to be familiar with other jobs as we are a small company"*. This conflict may be founded in an assumption by the sales & marketing director that knowledge in Case 2 is shared informally and incidentally (Marsick and Watkins, 1997) amongst the workforce. But the employee interviews suggest that even individual knowledge bases may be underdeveloped and not yet capable of collective assignment - either tacitly or explicitly.

Training is seen perhaps more as a cost than an investment, and the possibility that an untrained workforce is a liability to the organization is traded off against an unacceptable 'known' variable - the disruption to work that training causes. Although the interview with the sales & marketing director in May 1999 indicates that his view has moved from HRD as a 'nice to have' to a 'need to have', he still has to convince management colleagues, especially the MD. As Case 2 has realized record turnover and profits, the sales & marketing director might find this challenging. However, ideas offered, such as the appraisal form and simple, job-skill training activities, seemed to be well received - which suggests that intervention with organizational limitations in mind may be an effective route into establishing an HRD presence in Case 2. Perhaps HRD outcomes, if anticipated and understood as part of 'business as usual', would be viewed positively.

There is evidence in Case 2 that seems to both support and refute theory relating to the contribution that HRD makes to small-firm performance (Storey, 1994). On the one hand, Case 2 employees are able to cite specific examples of how training could improve their performance. Whilst there are no empirical data in the study to support this, it is not unreasonable to think that the job-related interventions proposed earlier in this chapter could have *some* effect on Case 2's capability to contain costs (and, therefore, contribute to profit) through the improvement of inefficient working practices and eradication of errors. And then there is George's enhanced performance and contribution as a result of his MA programme. On the other hand, Case 2 achieved record turnover and profits, ostensibly without developing individuals to a level that might be construed as conducive to the demand for more advanced and integrated skills. At first, then, this might suggest that HRD has not made any significant contribution to Case 2's success. But, as Case 2 has survived for around 15 years, has grown and supported a workforce, and is now evolving into a 'national name', it could be argued that they must be doing something right. Relating this to arguments in Chapter 1 (page 2), it is reasonable to think that some of what Case 2 has done right to increase profits could be construed as 'developmental'.

### **7.9 Case 2 and National HRD**

Case 2 demonstrates a level of support for N/HRD through participation in programmes such as SfSBs and modern apprenticeships, but its regard for the whole ethos of N/HRD is, perhaps, one of resigned ambivalence - tolerating what is on offer as a convenience in the absence of anything better. In other words, if national programmes are readily accessible, match Case 2's immediate needs, and are adequately funded, then they are deemed to be acceptable. This perspective is similar to Case 2's view about HRD in general. Whilst not demonstrating any real hostility towards N/HRD, the sales & marketing director showed frustration at aspects of George's modern apprenticeship, and was irritated with some of the behaviours he encountered at the TEC and Business Link.

#### ***Experiences with Skills for Small Businesses:***

The outcome of Case 2's brief engagement (around six months from late 1996 to early 1997) with SfSBs is summed up in the sales & marketing director reporting "*...the benefits have come from the MD sitting down and talking to the staff across the board.*" Following these interviews and before going on the next stage - developing job descriptions - Case 2

disengaged from the programme, with the sales & marketing director criticizing the TEC for their keenness to “...get the paperwork off us to satisfy their performance statistics” adding “but they were as flexible as I wanted them to be”. Although the sales & marketing director was appointed as Case 2’s SfSBs ‘key worker’<sup>12</sup>, he received no development in this role. The TEC adviser explained that unless the sales & marketing director wanted to work towards a D22/D23 training qualification, they could not progress to the next stage. This is interesting as a former development officer of Case 3 was refused access to SfSBs, by the same TEC at around the same time, on the grounds that they couldn’t work with him to obtain a D22/D23 because he already held this qualification. Despite such anomalies, Case 2 appeared to get as much out of SfSBs as it wanted, arguably making the intervention contextually effective. As SfSBs provided a foundation for the evolution of Case 2’s appraisal process, it could also be argued that the intervention served as an important catalyst for change in the organization.

#### ***Experiences with the modern apprenticeship:***

The interview with ‘George’ (see Appendix 28) implicated three main issues. First, it had been very difficult to find a suitable college for George. The sales & marketing director had already relayed his experience of accessing a suitable course for George by saying:

...the fundamental problem with MAs is that there is not a sufficient demand for the more unusual ones and, therefore, most of the colleges don’t offer them. This makes MAs inaccessible in terms of the distance apprentices have to travel to more regionalized colleges such as Manchester.

He included security and telecommunications in his assessment of ‘unusual’, adding that by comparison, “there is always a demand for engineering apprenticeships.” This is interesting, as the technical manager of Case 1 indicated that not all colleges have the necessary equipment to learn engineering skills on, which both supports and challenges Case 2’s sales & marketing director’s views.

Second there appeared to be inadequate liaison between the college and Case 2, as the process seemed devoid of any reciprocal feedback on George’s progress. This was compounded by an absence of guidance from the college on how Case 2 might enhance on-

---

<sup>12</sup> A principal feature of SfSBs is that an employee in the organization is designated as ‘key worker’ and is then given the opportunity to work towards units D22 and D23 of the T&D NVQ with help from the TEC.

George's on-the-job learning, summarized by him as "*I could be wasting my time, doing it all wrong*". When the sales & marketing director was advised that George might benefit from a more structured pattern of feedback about his performance on the job, the sales & marketing director agreed that a lack of this from both the college and work could have a demotivating effect. He made a note to do something about it.

Third, the interview highlighted that there seemed to be inappropriate management of George's portfolio by both the college and Case 2. The process of evidence collection/portfolio building was managed in a mechanistic fashion that was neither properly understood nor supported by Case 2, which may be a subset of the previous point. The sales & marketing director suggested in an earlier interview (11.9.97) that George's portfolio was not a problem to him as the collection of evidence was meaningless in itself, but "*collecting evidence is not the problem, it's the day release. Ticking boxes is a minor bugbear, but it doesn't mean anything.*" It also seems that the evidence collection process may not been properly managed by the college, with students having to shame their tutor into reviewing their portfolios.

At a later date, the sales & marketing director indicated that matters had improved, starting with a visit by the college tutor to Case 2 in February 1998. He added though that he got an impression that the tutor was "*...satisfying his own needs rather than ours, the discussion could just as easily have been accommodated over the phone and not wasted our time.*" This was not the sales & marketing director's first reference to 'time wasting' regarding communication with the college, and by saying in September 1997...

When (George's) MA started in around June 1997, representatives from the college insisted on coming out to talk to (the technical director), which we both felt was a waste of time and could have been done over the phone. The college people just wanted a day out.

...he invites speculation as to how this initial visit may have determined the tone and pattern of ongoing communication between the two parties. Whatever the case, it is further evidence of Case 2's seeming preoccupation with what might be perceived as packaged convenience and easy options. The rest of this section builds upon the above by explaining Case 2's MA 'model', and how the sales & marketing director ultimately came to see value in the programme through George's enhanced performance and contribution at work.

### Case 2's MA Model

When asked to compare Case 2's MA with those at Appendix 30 based upon two models of delivery advanced by Armstrong (1997), the sales & marketing director suggested that their approach conformed to neither. He said:

Our contract is direct with the TEC whereby they pay us on a staged arrangement. The TEC has no contact with the college, who are a supplier to us. They invoice us for (George's) tuition. No one marketed the MA to us, I had to locate the right MA myself. I think they use the existing curriculum at the college as they are considered to be a centre of excellence for telecommunications training. The college is paid by us for services provided.

George's MA is organized around a direct customer/supplier arrangement, which the sales & marketing director instituted himself because the TEC and recommended training providers had been unable to find a suitable college. When asked why he thought this was so, the sales & marketing director replied, "*you tell me.*" Some time later, however, the TEC telephoned him to say that, as there was now a demand for a telecommunications MA from other organizations in the area, they too had found a college and could these other apprentices "*share a lift to college*" with George. The sales & marketing director refused, informing the TEC that he would stick with the college he had found. He then explained that, historically, locating apprenticeship training had been troublesome. During previous attempts to secure an appropriate MA for another apprentice, there was "*lots of toing and froing*" between the TEC, SITO (Security Industry Training Organization) and a training supplier. But because Case 2 only had this one apprentice, SITO would not support the MA college placement. The problem was resolved short term when the apprentice left Case 2, but the sales & marketing director explained that longer-term issues of suitable apprenticeship training remain. Whilst trying to arrange George's MA, he also contacted another broker - TELITO (Telecommunications Industry Training Organization) - but they too were unable to meet Case 2's precise requirements, which it seems sit somewhere between what SITO and TELITO might collectively offer.

The MA model initiated by Case 2 affords the organization considerable control over, and responsibility for, programme delivery and outcomes. The desirability of this state is arguable as under this arrangement, overall effectiveness relies heavily upon the quality of communication between the organization and the college, and what might be perceived as the natural ability and motivation of the apprentice. The sales & marketing director explained that George was "*a bright lad*" whom he believed would "*be very competent when finished.*"



He had, however, a major concern about the length of time it took to complete an MA and wished that the programme could be shortened. In September 1997, he said:

Three years is too long to commit to day release. It might come to the point where we have to say to (George) that we need him to work five days a week.

*MA outcomes reported in May 1999*

Two years on, however, the sales & marketing director's faith in George's ability and commitment to his development was reaping organizational benefits. George was doing more data cabling and the sales & marketing director aimed to alter his college options to cater for this at the start of the new term. As he did not anticipate any problems in doing so, it suggests that the sales & marketing director had greater confidence in the effectiveness and flexibility of the MA programme. He also reported that, apart from administrative aspects of George's MA, Case 2 had no contact or dealings with the TEC or Business Link, claiming that all the TEC appeared concerned about was "getting the forms in." Apparently, they had not enquired about the quality of the MA process for either the apprentice or the organization. The sales & marketing director concluded, "they get paid for an MA on a programme and the objective is to keep him there and to get the forms filled in."

***Experiences as a prospective New Deal Employer:***

In early 1998, Case 2 signed up as a prospective New Deal employer and appeared in the national television advertising campaign. When asked how useful he felt the scheme might be, the sales & marketing director said:

It all depends on the calibre of people that come through. It must be the same pot of people that are out there already. But we will see.

By April 1998, Case 2 had a number of applications and the MD was arranging interviews for two trainee engineers and an office junior. The sales & marketing director had the following to say on what he had gleaned from the local business community about the New Deal:

I think it is still fairly low profile. My impression is that we will wait and see - reserve judgement. We in (Case 2) haven't created more jobs because of the scheme, we need them. Employers might be more receptive to the New Deal if the scheme were introduced as a six months trial for employers rather than the employee being taken on as a proper employee. Like me, other local business people are sceptical that the scheme will help unemployment in the longer term.

In May 1999, the sales & marketing director reported that Case 2 had not become a New Deal employer, explaining:

Last year we were quite keen, but when we contacted the Employment Service for prospects the CVs coming through were irrelevant and pretty useless, not quality applicants. For example, we asked for a secretary and the CV that came through had lots of spelling mistakes. I took them (the ES) to task about the matter. They were apologetic, but it was too late. It's all about statistics and not quality.

Case 2 seemed disappointed at its New Deal experience, but the organization is located in what was then a Pathfinder area and, as such, the scheme was being piloted. Nevertheless, there may be some validity in the criticism regarding the quality of the Gateway process, as arguably, a CV containing spelling errors should not be allowed (by the ES) to go to a prospective employer - particularly given the role that the applicant was seeking to fill. It is interesting to note Case 2's views about taking on New Dealers as 'proper' employees. A major feature of the New Deal employment option is that participants leave the unemployment register, become employees of the employer providing the vacancy, and are handled in accordance with that employer's existing procedures (DfEE, 1997b) - thus, becoming 'proper' employees. The views of the sales & marketing director possibly represent a misconception about how the New Deal differs from other national work experience/placement schemes, and a lack of confidence in New Deal processes and prospects. The view also implicates commercial self-interest above a sense of social concern, thus placing employer motives for engaging in the New Deal at potential odds with national aims for the programme. Whilst not proposing that employers adopt an unbridled nationalistic perspective, it seems that narrow employer perceptions such as those described here may take a substantial amount of reshaping. Even the £60 a week per employee subsidy appears not to be sufficiently 'convenient' to connect with Case 2.

***Views about TECs and Business Links:***

Case 2 has mixed views about these agencies. On the one hand, the local TEC and Business Link are seen as a convenience; on the other, with suspicion and cynicism. There appears to be a strand of 'forgiveness' between these two positions. One that may help Case 2 to rationalize its continued association with the TEC and Business Link. An incident recounted by the sales & marketing director in September 1997 illustrates this:

A lady from CEWTEC made sense of it for me by giving an overview of all that CEWTEC do and by

explaining the local TEC/Business Link relationship. It all slotted into place for me, and I am now thinking of allowing a TEC PBA to support me in building up some marketing expertise. I hope that the John Harvey Jones approach has now gone. But we shall see.

This rapid swing between feelings of trust and mistrust seem to typify Case 2's interactions with the TEC/Business Link. Perhaps this is a sign of how the MD's personal tendency towards capricious behaviour influences Case 2. What is interesting is that the detail given to the sales & marketing director about the CEWTEC/Business Link relationship differs significantly from the constitution presented by CEWTEC's IIP manager in January 1999. Furthermore, both versions are variations on how Case 3's development manager (a former CEWTEC employee) explained the relationship. There is no evidence of a partnership ethos in Case 2's dealings with the TEC or Business Link, nor any expression of Case 2 wanting one. Perhaps treating these agencies as a convenience is Case 2's way of dealing with perceived bureaucracy. The sales & marketing director said:

At the moment, private training suppliers are easier to access than government sponsored schemes. With private suppliers you can just pick up the phone and get someone placed on a course.

and:

Ideally we would like the TEC to come and see us and say 'what would you like, how would you like training?', and then tailor it to our needs. The TEC can only help through funding.

Taking the two comments separately, it might seem that the sales & marketing director has contradicted himself, but together, he could be arguing that: 'we would like the TEC to arrange bespoke training for us, but as that is not easily accessible to us, we opt for packaged convenience instead, and use the TEC to pay for it'. The sales & marketing director also expressed concern about how the TEC communicated with him, saying:

The language of the TECs isn't the language that I speak. If a load of TEC people are in a room together, you can't understand them. For instance, SME grant. For me I need to understand what this means. Is it up to me to find out? I want to be spoon fed. Tell me how much I can get and where to sign.

This point is revisited towards the end of the next section about IIP.

#### ***Views about IIP:***

The sales & marketing director remained consistent in his views about IIP over the research period. In 1996, when asked in the survey questionnaire 'What specific reservation(s) might

your company have about IIP?', he responded "*Time/costs involved in achieving a standard that may have little or no benefit to the employer or employee.*" Nothing of any real consequence was added to this appraisal during the case-study work until the final visit in May 1999, when the sales & marketing director was asked directly how Case 2's views about IIP might have changed. He said:

No, not a need, a nice little badge to have, but like so many small businesses, not much use unless the need arises.

When asked what might constitute a need, he replied "*If it were a customer requirement.*" The sales & marketing director went on to explain that, personally, he sees the benefit of how IIP might create involvement and promote culture change, but:

Culture is driven from the top of the pyramid, which in our case is about 15 feet away... (counting the number of floor tiles between his and the MD's office)...he would say, 'why, what's the point?', probably because the result is intangible without a guaranteed financial reward. Small businesses need to focus on critical issues to survive.

In addition to offering a further illustration of how the sales & marketing director's and the MD's views on HRD differ (and how those of the MD seem to prevail), there is something more fundamental here. If, because of limited resources, external pressures and a host of other factors, SMEs *do* need to focus on critical issues to survive, then perceptions of what might be 'critical' are important. SME perceptions of criticality are likely to be individualistic and contextual. What is the point in telling a small organization that IIP, or any other form of HRD, is generically 'good for you'? An owner/manager may need to feel that any intervention - internal or external - addresses issues that are 'contextually critical'. There have been several implied and explicit references encountered in the study about connecting with SMEs - Geoffrey Holland (source: research interview) saying "*SMEs are independent and connecting with them is very difficult if you haven't got that much to offer*" and the sales & marketing director's comment above about wanting to be 'spoon fed', for example. Sufficient evidence has been found in Case 2 to suggest an expectation that any intervention, particularly an external one, must connect (conveniently) with its contextual criticality.

At the end of April 1999 just prior to the follow-up visit, the sales & marketing director was sent a copy of the IIP Questionnaire (Appendix 7). This was returned completed the following June. In Chapter 9, the results are compared with those in Case 3.

### 7.10 Case 2 - Conclusions

Figure 19, below, summarizes conclusions about Case 2 within the framework outlined in Chapter 4 (page 71).

#### *What is it like?:*

Case 2's aim to become a national provider of security and telecommunications services has been instrumental in setting a direction for its development, with the MD principally determining the *modus operandi*. In April 1996 during the preparatory survey, the sales & marketing director said that values surrounding "*standard of work and professional integrity*" formed the basis of Case 2's competitive edge. In early 1998, the MD reported that he assessed employee performance on integrity, flexibility, communication and customer service. Having both been field engineers themselves, the MD and the sales & marketing director founded the business upon values that associate with an industry where, by and large, the product is delivered directly on customer premises. 'Standard of work and professional integrity' is probably a good way of summing up Case 2's values. But, as a lusty ambition for increased market share and profit is also observed, work standards and professionalism may be means to an end, rather than ends in themselves. Case 2 are in business to compete and grow - whatever meaning that might hold for them.

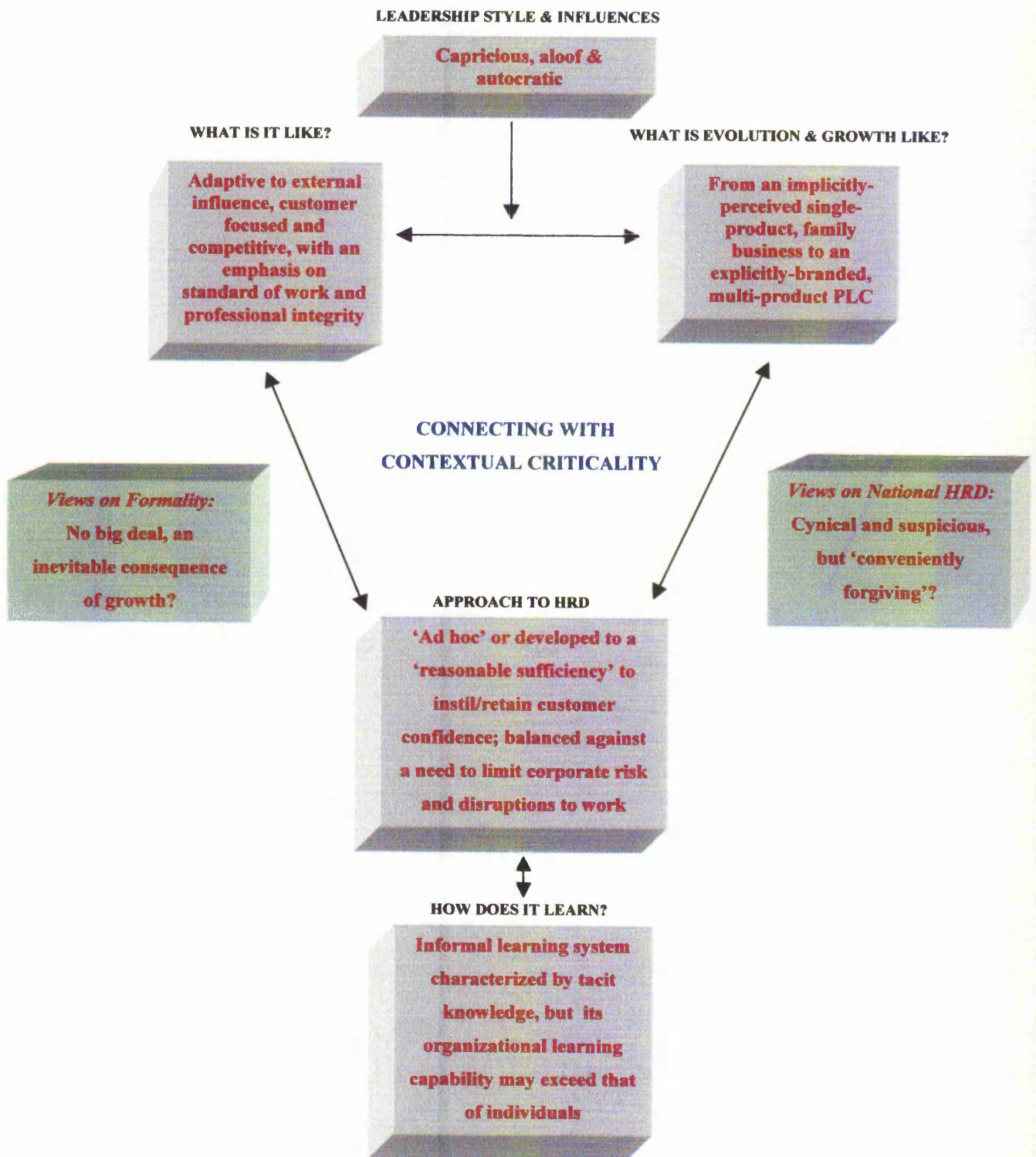
#### *Approach to HRD:*

Great emphasis has been placed upon developing organizational resources such as marketing literature and vehicle livery to mould new perceptions of corporate image, but there is less indication that this effort is matched in HRD. Even the appraisal process appears to be primarily aimed at generating information to satisfy the MD's agenda. It seems feasible that Case 2 may conceptualize human beings more as resources than people (Sambrook and Stewart, 1998); and despite the MD's claim that "*employee terms and conditions are far more important*" (than training), anecdotal evidence about pay rises having been 'overlooked', suggests that perhaps employee terms and conditions tend to get set aside too.

The following statement by the sales & marketing director in May 1997 seems to sum up Case 2's T&D values:

We recognize that people need training, but we are concerned about the cost, in terms of money and time, and we are concerned about the possibility of when people are trained maybe they will not want to stay. We are not the highest or the lowest payer, and it's not all about money, but it's a real concern

Figure 19: Summary of Conclusions about Case 2





for us. The cost of training is the bigger concern of the two.

This seems to be a frank and honest appraisal of the organization's position on HRD. Whilst openly admitting a concern over 'cost', the other worry about trained staff leaving represents a fear over a dissipated *investment*, suggesting that, paradoxically, HRD may be regarded as an investment, not simply a cost.

At the time of disengagement with Case 2, the organization was at a crossroads. The prevailing HRD ethos ('ad hoc, or to a level of reasonable sufficiency'), that hitherto may have served Case 2 adequately, appeared to be fast approaching a point of vulnerability. The organization had a major HRD dilemma. An affinity for ease and minimum disruption implies a direction that might favour HRD in the form of 'packaged convenience', but the sales & marketing director recognizes that this route may not best accommodate the organization's specific technical and administrative development needs. Employees, too, have expressed a preference for informal, on-the-job development opportunities. However, a lack of internal HRD expertise could be a stumbling block to the introduction of more purposively-managed, informal T&D. Ideas offered to the sales & marketing director during site visits appeared to be welcome, which suggests that it might not be too onerous for Case 2 to overcome this stumbling block with appropriate help.

In summary, HRD in Case 2 is a reflection of the MD's perception of it as lost time and his behavioural tendency towards inconsistency and unpredictability. These issues are compounded by an organizational preference for convenience over disruption to work routines. This summation belies the role that HRD could, perhaps, play in Case 2's evolution and growth.

***Organizational learning:***

It is difficult to locate Case 2's organizational learning style within DiBella et al's (1996) model at Appendix 2. For example, Case 2 appears to seek knowledge both internally and externally, and learns incrementally; but it does not fit the other two other constructs in the 'communal' learning style. There is an emphasis on both product and process knowledge, and a focus on the delivery of technical and social processes - which arguably constitutes Case 2's 'product'. Historically, knowledge has been maintained as 'personal property', probably more by default (the sales & marketing director believes that knowledge *is* informally shared) than by intent; but this position is changing with the introduction of the

appraisal system. It may be difficult for Case 2 to claim an emphasis on either individual or team development, as individual development is not really emphasized, and team development appears not to be promoted at all.

So, what does characterize this organization's learning style? Perhaps the notion of 'getting there in due course' is, after all, an unwitting reference to Case 2's continuing attempt at explicating tacit knowledge - the MD appraisals are a possible example of this. But, it would appear that tacit/individual knowledge made explicitly available to the organization via this process, is being taken without reciprocity, in that individual knowledge bases are not being replenished through T&D. The MD's approach reflects arguments about organizational capability advanced towards the end of Chapter 2, as it would seem that he is actively taking steps to ensure that tacit knowledge ultimately belongs to the organization. But the MD's level of 'awareness' about his actions prompts speculation about the possibility of a knowledge form and learning style peculiar to entrepreneurialism and small organizations. Case 2's HRD dilemma seems to be a filtration of the complex dynamic between leadership influences and a developing organizational learning style under the direct control and influence of the MD. If the primary learning unit in Case 2 is the MD, who perceives himself as both an individual and 'the organization', then Case 2's organizational learning capability may be described as an unintentional outcome of the MD's attempt to secure organizational knowledge from his employees in order to ensure continued personal power and influence. Furthermore, if organizational knowledge remains with the MD, and if he implements changes based on what he knows, Case 2 may well be more advanced at organizational learning than it is at individual learning. When asked where the decision-making power of the organization lies (formality questionnaire, April 1998), the sales & marketing director replied:

Ultimately with the MD. In the past decisions were always made at the top of the pyramid, but now people are making more decisions of their own, but it is a cultural thing and it will take time.

Empirical data indicate that Case 2 is flexible, responsive to changing needs and market conditions, is creative (moulding market perceptions through a change to PLC status etc), and learns from experience (following the suspension of a major contract, for example). These characteristics are organizational strengths, and suggest that Case 2 may have a capacity for learning at organizational level in excess of its capacity for learning at individual level. The organization appears to learn through strategic manoeuvres, rather than by intervention in

tactical operations, which given its stage of evolution and pressing T&D needs, could be seen as both a strength and a vulnerability.

***Formality:***

Case 2 does not seem unduly concerned about formality. Although claiming to be informal, the organization appreciates the convenience of packaged formality in development schemes and organizational processes. The sales & marketing director summarized the organization's position on formality thus:

There is a history of the company running on an informal basis, which most small businesses are. As we grow, there is a possible need for more formality

In addition to the suggestion that Case 2 is informal in keeping with the 'stereotype' image of small organizations, the sales & marketing director is ambivalent in his acknowledgement that growth may incur more formality. There is some contradiction in his assessment, for although assigning growth to the future, Case 2 has undergone considerable growth already with formality levels increasing in processes that promote control and limit legal liability. There is evidence that employees would appreciate more formality in other organizational systems and processes. Linda, for example, who has worked in a large corporation, believes that the formality of a job description would be helpful. In summary, unlike Case 1, Case 2 has no entrenched perspectives of formality which, by and large, is seen as an inevitable and natural consequence of growth.

***National HRD:***

Although claiming to be an informal organization, Case 2 does not see the formality in N/HRD as problematic. The organization is more likely to participate in N/HRD programmes if they coincide with its own organizational objectives in a bespoke manner, and are readily accessible in terms of financial affordability and physical proximity. The organization was able to engage SfSBs effectively to a degree that was perceived as useful. The initial difficulty in accessing a suitable MA was probably instrumental to its reported success in Case 2. For as the sales & marketing director had to construct the programme himself directly with the college, it was to all intents and purposes a 'bespoke' MA. As a result, Case 2 retains considerable control over the process and outcomes, and as George's learning options can be chosen to cater for critical operational needs, it may mean that the

MA in Case 2 connects with its contextual criticality.

***Leadership style & influences:***

Despite not having interviewed the other three directors, it is reasonable to conclude that the MD is the most influential character in Case 2. Whilst the sales & marketing director was also a founder of the business, he plays a less dominant leadership role. His talent appears to encompass a more ordered capability for managing organizational change - the sales & marketing director provided the major input in securing Case 2's revised corporate image, for example. The MD is probably accustomed to having the final say in most matters, and references to the 'Ivory Tower' may reflect his somewhat aloof and autocratic manner. During the employee interviews, no signs of fear nor dislike of the MD were apparent, but there was some concern over his tendency towards inconsistency and unpredictability - personal traits summed up by the sales & marketing director as 'capricious'. Effects of the MD's leadership style can be traced in the appraisal process. During the exit visit in April 1998, the sales & marketing director said:

The appraisal system has prompted movement on the training front. We now need to be seen to be doing things, or else people won't be interested in offering their views in the future. Training and development is the big issue to come out of the recent appraisals and people are screaming for it, not in the sense of going on a course, but more informal ways.

Also at this visit, his secretary said about her appraisal:

It was good this year. We were able to prepare in a more orderly way than last year. The form helped this. I am confident that something will be done about any areas of concern to come out of the appraisals.

However, during the follow-up visit in May 1999, the sales & marketing director reported that the MD had "*forgotten to use the form*" and that there was little or no movement in resolving individual development matters. It would seem that yet again the MD had ignored his own organizational standards and employee needs. Whilst there has been no empirical investigation of outcomes, a likely one might be for employees to withdraw from further open communication with an associated loss of motivation and morale. The sales & marketing director's projection about people not being interested in offering their views in the future hints at this, and questions whether his more democratic style might be able to modify the MD's stance and influence HRD issues.

The MD's personality and technical background have significantly influenced Case 2's evolution and growth, with the sales & marketing director seen as instrumental in shaping market perceptions of the organization and its products. Despite a considerable effort to become more 'visible' to employees, the MD does not exert influence by being notably visible (unlike the MD of Case 1, for instance, who continually walked the job), but more through a symbolic presence signified in stories of a supposed 'capricious' nature and an 'ivory tower' existence. The sales & marketing director is more visible, possibly acting as an intermediary between the workforce and Case 2's leadership function. Whilst leadership perspectives have clearly influenced organizational evolution & growth and financial performance positively, the same perspectives may be inhibiting the development of appropriate HRD strategies and interventions in support of further growth: a tension that is probably reflected in the sales & marketing director's frustrated efforts to align HRD with the fall-out needs of change.

***Evolution & growth:***

Evolution & growth in Case 2 is not typified by an increase in employee numbers, operational sites or actual product range, but by an image change from an implicitly-perceived, single-product family business to an explicitly-branded, multi-product PLC. Rather than having grown its size (it actually downsized), Case 2 has grown its capacity for market penetration, turnover and profits. The organization had traded with more than one product line and national coverage prior to restructure in 1997, but more deliberate and focused corporate change is now moving what might previously have been construed as an operational pretence into a reality. The constitution of change in Case 2 illustrates the argument in Chapter 2 that small-firm smallness is a multi-dimensional concept and growth may not automatically infer increased size. The HRD implications of Case 2's evolution may be summarized in the sales & marketing director's comment regarding T&D having become a 'need to have' rather than a 'nice to have'. It would appear that HRD too must move from a state of pretence to one of reality in line with plans for continuing growth. To what extent the MD's personal intervention in Case 2's knowledge base through the appraisal process might effectively be able to secure this, is debatable. Given Case 2's desperate need for HRD (as articulated by the sales & marketing director and interviewed employees), it would be a shame if the information gained in the appraisals were not used to pursue individual as well as organizational development. In short, HRD needs to 'catch up'.

***'Connecting with contextual criticality':***

This metaphor represents Case 2's primary culture perceived as both an input to and a product of the foregoing conclusions. The phrase largely reflects Case 2's notable expectation that any internal or external intervention in its systems or processes must connect (conveniently) with what *it* sees as critical issues.

**7.11 Summary of Chapter 7**

Chapter 7 has reported the research in Case 2. The programme of work has investigated its HRD approach, views on N/HRD, formality and other relevant issues, such as evolution & growth and the impact of that upon HRD. Case 2's traditional HRD approach – ad hoc and developed to a level of sufficiency – reflects the MD's view of T&D as lost time, balanced against a need to retain customer confidence and limit legislative liability. A lack of internal HRD expertise has helped sustain this position over time. However, following enforced change (loss of a major contract) in 1996, HRD became a more transparent and urgent necessity. Coincidentally at the time, a N/HRD programme (SfSBs) was introduced to Case 2. The sales & marketing director seized upon this as an opportunity to bring about changes in organizational culture and leadership style. A burgeoning need to develop specific expertise in a critical growth area (CCTV) also prompted the sales & marketing director to spend considerable time and effort in finding a suitable modern apprenticeship. Both SfSBs and the MA were modified to suit Case 2's needs - the former discontinued after Case 2 had taken from the programme what *it* wanted (organizational 'intelligence' gained in the appraisal interviews), and the latter 'managed' to compensate for delivery difficulties. On this basis, it is argued that Case 2's rationale for using N/HRD was informed by opportunism and convenience rather than judgement or preference. It is also probable that the organization would participate in *or* reject N/HRD, not because of any particular like or dislike of N/HRD, but because what was currently available from *any* source connected conveniently with critical organizational needs.

Chapter 8 reports the research carried out in Case 3, the youth and community projects voluntary organization.



## **CHAPTER 8**

### **CASE STUDY ORGANIZATION THREE**

#### **(Voluntary Sector - Youth and Community Projects)**

##### **8.1 Organizational Profile**

As a registered charity, Case 3 operates with funded posts and a management committee (MC) comprising local business people. On a day-to-day basis, the organization is managed by an on-site development manager (DM) whose role is to secure funding for projects, support and develop the field officers, and act as an intermediary between the MC, the staff and the volunteers. Case 3 is resourceful and non-bureaucratic where core values are teamworking and service to the Wirral community. The organization has operated independently since 1974, but retains close ties with Youth Services, Leisure Services, Social Services, the Careers Service, and the Wirral Council for Voluntary Services (WCVS). Case 3's approach to HRD is fragmented but plans encompass more formalization of processes such as employee induction and personal development planning, and perhaps IIP. T&D is reliant upon external funding and Case 3's association with government agencies. During the period of research contact with Case 3, there have been three development managers - the first two known as development officers (DOs). So unless otherwise stated, the term 'DM' in this thesis relates to the third incumbent who, as a former CEWTEC employee, has significant commercial experience and exposure to N/HRD programmes in the CEWTEC area. The DM is Australian, has a degree in applied sciences, has served in the Australian army and as a volunteer in the Australian emergency/disaster services. She is qualified in seamanship. As the SME characteristic selected for special consideration in Case 3, leadership and the impact of leadership changes on the organization are discussed further on in the chapter. Suffice it to say here that the DM's term of office (since May 1997) has been eventful.

Case 3's essential goal is to attract young people between the ages of thirteen and twenty-five to participate in voluntary work within the local community. The community-help projects run by Case 3 are broadly ranged to include: play group supervision; support for cancer patients; work in a women's refuge; and environmental conservation. The young volunteers have differing development needs and, therefore, reasons for involvement in community work. For example, the challenge for one young person might be to gain motivation to get out of bed in the morning; another's objective could be to improve

confidence through developing teamworking and leadership skills; whilst yet another youngster might want to productively occupy the period between secondary and tertiary education. Whatever personal motives there are for volunteering, in the words of the first DO, Case 3 exists to, “*provide quality structured learning opportunities for young people from all walks of life to move forward with peer group support.*”

As an organization focused on bringing the separate agendas of individual and community development together through projects, Case 3’s *modus operandi* reflects the principles of action learning as advanced by McGill and Beaty (1992) and Revans (1983): the young volunteers being the action learners, the community project serving as the action learning ‘problem’, and Case 3’s field officers operating as facilitators of learning for the volunteers and a project result for the community. On the basis that Case 3’s primary ‘product’ is the facilitation of people- and societal-based learning, it is reasonable to expect this organization to exhibit a developmental infrastructure and focus. The organization also illustrates aspects of non-employee development as discussed by Walton (1996). He defines non-employees as, “individuals or groups who have some relationship with an organisation but are not in an employer-employee relationship” (ibid: 121), and cites volunteers as an example. In Case 3, the volunteers and their development needs are regarded as an integral part of the organization’s infrastructure and social system.

The voluntary sector in general features in the government’s plans for promoting lifelong learning and social responsibility, and tackling unemployment and social exclusion (DfEE, 1998a & 1999e); arguably to an extent that the sector may be considered as a conduit for delivering aspects of social and commercial policies. As a supplier to the options phase of the New Deal (DfEE, 1997b), Case 3 offers placements to New Deal clients who have chosen to work within either the Environmental Task Force (ETF) or Voluntary Sector (VS) options. Case 3, therefore, has contractual obligations with the Employment Service (ES) to formalize the T&D of these non-employee ‘participants’ (the DM is not comfortable with the term volunteers in this context as she argues that New Dealers cannot be ‘volunteers’ in the true sense - although they have opted to work in the voluntary sector, they do so under the auspices of a compulsory scheme). This means the structuring of HRD processes such as induction, personal development planning, training and performance monitoring to prescribed standards (DfEE, 1997b), which, in time, Case 3 intends to extend to all its volunteers not just New Deal clients. In addition to these special circumstances, Case 3’s approach to HRD may be shaped by the characteristics of the voluntary sector itself. The DM believes that the

factors at Box 11, below, differentiate the small voluntary organization from other types of small organizations. The data indicate that profit and market share are not measures of success within the small voluntary organization: such assets might be seen as encumbrances. The DM suggests that success is more appropriately measured by the extent to which people and the community benefit, and the degree of 'stability' within the organization derived from adequate funding and sufficient practical field and administrative resource. The observed effects of all this on HRD appear more positive than negative. As a strongly people-focused enterprise, Case 3 makes the consideration of people a priority and tends to develop people-focused systems in support of this, even with limited resources. An illustration of this is located in the design and execution of Case 3's employee recruitment process in early 1998, whereby team-based selection activities, continual feedback, and pastoral care of applicants were seen as paramount. This is how the DM summarizes why her organization invested so much time and effort into the recruitment of new staff:

We are about people, they are at the core of our business. It is so important we get it right as we are seen as a role model for social behaviour.

**Box 11: How the Small Voluntary Organization Differs from other Small Organizations**

- Not driven by the need to make a profit, but how best to utilize funded money for the good of the community. Motivated by the 'feel-good' factor, not profit or market share;
- Money (funding/donations) provides a foundation and focus for planning and operating - money is not a business focus in itself;
- Always operating on a 'shoe string'. Having little/no budget means operations and finances must be managed extremely resourcefully;
- Needs to achieve a 'balanced' profile to attract and maintain funding - that is sufficiently 'business-like' to instill confidence without projecting a 'glitzy' or wealthy image;
- The voluntary sector is all about people and it needs systems and mechanisms which reflect this;
- Tends to attract enthusiastic, 'selfless', people-focused employees;
- Structures and advancements *expected* in other organizations tend not to be there for voluntary-sector employees.

**8.2 Overview of Research Agenda in Case 3**

Appendix 31 shows a timeline of the main research events/contacts in Case 3. In summary, the research comprised: a postal questionnaire; 15 site visits; four meetings with MC

members, individually or collectively; and numerous telephone, fax and e-mail contacts. Seventeen site documents were collected from Case 3 (see Appendix 11). The DO/DM role was the principal contact/respondent throughout the research programme, the bulk of interaction with the DM. In addition to semi-structured and unstructured interviews and conversations with her - the main output of which is embedded within the arguments throughout the chapter - interviews were conducted with several of Case 3's field and administrative staff, both individually and via group interventions.

Employee numbers in Case 3 grew substantially over the life of the programme. At the outset in mid 1996 there were six funded posts - the DO, a part-time secretary, one project officer, two field officers and a part-time cleaner. On disengagement just three original personalities remained - the secretary, the cleaner, and the project officer - with Case 3 employing a core staff of 14 and engaging others on a temporary basis as and when necessary for a specific piece of work: a former field officer and a range of Case 3 volunteers, for example. During the DM's term of office, it was difficult to determine at any given time Case 3's precise staffing levels and organizational structure, which the DM claimed operated on an informal matrix basis (Kilmann, 1996a) to cater for the many routine and increasing number of specialist work projects undertaken. In reality though, Case 3 operated more to a three-tiered hierarchical structure. Table 14, below, summarizes the DOs' and DM's offices, illustrating Case 3's rapid growth during the DM's occupancy.

**Table 14: Periods of Office of Case 3's DOs & DM**

<b>Incumbent</b>	<b>Period of Office</b>	<b>Approx. Employee Nos.</b>	<b>Research Contact</b>
DO1	February 93 to July 96	6 at September 96	Preparatory survey only
DO2	September 96 to March 97	6	Case work (4 site visits)
DM	May 97 to date	6 in May 97, rising to 14 by May 99	Rest of case work, to include formality and IIP questionnaires

### **8.3 Semi-structured Interviews with Employees (9.12.96)**

This section describes interviews with the secretary, a field officer, and the project officer. The main objective was to understand how they perceived their roles. An interview topic guide, designed with DO2, was published to respondents beforehand (see Appendix 32). Afterwards, a de-briefing was held with DO2.

### **8.3.1 Interview with the secretary:**

'Brenda' has worked part-time for Case 3 since December 1982. She sees the main purpose of her job as providing support to the rest of the team, joking that she likes to "*keep them in order*". Work duties include word processing, filing, answering the telephone and dealing with correspondence. Brenda has "*...set up quite a lot of her own systems*", likes to work alone and do things her own way, and describes herself as "*finicky*" and as having "*tidyitis*". She does not like change but has seen much of it in Case 3, to include a move in premises and many staff changes. Brenda explained that DOs usually stay about three years and the job is viewed as a:

...development role in a young person's career. Each new DO has brought something different to the role, three to four years in the job is sufficient as they get stale after that time. If they do the job well, it is a good grounding and they get noticed by the powers that be - other statutory and voluntary bodies for example.

Brenda likes to think that the rest of the team can "*learn from her*" and her maturity - things such as how to write a letter and talk to people on the telephone. She feels that she has provided an element of consistency over the years and that the most useful behaviours in her job are to be organized and to act as a source of information for colleagues. She has neither a job description nor a work rota, but "*there is always plenty to do and I organize the work for myself*". In the last two years, she has attended a word processing course, but other T&D has been "*by trial and error*". However, she wants neither further T&D nor responsibility, and is quite happy as she is. Brenda believes working in Case 3 is "*a young person's job*".

### **8.3.2 Interview with the field officer:**

Joining in February 1994 as a Princes Trust entrant, 'Sam' left Case 3 in 1998 to attend university. He perceived his role as one of coordinator and coach rather than 'doer', and saw his main responsibilities as being to educate, support and motivate the young volunteers, and to help them to achieve their own as well as community and Case 3's goals. Sam had no job description, but saw a major outcome of his role as ensuring that volunteers enjoyed themselves and succeeded in what was important to them, whether that was obtaining good A Level results, getting over a difficult period in life, or just acquiring more maturity and life skills. Sam believed that knowledge of health & safety, the Child Protection Act and the legal implications of working with young people in general as important to his job - as were "*general all-round practical skills*" and decision-making skills about what to do in

emergencies. He cited being people-oriented, organized, tolerant and patient, and having a sense of fun and humour as useful behaviours, and thought that approachability was extremely important, as many young volunteers *"are shy and unsure of themselves."* Sam also perceived *"...determination - having a definite desire to make each project work - and being self-motivated"* to be important, and teamwork as *"essential."*

Sam said that he needed *"understanding"* most of all from his colleagues and the volunteers. For example, if he had to deal with an accident or emergency whilst on a project, he would expect the volunteers to support him both practically and emotionally. He had recently dealt with an epileptic fit and said that, whilst it had been quite frightening at the time, his first aid training *"...automatically took over and helped me to know what to do and how to act in a positive way."* Sam's expectation of support from the volunteers highlights Walton's (1996) arguments about the contribution that non-employees make to an organization and a need for appropriate training to enable non-employees to make this contribution. Sam went on to say:

Outside of the building, the job at (Case 3) is super, but I find attendance at management committee meetings intimidating. The MC is not close to the project work done by the officers and the process is not understood...I would like to see members of the MC getting out and about in the field.

Sam expressed dissatisfaction as there was no structure for rewarding less congenial aspects of his job, such as unsociable hours and difficulty with taking time off. He was also concerned that Case 3 employees had no contracts of employment or job descriptions saying, *"there are always worries about being laid off. The MC refuse to discuss the matter despite it having been brought up on several occasions over a number of years."* But mostly, Sam enjoys his job adding, *"it's me to a T"*. At one time he had wanted to join the police service but now thought that he would eventually join the fire service:

(Case 3) is a good grounding as I want to concentrate on the community aspect of the fire service, such as giving fire prevention talks. In fact, the role at (Case 3) is a very good grounding for lots of other jobs, particularly with organizations that we associate with - Education, Leisure and Youth Services, for example. The job is so varied and there is really no such thing as a typical day.

Sam had received first aid training and some familiarization with the Child Protection Act, but has had two bad experiences with NVQs. The first was when he started an NVQ in Business Administration and was made to feel *"very uncomfortable"*. Sam is dyslexic and claimed that his disability was shown *"no consideration"*, to the point that he felt *"mocked"*.



The other instance was discovered during an impromptu meeting with Sam in September 1997, when he said that he and the project officer were undertaking an NVQ in Community Work, and:

We had a bad experience and had pulled out as the provider had supplied a different NVQ coordinator who was basically not interested. He would turn up late and just look at our work and say 'yeah, that's okay'. There was no real commitment, interest or appropriate guidance and feedback. It has been a very disheartening and demotivating experience.

Sam regarded an exchange visit to Malta and a similar forthcoming trip to Hong Kong as huge development opportunities for him. He would like to know more about the financial side of the business - how to get grants and other funding, for example. Sam felt that a management course geared to promotional work would interest him too.

### **8.3.3 Interview with the project officer:**

'Jim' joined Case 3 as an employee in 1993 after being a volunteer. He said that his role was originally "to do schemes", but now believes it is more concerned with recruitment for projects - by giving talks in schools, for example - and then bringing the volunteers from that point to the office for assessment and eventual induction into a team. Jim explained that he did not supervise the other two field officers, but acted more as a reference point and a coach. At the time of the interviews, there was very little difference between the roles of the project and field officers. This position has changed under the auspices of the DM, whereby Jim's job title changed to team leader and then to project manager. When interviewed, Jim was not sure himself how his role differed from the others, and like them, he had no job description or contract of employment. Jim said that not having his role clearly defined is "unhelpful". The position regarding lack of role responsibility/clarity to an extent remains.

Jim believes that all Case 3 employees aim to offer young people the opportunity to know what they want to do or to be in life, and to ensure that they are "...more aware of their surroundings, employment choices and general life opportunities." Other outcomes of the job are to present a positive role model and to develop young people in teamworking. Groups of volunteers vary, where typically a group could comprise a mix of bright A Level students and reformed drug offenders. Jim thinks that the cultural diversity of a group can serve as a positive dynamic, claiming that he encourages each volunteer to look for something they like in every other team member and work with that: not necessarily to forget what it is they don't

like about a particular person, but to concentrate on the positive side of things more, and see how that can be turned into some sort of mutual advantage. Jim located this teamworking philosophy in his past, whereby, on leaving school and not wanting to be unemployed, he asked his father for a job, on the basis that this was the one positive thing he saw in his father - the fact he could give him a job. Jim considers that he needs knowledge of the Child Protection Act, to be approachable, and to be prepared to have a go:

...you can't ask the volunteers to do something you are not prepared to do yourself, for example go into a field to work where there is a horse that bites your bum everytime you bend down.

He also specified knowledge of conservation work, rape crisis and child abuse as very necessary, and how to manage teams in a variety of circumstances as decisions that need to be made are situational and can often be difficult and emotionally demanding. Like Sam, Jim values emotional support and understanding from both staff colleagues and volunteers. He said he needed people, "*...just to be there and not to be judgmental*".

Jim likes the face-to-face interaction in his job, the conservation work, being out of the office, school talks, and passing on knowledge. He dislikes paper work, but does not mind writing about projects to inform future actions. He dislikes dealings with the MC for reasons similar to those expressed by Sam. At the time of the interview, he had no formal qualification in youth & community work, but thought he would like to consolidate his experience with some external recognition. Jim has "*short course certificates*" in counselling, basic play leaders, canoeing, climbing and orienteering. He is a canoeing and climbing instructor and has attended a course in mountain leaders. This last course certificate, which teaches survival techniques, had lapsed and Jim claimed that he would have to pay for renewal himself. He thought that time and money in general were a hindrance to his further training and development.

#### **8.3.4 Debrief with DO2:**

Feedback with DO2 focused on employee perspectives about the MC and the apparent lack of clarity about roles and responsibilities. DO2 was non-committal in his response, and an impression was gained that he was still 'feeling his way around' the organization, and his relationship with the MC. He agreed that there was some role ambiguity and explained that Jim's title of project officer was originally assigned in recognition of his service seniority over the other two officers. At a later date (4.3.97), however, DO2 did say that the MC:

...may not really understand to what extent or where they could be most helpful. The management committee and the officers need to sit down together and try to clarify and understand each others' roles. This would be an intelligent move. But it must be done in a way that would not leave (the chairman) and (the vice-chairman) feeling exposed and threatened.

This affords an insight into DO2's generally cautious approach regarding the MC. It is interesting that he appeared to be more concerned about the feelings of the MC than those of the staff. When asked if a MC meeting could be observed, DO2 said he could see no reason why not, but was not sure what it would achieve.

#### **8.3.5 Critique of the interviews:**

Despite having no job descriptions, interviewees seemed to understand what was expected of the roles they performed. Less clear, perhaps, were the responsibilities within those roles, particularly where similar responsibilities spanned different roles. Employee perspectives gained in the interviews seem to reflect the summary of the small voluntary organization, as depicted at Box 11, above. Employee perceptions of the MC were fed back to them. Their response to this feedback is reported in the next section.

### **8.4 The Management Committee**

#### ***Composition, role and culture:***

Case 3's 1996/97 Annual Report (document collection reference, WA 6/97) shows an MC membership of 20 local business people and dignitaries. The committee members who appear to be most actively involved are the chairman, a partner in an accountancy practice, and the vice-chairman, the owner of a chain of local book shops. The treasurer is also an accountant. The primary aim of the MC is to ensure adequate funding for Case 3's posts and projects through association and influence in the local community, whilst retaining operational values in line with its charity status. The employee interviews and other case data indicate distance between the MC and Case 3 staff. In January 1997, DO2 spoke of the "secrecy" adopted by the MC, saying:

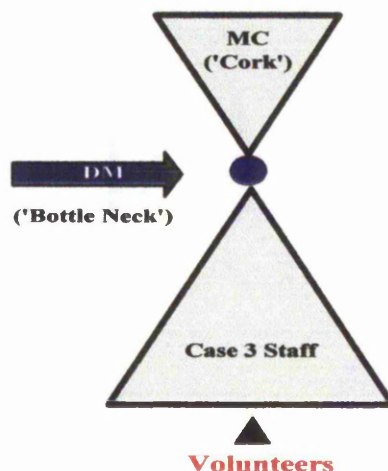
I have been here four months now and I am still not allowed to be a signatory on cheques. And no one, including myself, has been told why no one has a job description or contract of employment. (The chairman) and (the treasurer) keep their distance. (The treasurer) delivers the cleaner's pay cheque

once a fortnight, but he won't call in, he just puts the envelope through the door. (The vice-chairman) is more visible, he will come in when he is in the area to have a chat, to see if anything wants doing.

This situation was also highlighted by the DM, who shortly after assuming her post in Case 3 told the chairman and vice-chairman that she felt she had little autonomy and wanted that to change. Her initial assertion to this end was to amend her job title from development officer to development manager. In November 1997, the DM explained that her way of "taking the MC along with her" was to give them as much information as they could comfortably handle up front, go ahead and introduce changes, and then present the full picture with implications. The chairman and vice-chairman had concerns over two main areas of change in Case 3: anything to do with finance; and anything that might compromise the organization's ethos of being a charity. DO2 also expressed a similar anxiety in asking, "Do you think that an IIP logo would project the wrong image of (Case 3) - one of wealth?" Unlike DO2, the DM was, however, not concerned about making changes that might conceivably go against the grain, and insisted that, although the MC wanted Case 3 to remain, informal, fluid and flexible, "we can still maintain that, but with an underlying structure." In March 1998, the DM reported that she had not seen the chairman for about six weeks, adding "he trusts me". She also said that Case 3 needed to:

...lose its charity image and become a business. For example, they (the staff) should stop groveling and apologizing when things are late. What they should just say is 'here it is', but it's this charity thing and the need to grovel. We are becoming more high profile, we need to let people see young people out there doing good things.

Figure 20: DM's Summary of her Relationship with the MC



In May 1999, the DM sketched her relationship with the MC, claiming that “*this type of situation happens a lot in the voluntary sector.*” Her model is reproduced at Figure 20, above. This was not the only occasion the DM used the term ‘bottle neck’ in the context of her role, which she saw as an obstruction to the flow of work in Case 3, with the MC as a ‘cork’ inhibiting any amelioration.

***Research contact with MC:***

As well as initial contact over matters of access, there were research meetings with the chairman and DO2 at the start of his term of office, non-participant observation of an MC meeting, and an interview with the chairman and vice-chairman to discuss a research report. There were other contacts with the chairman by letter and telephone.

**MC meeting on 4.3.97**

The meeting was attended by all Case 3’s staff, the chairman, vice-chairman and four other committee members. The main aim of the meeting seemed to be for the chairman to deliver information, with the vice-chairman called upon for ‘back-up’ opinion as required. Very little debate and no collaborative decision making ensued. Jim, however, ventured to report that, once again, his wages had not been paid into the bank on time and as a result he had been obliged to cancel a planned family celebration. His revelation was greeted with some unease and embarrassment. Sam’s ‘thank you’ to the MC for his recent NVQ candidacy came over as an example of ‘groveling’. DO2’s leaving at the end of the month was formally announced.

**Meeting with the chairman and vice-chairman on 17.4.97**

The meeting was held to discuss a research report (21.3.97) to the chairman. The report outlined the research programme to date, presented an initial analysis of Case 3’s HRD capability in terms of organizational strengths, weaknesses, opportunities and threats (SWOT), and offered recommendations for a way forward. The SWOT analysis and recommendations are reproduced at Appendix 33. Commenting upon the report, the chair/vice-chairman thought that DO1 had done much to improve Case 3’s profile and image, referring to him as a “*front man.*” They questioned staff perceptions that the DO’s role was seen as a good grounding for career progression as they had not thought of it that way. Whilst they agreed that the staff interviews supported this notion, it had not been ‘tested’

from the outside looking in. But the chairman then reflected that they were always receiving positive feedback from other agencies about Case 3 and that most DOs seemed to “*go on to do good things.*” The comment in the report about Case 3 enjoying a committed and caring workforce and a long-serving and dedicated MC caused some debate. The vice-chairman suggested that the word “*ossification*” in relation to longevity of service might be more appropriate: both acknowledged that some work was needed about staff perceptions of the MC. The chairman stressed that Case 3 must remain fluid and dynamic, but thought that it might be sensible to formalize some of the learning mechanisms.

Although generally cautious about more formality, they thought that job descriptions would help clarify to the staff their roles and responsibilities, but wondered if staff themselves might not perceive them to be too restrictive as they enjoyed a good deal of freedom in day-to-day operations. Eventually, the chair/vice-chairman came to the conclusion that the issue of role clarity may be linked to a sense of insecurity in job tenure, as all jobs depend upon continued funding. It was also agreed that staff not having contracts of employment may be fuelling feelings of insecurity, but despite the confusion over role boundaries, the staff enjoyed working together as a team. The chair/vice-chairman seemed committed to doing something about clarifying the work of the MC to the staff, and vice versa. The chairman added that MC meetings “*can be a bit daunting for the staff*” and thought that it might be easier for the MC to approach the staff on this subject rather than the other way around. He also suggested that the morale-lowering issues not being given a proper airing were probably linked to the relationship between the MC and the staff, and matters of contracts and role clarity.

With regard to suggestions for a way forward made in the research report, the chair/vice-chairman agreed in principle, but that “*it would depend on the new DO.*” They were unconvinced about the use of PDPs for the volunteers - the staff yes - but felt that such a process might not work with the volunteers.

### **8.5 Leadership and Change in Case 3**

This section compares the contributions and influences of the three leaders encountered in Case 3 over the period of study.

#### **DO1 (February 93 to July 96):**

DO1 thought that his role had evolved into one of fund raising, planning, management, and



business development in support of the organization's gradual move towards "*operating as a business*", since emerging from public sector incorporation in 1974. He explained that volunteers were seen as an extension of Case 3's staff - "*their wages being their development*" - and the beneficiary community sector as the customer. Projects were managed by means of regular reviews, but "*there is not always time to have individual reviews with the volunteers, although this is highly desirable.*" Despite having done much to improve funding opportunities and organizational profile, DO1 still believed that these were the main issues confronting Case 3, and that the organization's primary business focus was:

...to develop the business internally by introducing an appropriate degree of formality without creating as self-defeating bureaucracy. We rushed to consolidate and now have a manageable organization with currently 16 projects, which is enough given funding and resources. (Case 3) is quality focused. We see the agency being allowed to develop rather than just exist from hand to mouth. We need to build up a substantial buffer account of funds, and see bigger chunks of money coming in. It's not survival, we are reaching for the next level of existence and having more revenue would take us that much further forward in what we could offer the community and the young volunteers.

***DO2 (September 1996 to March 1997):***

On assuming his new position, DO2 was given no expected outcomes by the MC, just told "*we want more of the same.*" Whilst he agreed with many of DO1's objectives and general approach, DO2 had a slightly different perspective on what the primary focus of his role should be. He saw this as development of the staff to equip them with what might be necessary to develop the young volunteers. Before joining Case 3, DO2 worked for a training provider and had considerable experience in delivering NVQ programmes, but was less conversant with IIP. Recognizing that training in Case 3 was fragmented - a position he intended to change - DO2 soon refined the existing project review process and planned the introduction of some sort of appraisal system. In January 1997, however, DO2 said that he believed Case 3 was still working to his predecessor who "*had a mission to progress four projects with two people*". He added that there was nothing wrong with that at the time, but:

...things have moved and the business needs a new focus. Projects and personnel must not become stale, and we need to be able to take a strategic perspective in order to meet community needs. We need to be visionary and to look forward. The last business plan was not particularly forward looking, more an account of how things have been and are now. We need to gather information and build networks with all sorts of professional community groups. We need general flexibility as there are so many parts to the job, from being willing to work flexible hours to dressing up in a suit for a meeting, to dressing

down in a track suit for other things.

If DO1 was concerned with retrospection, introspection and consolidation, then DO2's comments here reflect a more forward- and outward-focused, if not frustrated, perspective. He believed the role of the project/field officers to be one of coach and facilitator, saying he would like them:

...to step back a bit from the action and let the youngsters have a go. They need to be helped to move from observation to intervention and facilitation skills...

DO2 believed that learning for volunteers should be recognized and understood, and his comment about 'movement from observation to intervention and facilitation' implicates a desire to shift Case 3's knowledge base from a predominantly tacit (individual and collective) state to a more explicit form. It also recognizes the importance that DO2 placed upon the development of non-employees as well as employees. It is possible that DO2 saw the research report to the chairman just prior to his departure as a platform for launching his own frustrated views about what he perceived as obstacles to Case 3's further development. Overall, DO2 perceived N/HRD programmes as useful but felt that genuine resource problems, mostly to do with money, were blockages. He saw how IIP would "*fit in*", claiming that "*IIP was a possibility in the future.*" Based on former experience working for a training provider, he said that N/HRD programmes:

...are concerned with a national picture about getting unemployment figures down, and a company can be fitted into a framework and get led astray from its real objectives and becoming what it really wants to become. If you can show distinct progression of business that will lead to three or four more jobs over a period of time, then you are looked upon favourably.

DO2 was annoyed with the TEC over his being refused access to SfSBs (see a related story to this on page 154). Arguably, the TEC had overlooked the potential impact that Case 3 might have had on containing unemployment figures by, theoretically, rendering young people more employable. DO2 summarized the experience as an example of TEC motivation directed at the satisfaction of statistical targets, rather than a concern for a real people-development issue in a small organization.

**DM (May 1997 to date):**

On initial telephone contact in July 1997, the DM explained that she had left CEWTEC because she was "*getting bogged down with paperwork and was fed up with writing reports*

*about writing reports*", but during the first meeting (23.7.97) she suggested that there was too little structure and formality in Case 3 and, among other things wanted to make staff terms and conditions clearer, introduce an appraisal system (DO2's plans for one did not come to fruition) and some standard procedures for dealing with volunteers, and secure better T&D opportunities for the staff. She approves of IIP and modern apprenticeships and is attracted to NVQs because they are vocationally based. But due to previous experiences when working at the TEC, she lacks confidence in the evidence collection process and consistency of training provision in NVQ programmes. Even at this early stage, the DM was frustrated by the "tight rein" that the MC had on finances and, expressing a preference for "proactiveness to reactiveness", intimated she intended to change that. The DM saw her role as being "about developing (Case 3), but key to that is the development of people." The manner of this first meeting became a model for subsequent meetings, with the DM communicating eclectically and the researcher listening (hard) and attempting to keep conversations focused. In short, the DM used the research process to 'unload' - a position she was neither afraid to admit, nor exploit. Over time, however, the researcher learned to work with this rather than fight it. The high incidence of unstructured interviews (in comparison to records across all three cases) noted on Appendix 31 during the DM's term of office reflects this pattern of interaction.

Arrival at Case 3 on 3.9.97 was met by what might be described as chaos. The building was in disarray with new office fittings and telecommunications systems being installed, the staff were agitated, and the DM, who had forgotten about the research appointment, was talking with the community police officer. She later described her time management as "crap", explained that she was determined to make her mark, and once again expressed vexation with the MC. When asked to be more explicit, the DM said that she was frustrated at not being able to get things done quickly enough because she had insufficient funding and authority "to get what I want right now", adding that she had stopped being embarrassed at using the phrase 'I want'. She gave a recent example as not having a programme to induct a new temporary employee, saying "I would liked to have given a proper induction and a contract of employment etc, but I couldn't... time to put procedures in place is a problem." The last part of this statement was, perhaps, the essence of her problem - wanting more structure and formality, yet being too busy 'being in it' (a phrase sometimes used by Case 1's technical manager) through her own determination to put procedures in place. This led to a discussion of structure and formality in Case 3, whereby the DM

reiterated that she wanted better systems and more formal ways of working. An illustration of her point then arose when Jim entered the office to advise that, after a recent play group session in a school, the room had been reported as being "*in a mess.*" He suggested that Case 3 should stand the cost of any cleaning and repair. After asking Jim to check whether or not it was Case 3's fault, the DM then explained that there needed to be a formal procedure whereby the premises were checked for condition prior to entry and again after usage. In the DM's view, a shift from informality to formality would provide "*...clear guidelines to afford Case 3 protection...*", as would, she further explained, a formal procedure for what to do when the police are unable to give clearance to a volunteer who wants to work with children. Here, the DM has identified instances of how relatively high levels of formality were thought necessary and helpful, rather than bureaucratic.

The DM then talked about Jim and Sam's failed NVQ programme, saying that she was not sure if NVQs were the right development tool for them anyway as they had different needs and should not be doing the same qualification. She also argued that the evidence gathering process is a waste of time and proves nothing except how good people are at gathering evidence. For example:

To evidence competence in say making coffee, a student could just write down the methodology and then give the same evidence to another student to copy. I would want to see evidence that the student understood the relationship between the ingredients and the method - in other words, the underlying principles of what makes a good cup of coffee.

Case 1's technical manager expressed a similar concern as the DM about how an NVQ actually demonstrated learning, and Case 2's sales & marketing director thought that evidence gathering was insignificant - a 'minor bugbear'. The DM further suggested that "*NVQs are not structured enough because it is the individual who drives the process, there are no deadlines and work gets in the way.*" On the other hand, she was "*...happy with modern apprenticeships as they have attachments to other courses and you have control of the money.*" Keen to implement IIP, she argued "*An organization that deals with young people ought to be investing in its people.*"

Later that month, the secretary offered an opinion as to what effect the DM's 'busy' approach might be having on the staff (who were more used to a less frenetic pace), by saying that the DM "*is attempting to do too much all at once and is getting in a muddle.*" During this visit (29.9.97), the DM reiterated that she was "*...still in crisis management and will be*

*for a few months yet...It's silly things like messages, why should I have to talk with everyone who wants to talk with me?"* The secretary obliged with a demonstration by shouting from another floor of the building at least half a dozen times in the space of an hour for the DM to take telephone calls. In between calls, the DM explained that it was "...*too early yet to talk about IIP, I am still keen and will review the situation towards the end of the year*", and that she had enlisted the temporary help of students to work on Case 3 projects. Her action had met with some opposition from Jim who thought that there were now "*too many projects.*" The DM presented the mirror image of the secretary's appraisal of the work situation by saying:

...there are lots of things happening, too many. Everything is setting up and there is lots of energy needed. The staff feel that things are running away with them.

When clarification was sought, the DM explained that the biggest driver of change in Case 3 at that time was the New Deal being piloted in the Wirral as a Pathfinder area. She said:

It will make a difference to us, and will be significant for the next five years. Half our client group - the volunteers - are unemployed and under the New Deal scheme will be required to do something, which means that we could lose volunteers. I have decided to take a proactive stance to the situation and become very involved in the New Deal - finding out information and attending local conferences, for example. The overall objective is to get the unemployed back to work and for the scheme itself to become extinct within five years. It is not intended that an individual once he or she has gone through the New Deal will be recycled and go through it again. Basically, it is intended that everyone will come out with a job. It's all very well getting young people off the dole into productive activity and bringing them up to scratch, but are there jobs out there? We shall see.

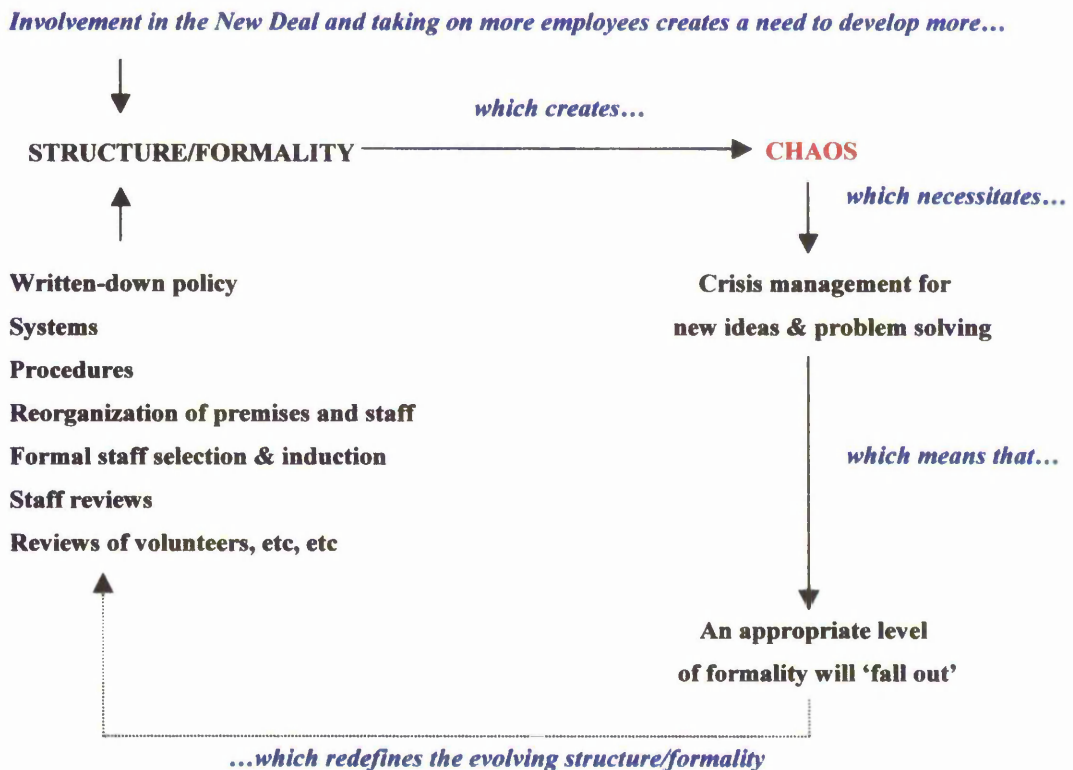
She then went on to describe local perspectives on the scheme:

There is a general feeling of it's another round of initiatives and here we go again, with some disbelief. I know that some people have got it wrong as they don't realize the financial and other implications, such as the need for agencies to develop sound counselling and mentoring skills to make the programme work effectively, both in the Gateway and operational stages. The programme is not about reinventing the wheel, some of this is looking at what is currently happening. It's a case of taking best practice and existing systems and using them in a more integrated and focused manner.

Whatever initial reservations the DM might have had about the New Deal, she saw early involvement positively as a catalyst for change in Case 3; one that would necessitate the introduction of more clearly defined processes in order to meet certain legal and business obligations placed on New Deal suppliers. For example, in order for Case 3 to access clients

through the Voluntary Sector Option (VSO), they must have a formal recruitment policy and operating procedures available for external audit. The DM added that IIP might serve as an internal support mechanism for the business and that she aimed to utilize an integration of N/HRD frameworks in Case 3. In acknowledging that her plans heralded radical change, such as increased workloads, additional staff, and new organizational structures and capabilities, the DM explained that her way of influencing change was to manage between structure and chaos by “*getting lots of things done quickly*” (thus fostering staff perceptions of ‘things running away with them’) and then allowing an acceptable level of formality to ‘fall out’ of the change processes naturally. Figure 21, below, represents the DM’s change dialectic. She perceived two main difficulties in the approach: her differences with the MC, and the capabilities of Case 3’s workforce. The former she addressed by ‘taking them along with her’, the latter by restructuring (as a starting point) Case 3 into three teams, each with a team leader to oversee day-to-day activities. One team was involved with the

**Figure 21: The DM’s Dialectic for Influencing Change in Case 3**





core business of community project work, another with the ETF, and the third with field support and general administrative services. She also created a senior management team (SMT) comprising herself, the team leaders and a further floating project/support type person, whom the DM had difficulty in assigning a title to. The DM seemed unduly preoccupied with role titles and reporting lines, yet struggled to clarify role content and responsibilities. Her attention to titles and reporting lines ('hard' structure) may have been a misplaced effort at working through the more complex issues surrounding roles and responsibilities ('organic' structure). In November 1997, the DM revealed that she had secured EC funding for three new posts in Case 3 from early 1998 and that, whilst "*still crisis managing*", conceded that the time had come to focus on priorities rather than try to tackle everything at once – a position prompted by a now imminent need for New Deal tendering that warranted the inclusion of a structured HR policy. The DM then asked for help in structuring her thinking about this. This was one of several occasions when the DM was prompted to order her eclectic thoughts. She said, "*your visits make me do this.*" Whilst organizing Case 3's HR issues into policy and conditions of employment, the DM offered an interesting insight into the concept of volunteering in the context of the New Deal. She said:

There is also the issue about the word voluntary being mentioned in the same context as mandatory in the New Deal literature. If none of the other three options are viable to a candidate after coming out of the Gateway, then 'you will choose Option 4, Voluntary Sector', is stated. Does this mean that the term volunteer has lost its perspective? Is volunteering about wanting to do something worthwhile, or is it about doing unpaid work?

Whilst the accuracy of 'you will choose...' cannot be confirmed here, DfEE (1997b: 11) mentions "mandatory referrals to options", one of which is the VS. This could present a philosophical and ethical dilemma for voluntary organizations that collaborate with government agencies in the New Deal. It could in time, perhaps, even propose a substantial barrier.

By the end of January 1998, Case 3 had grown to nine employees and the DM was pleased at the success of the recent recruitment process used to select the new staff. However, in admitting that she was "*starting to have doubts about what I'm growing - now I have to manage this*", the DM was showing signs of having created Frankenstein's monster. It was around this time that Millennium Volunteers (MVs) (DfEE, 1997j) was discussed.

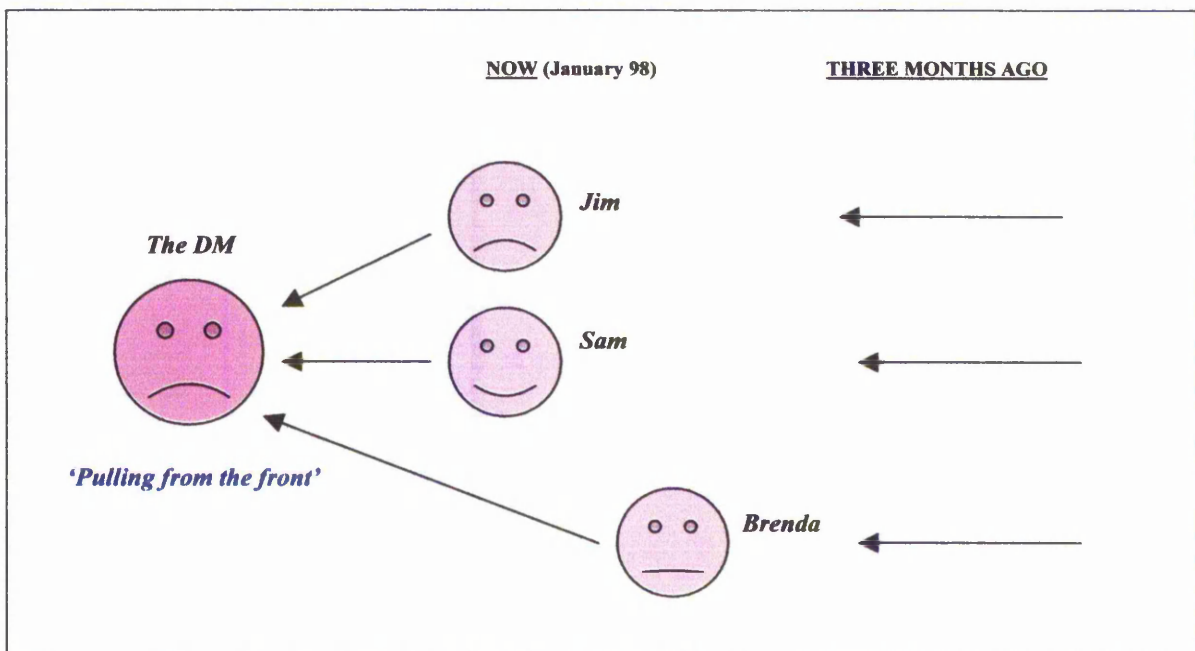
Explaining MVs and confirming that Case 3 was “*on a committee to get involved*”<sup>13</sup>, reminded the DM that she was “*still crisis managing*”, but valued the research visits as they made her reflect and get some sense of achievement about what she had accomplished. During a subsequent personal development session, completion of a Learning Styles Questionnaire (Honey and Mumford, 1989) revealed that the DM has a strong theorist/pragmatist - or convergent (Kolb, 1984) - learning orientation. Together with a low preference for reflection, this could account for an observed need for second-party intervention to help reflection. It could also account for the DM’s frustration at not having sufficient time to consolidate and tie down ‘loose ends’, and a keenness for experimentation and putting new ideas into action. Furthermore, the output of the DM’s energy drive and ideas, reflected in dominant Shaper and Plant team roles, seems to fall to the mercy of a low Completer/Finisher presence within Case 3’s SMT as a whole (Belbin, 1981). It is interesting to note how aspects of the DM’s learning and teamworking profiles can be identified within the model at Figure 21, above; a need for ‘structure/formality’ typical of convergent thinking’ (Kolb, 1984), ‘chaos’ reflecting drive and a readiness to challenge inertia, and ‘crisis management for new ideas and problem solving’ a possible representation of the tension between chaos and structure as facets of the DM’s personality.

Similar behavioural traits are also recognizable in the model at Figure 22, below, which the DM characterized when invited to reflect upon her leadership/development relationship with the staff. The DM felt that she was continually “*pulling from the front*” in order to get the others’ knowledge levels to where she wanted them, saying, “*(Brenda) is still fairly resistant to change and likes her own way of doing things*”. When it was put to the DM that unless she took time out with the staff to reflect, she might have to start pulling even harder with little or no effect, she agreed that she ought to concentrate more on coaching than always ‘pulling from the front’, but that she didn’t have the time as “*I am good at coming up with ideas and keep getting pulled into working groups.*” The DM thought that her leadership style had been shaped by life experiences. For example, when necessary, she can adopt a military command and control style, but in “*civvy street there is not the military ethos of blind obedience to orders.*” On the other hand, the DM’s emergency/disaster

---

<sup>13</sup> Towards the end of 1999, MVs became Case 3’s principal business development project. The organization started to work in partnership with Wirral CVS and Metropolitan Borough of Wirral on the ‘Wirral MV Programme’, that was officially launched on 7 April, 2000.

Figure 22: Case 3's DM 'Pulling from the Front'



services management experience permits her to direct in a detached way, whilst sporting experience - sailing in particular - allows her to draw upon a coaching mode. When asked which leadership style she would be most likely to revert to when under pressure, she replied *"command and control."*

Towards the end of 1998 (following formal withdrawal from Case 3 in June that year), the DM asked the researcher to call in. On arrival (12.1.99), a sea of new faces and a sense of extreme 'busyness' was encountered. Several volunteers were in that morning and staff numbers had risen to thirteen. The DM was still crisis managing, claiming *"there is so much stuff around this place that just doesn't get finished, I'm finding two layers of management difficult."* She wanted an office manager, so that she could concentrate on planning and problem solving, or to be able to:

...pluck out the weeds, but I can't get out into the garden as I am stuck in my shed with the compost, dealing with the old weeds which have rotted down.

The DM's 'bottle-neck', 'change dialectic' and 'pulling from the front' models are seen as both symptomatic of, and consequential to, her gardening metaphor above, which in turn, may be consequential of Case 3's rapid growth - mostly instigated by the DM. Furthermore, evolution and growth in Case 3 itself seems dialectical, with the DM's drive and determination partially stultified by a more cautious MC.



**Summary of impact of leadership changes:**

At the heart of leadership in Case 3 is managing an organizational tension between activity, which according to the DM "...is core to what we are doing", and 'ossification' - a self-confessed trait of the MC. Table 15, below, compares the three leadership roles in Case 3.

**Table 15: Leadership and Change in Case 3**

	February 1993	July 1996	May 1997
Variable	DO1	DO2	DM
Leadership role focus	Fund raising, planning, management & business development.	To develop the staff to equip them with what is necessary to develop the young volunteers.	Planning and problem solving for business development. People development. Management of the MC.
Organizational focus	To develop the organization internally as a 'business', to serve the customer - the local community.	Learning for the customer (the volunteer) should be recognized and understood. To become more externally focused and networked.	Growth of a commercial business and development of the staff and volunteers.
Role relationship to MC	Subordinate 'front man'.	Subordinate, but increasingly frustrated with this position.	Initially, subordinate but quickly assuming peer status, continually seeking more autonomy and control.
Priorities and direction	Consolidate existing workloads, funding and profile. Not about survival, reaching for next level of existence.	Introduce an appraisal system, clarify roles and responsibilities, sort out job descriptions and contracts of employment. Establish firmer community links and secure more funding.	Generation of new ideas for projects and business development. Development of formalized structures and processes to support business growth.
Main contributions to development of Case 3	Improved organizational image and enhanced external awareness of Case 3 in the local community.	Tightened up on the project review system. Secured National Lottery funding and grant from Wirral Borough Council.	Becoming a New Deal supplier. More formalized business planning. Securing European funding. More external involvement and recognition of Case 3.
Impact on formality	Wanted to develop the organization internally by introducing an appropriate degree of formality without creating a bureaucracy.	Formalized process of project review with field and project officers.	Introduced a more formal organizational structure. Formalized some systems and processes.
Impact on HRD	Concern over funding and making time for it to happen.	Tried to access SfsBs and NVQ in community work. Recognized that Case 3 needed to move from skills of observation to those of intervention and facilitation. Keen on NVQs.	Formal recruitment process. NVQs. Many short courses for staff. Team building sessions. Worked towards a more cohesive HRD framework. Mainly 'pulling from the front'.
Overall organizational shift	Growth in number of work projects to a sustainable level, and enhanced organizational image/profile.	Movement towards a more externally-focused and networked organization with other professional community groups. Some change of perspective from an internal to an external focus.	Growth in staff numbers and range of projects. Change in organizational structure, relationship with MC and movement away from concept of small, single-team organization to more formally-managed operation. Resulted in some confusion and alienation of certain staff. Radical change incurred.

Although the period between 1974 (independence from local authority control) and 1996 (the first research contact) is not available to discussions here, it is probable that up until 1997 the organization experienced only gradual change, or no change at all. Table 15 features 'development' across the 'leadership role focus' - a theme that probably underpins much of the content of the other variables. This is hardly surprising given Case 3's operational goals and values. But it is the DM who appears to have made the most significant impact on HRD, probably due to her approach and length of time in the job. A change of leadership in mid 1996 seemed appropriate to the organization's stage of development, as having built Case 3 up to a sustainable level, DO1 may have been content to remain in consolidation. The secretary was perceptive in her summary of the situation in saying that DOs need only three to four years in the job as after that they get stale. DO2 was forward looking and perceptive enough to recognize that he might face problems with the MC over plans for Case 3's development. Had he stayed longer in the job, DO2 may well have influenced HRD matters more, but his desire to 'move on' may have proved incompatible with the MC's request for 'more of the same'; and given DO2's hesitance in his dealings with the MC, 'more of the same' may have overcome 'moving on'. Over the DM's term of office, executive power has shifted a little from the MC to her, but despite orchestrating this shift, the DM has neither the time nor the supporting resource to act effectively in an executive capacity.

### **8.6 Formality Questionnaire in Case 3 (1.6.98)**

This section reports the delivery, results and analysis of the formality questionnaire conducted with the DM during the casework 'exit' visit. Appendix 8 outlines the process for completing and analyzing the questionnaire.

#### ***Results of the questionnaire:***

Appendix 34 reports the questionnaire results in Case 3 in the DM's own words.

#### ***Summary of formality questionnaire ratings:***

Box 12, below, summarizes the formality ratings shown in Appendix 34. The following is a brief interpretation of the data. Further reflections on formality are contained within conclusions towards the end of the chapter.

**Box 12: Summary of Formality Ratings in Case 3**

<u>Formality Variable by Variable</u>	
<u>Variable</u>	<u>Rating</u>
Training and Development	4
Selection Process	6
Induction Process	3
Performance Appraisal/Review	5
Succession Planning	2
Reward and Recognition Systems	2
Employee Involvement Systems	4
Job Rotation/enhancement/enlargement	6
Communication Systems	6
Knowledge Management	5
Leadership Style	4
Power and Influence	6
Organization Structure	7
<u>Overall Summary of Formality</u>	
Current Formality Rating	4
Formality Rating 12 months ago	2

***Interpretation of the formality questionnaire:***

The mean average rating over the 13 variables is 4.61, slightly above that given by the DM as the overall current rating (4). The modal rating is 6 (four occurrences). Like Cases 1 and 2, Case 3 exhibits high formality in organization structure, but unlike the other cases, not in induction, which is perceived as an issue of some contention for the DM. In summary, Case 3 considers it has: *high formality* (7 - 10) in Organization Structure; *moderate formality* (4 - 6) in Training & Development (4), Selection Process (6), Performance Appraisal/Review (5), Employee Involvement Systems (4), Job Rotation (6), Communications Systems (6), Knowledge Management (5), Leadership (4), and Power & Influence (6); and *low formality* (0 - 3) in Induction Process (3), Succession Planning (2), and Recognition Schemes (2). The DM attributed the shift in the formality rating from 2 twelve months ago to a current 4, to her not being able to see any kind of policy or procedures then. Case 3's overall formality profile



is one of moderation with the majority of variables falling in this category. This reflects, perhaps, the DM's liking for balance and a view that "*more formality does not have to mean less flexibility*", and an organizational perspective that tends to incur formality to an extent that it is useful without unduly prescriptive policies and procedures. It is interesting that the highest score is reflected in organization structure (7), as the DM claims that Case 3 operates to an informal matrix system, a contradiction that arguably may be contributing to the general confusion over roles, responsibilities and boundaries. There are several responses in the formality questionnaire to suggest that Case 3 (like Case 2) may be in a continual process of 'getting there in due course'; for example, "*where we are and where we want to be are not in the same place*", and "*...not yet up and running.*"

#### **8.7 Twelve-months-on (11.5.99): summing up Case 3's views on HRD and N/HRD**

Employee numbers had risen to 14. The DM reiterated that Case 3 was operating as a team-based matrix and then drew it as a hierarchical structure, with three teams and team leaders reporting to her. There were still no formalized contracts or terms and conditions of employment, but an induction process for New Dealers and other volunteers, but not employees, was now in place. Two employees were doing an NVQ-based course and another course that utilizes assignment work: both expressed a preference for the latter, because the portfolio collection element of the NVQ was tedious. The DM said she would like to do an MBA, could not afford the time to do it, but was considering a "*fast track second degree.*" She added that she did not want to do an NVQ because "*I am no good at collecting paper.*" Jim was soon to start a Personal Improvement Programme at Liverpool University, as the DM believed that team leader development in general was "*critical to (Case 3) now.*" Whilst still 'busy', the DM appeared more reflective during this visit with discussions constructively focused upon an exploration of self, the organization and the staff. She said:

I tend to be high on direction, giving initial instructions, and then low on support due to my letting them get on with it and then having high expectations of the outcome. I have tried to explain this to (the chairman) and (the vice-chairman) on several occasions. I see the support mechanism in terms of feedback on performance and this doesn't always happen due to other demands. When things go wrong, I take back vital work to avoid problems occurring. Having introduced more formality into (Case 3), I now feel more distanced from things. For example, I go into the general office and can't find anything because of the way things have been organized by the others.

The DM's words convey tension. Having achieved an objective to introduce more formality, she expresses feelings of being distanced, a position she possibly attempts to rationalize through covert criticism of the way others have organized things. This may hint at a sense of insecurity, a reluctance to let go, or a lack of confidence in the staff's ability to do things the way she would do them herself. It may also hint at self-reproach for not having had (or made) time to be more attentive to coaching and feedback mechanisms. The DM's leadership approach and methods have strongly influenced HRD in Case 3. The HRD content is provided through a proliferation of external short courses and longer programmes such as NVQs, whilst the HRD context is accommodated by the DM 'pulling from the front' in pursuit of more formalized organizational structures and processes. Perhaps now the DM may turn her attention towards staff development through coaching and feedback on performance.

The DM's views on N/HRD were also reflective and compelling:

It needs to be there, the whole principle of national HRD is a social one. You work for a third of your life, and work is concerned with health, strains, stresses and learning. I believe that national HRD is about the development of society, even more so now with the New Deal and the need to educate the lost generation - those who have never worked and have few practical and social skills...National HRD supports bottom-line in that people are resources and that the New Deal is helping to bridge the gap between what national HRD can do for society and enterprise. National HRD is now about culture change with the TEC programmes offering the tools. You can have better tools, but the value of the tools is almost academic to the value of the bigger picture. Programmes like IIP can be improved, but it is the impact longer term on business and society that is important. The TECs are only brokers of such tools. It is society itself that will bring about culture change according to how they use the national tools to suit their own needs.

The DM's appears to conceptualize N/HRD as primarily a social responsibility. But in suggesting how N/HRD supports bottom line, the DM moves the responsibility from a social one to an economic one. The DM's use of 'in that people are resources' here, and how this statement concurs with her appraisal of her role (page 183), is puzzling. As already argued in the previous chapter, Case 2 may conceptualize human beings as resources, but that seems typical of Case 2's beliefs and values. The DM's perception of people as resources here, however, appears congruent with neither Case 3's beliefs and values nor the DM's stated role focus. This outward contradiction may be attributable to loose terminology, but the DM's operational priorities would seem to suggest that she may be inclined more to be driven by process than people needs. Whilst not fully able to comprehend the DM's rationale, her

conceptual and philosophical analysis of the situation does seem plausible. Her thoughts about N/HRD being concerned with culture change and TEC programmes as tools that can be improved supports the discussion of N/HRD in Chapter 2. Generally, the idea that N/HRD tools can be improved seems helpful, particularly if SME owner/managers were able to perceive N/HRD as a range of programmes that could be modified through user involvement and feedback. Case 2's sales & marketing director certainly seemed pleased with the outcome of George's 'adapted' MA programme, despite an ineffective feedback mechanism to inform the TEC just *how and why* Case 2 felt the need to modify the MA. It will be interesting to follow how the government's proposed new bodies - the Learning and Skills Council (DfEE, 1999e) and the Small Business Service (DTI, 1999a) - address issues such as these raised above.

At the end of April 1999, the DM was sent a copy of the IIP questionnaire (Appendix 7). After several reminders, the questionnaire was completed and returned in late November, shortly before the DM's departure for an extended visit home to Australia. The results are discussed and compared with those in Case 2 in Chapter 9.

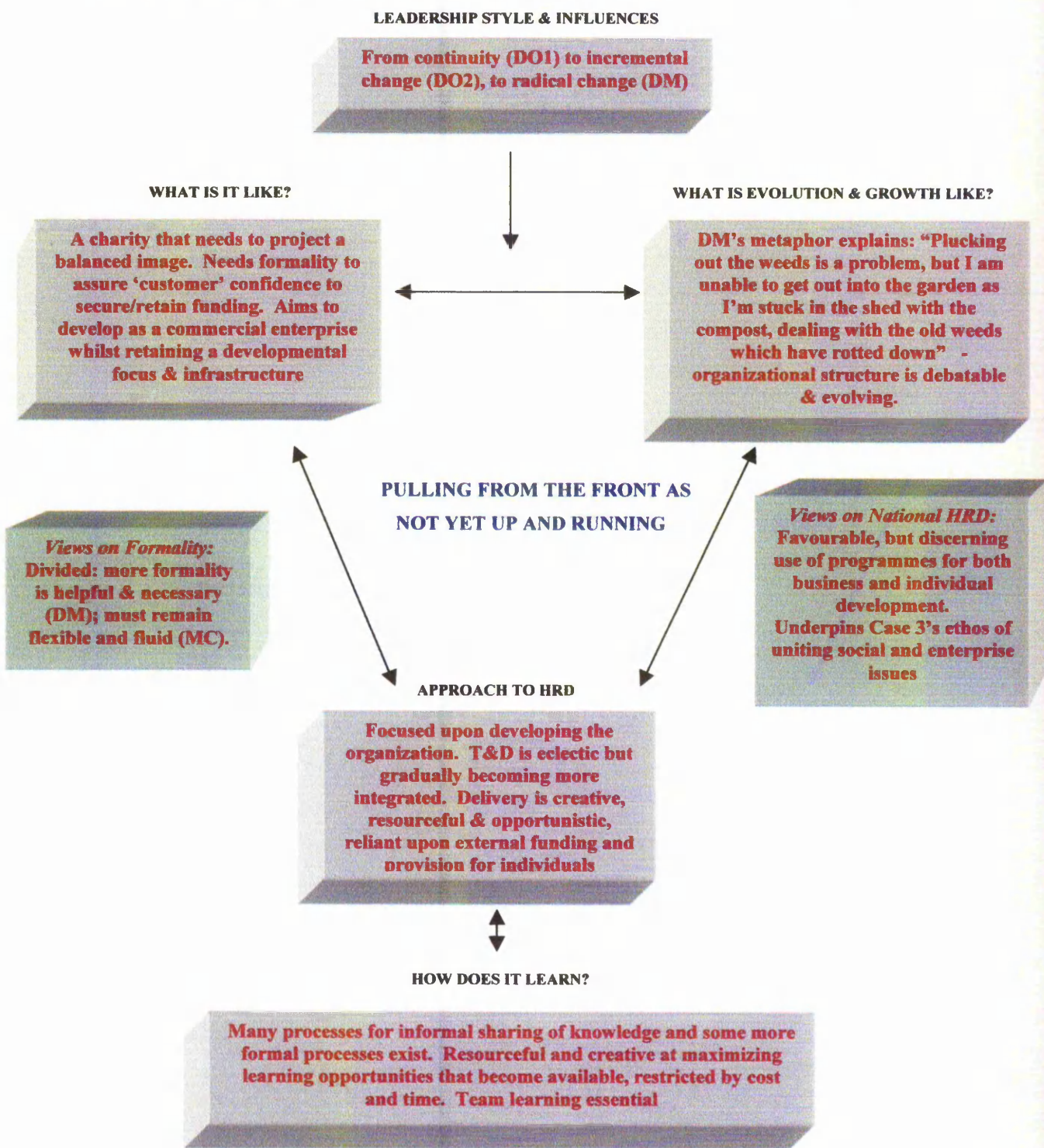
### **8.8 Case 3 – Conclusions**

Figure 23, below, summarizes conclusions about Case 3 within the framework outlined in Chapter 4 (page 71).

#### ***What is it like?:***

Case 3 is shaped by the voluntary sector, which itself in the words of the DM, "*needs to stop stagnating and become more business focused and oriented.*" Though not perceived as a business in a conventional sense, Case 3 endeavours to operate as a commercial concern to instill confidence in the organization's ability to perform effectively whilst using funded money carefully. This necessitates finely balanced operating conditions and levels of formality - a position that can lead to tension between executive and operational matters. As a result of its focus on the development needs of individuals and the local community it serves, Case 3 may be atypical of small organizations in terms of operating environment, aspirations, infrastructure and HRD approach.

Figure 23: Summary of Conclusions about Case 3



***Approach to HRD:***

If the voluntary sector shapes Case 3, then the voluntary sector may also shape Case 3's HRD. In the formality questionnaire, the DM describes HRD as "*necessary and forward thinking*". Perceiving HRD in a context wider than just T&D, she also says:

We believe in looking after our workforce and our individual employees at the same time. It partly compensates for low wages and uncertain conditions of employment.

Here, the importance of the pastoral care of employees and an acknowledgement of shortcomings in employee benefits are highlighted. The separation of 'workforce' and 'individual employees' is interesting. It was determined that, in this particular context, 'workforce' meant a collection of people as an organizational resource, and 'individual employees' meant people as human beings. This sheds some light on the matter of the DM's use of the term 'people as resources'. It seems she sees people collectively as a resource, but individually as people. The connection of this, if any, with Case 3's approach to HRD is unclear. The training and development of people (as individuals) in the main is externally funded and provided. On the other hand, internally provided HRD is more aimed at the development of organizational structure, systems and processes, which may tie in with the DM's use of the term 'workforce'. Overall though, the approach to HRD is creative, resourceful and opportunistic. Having gone some way to secure Case 3's infrastructure, the DM seems ready to turn her attention to the development of individuals through coaching, feedback and the cultivation (to extend her gardening metaphor) of more formally-managed learning processes. Whether or not her typically whirlwind and demanding approach can accommodate the time and patience for these more supportive (rather than 'pulling from the front') leadership/development techniques remains to be seen.

***Organizational learning:***

Information sharing and teamworking are seen as two core, but mainly tacit, organizational skills underpinning Case 3's organizational learning processes. An appraisal of DiBella et al's (1996) typology of organizational learning styles reproduced at Appendix 2 suggests that Case 3 exhibits a 'communal' learning orientation. The DM is especially keen on the concept of team learning (Senge, 1990) for organizational and individual development, as this suits organizational values. Maintaining continuity of knowledge and learning capability is seen as especially important to Case 3 where it is expected that leadership will change every two or three years. Whilst still important, learning continuity is, perhaps, not quite so critical in



organizations like Cases 1 and 2, where leadership (and what is 'known' and can be done under that leadership) tends to be stable over a longer period of time.

***Formality:***

Views about formality in Case 3 appear divided and divisive. For example, the MC wants the organization to remain informal. Paradoxically, the MC may be the most formal part of the organization. The DM wants more formality, but also to protect the volunteers from its effects, claiming "*they need to be steered down a path without realizing this is happening.*" The DM may use a similar ploy with the MC in trying to persuade them that "*more formality does not have to mean less flexibility*" (formality questionnaire). The following three abstracts illustrate how formality may have, or could have, achieved more flexibility and enabled continuity of knowledge/learning:

Example 1: The DM said (about Case 3's selection process):

There is one in place which was used to recruit the new staff. I will use this again, although I wish we had documented the amendments we would make to future applications of the selection process. We did have a verbal debrief of how it went but did not get around to updating it there and then.

Example 2: Jim dislikes paper work, but doesn't mind writing about projects to inform future actions.

Example 3: The DM said:

When I started here it was particularly difficult to identify any policy or procedures, it was difficult to see, with very little data. As a result, I have had to re-learn, what others had to learn previously.

***National HRD:***

Involvement in the New Deal has presented Case 3 with change opportunities but a potential downside could be a compromise to the 'purist' notion of volunteering. Participation in this programme appears to be moving voluntarism to compulsion with regard to policies and procedures, especially those relating to HR matters and the pastoral care and development of volunteers. Arguably, 'compulsion' has helped the DM to achieve a sensible level of formality in some areas, whilst in others, it has "*enforced*" a certain amount of bureaucracy (see responses to formality questionnaire, Appendix 34). Case 3 regards the volunteers as an integral part of the organization and extends to them policies and procedures developed for employees. But, as indicated by Case 3 staff, inclusion is emotional as well as practical.



Despite both DOs and the DM being enthusiastic about the potential value of IIP to Case 3, there has been no notable movement in this direction. This is thought due to a combination of changing circumstances, such as a discontinuity of leadership; and other priorities, such as the New Deal. But, DO1 and DO2 specifically said that time and cost were barriers, and the DM indicated that the cost of consultancy is prohibitive. Whilst not having completely dismissed the idea of IIP at some time in the future, the DM is now pursuing an alternative standard, specifically for the voluntary sector, that is currently being developed by the WCVS. The DM sees involvement with the development of this standard and its ultimate implementation in Case 3 as more appropriate to the organization's intermediate needs at least. In general, Case 3 views N/HRD favourably, probably because of the backgrounds of current and former leaders and the organization's close ties with government agencies. Participation is discerning, as selection of, and continuance with, N/HRD programmes is based upon informed judgement rather than uniformed prejudice.

***Leadership style & influences:***

The DM's role is as much about managing the MC as it is about managing the business, the staff and the volunteers. Over three leaderships, this role has approached the situation in different ways, with the current DM particularly effective at challenging perceived inertia and outmoded perceptions of how a charity organization ought to appear and act to project an appropriately balanced image. Perhaps the DM's reference to 'pulling from the front' is not exclusively levied at matters of *staff* management and development. Her comments about 'taking the MC with her' hint at this too. Since 1993, leadership has influenced the organization in three distinct moves, from continuity under DO1, to incremental change under DO2, to radical change under the DM.

***Evolution & growth:***

Case 3 has evolved from a self-contained, manageable organization to a turbulent enterprise in need of a period of stability and consolidation of individual and organizational learning. The changes appear not to have touched the MC too much though. It remains in a relative state of constancy. According to the DM (formality questionnaire), structure in Case 3 is "*debatable and evolving*" - a position that at times seems to frustrate and overwhelm her, as manifested in her gardening metaphor.

***‘Pulling from the front as not yet up and running’:***

This metaphor represents Case 3’s primary culture as both an input to and a product of the foregoing conclusions. The metaphor suggests pace and movement and is derived in the DM’s many references to systems, and processes that are not yet up and running, or are developing.

**8.9 Summary of Chapter 8**

Chapter 8 has reported the research carried out in Case 3 to include an exploration of what the organization is like, its HRD and learning processes, formality, and views about N/HRD. The chapter has traced the impact of different leadership influences on the organization and has shown how the DM has been instrumental in Case 3’s rapid growth and significant changes since May 1997. Case 3’s approach to HRD is fundamentally shaped by the industry it serves (youth and community development), but has evolved over time under the influences of different leaders. Although the industry itself has changed from a government agency to a pseudo-commercial concern, the funding of staff posts and other resources, such as T&D, remains problematic. Engagement with N/HRD programmes follows a similar pattern to that observed in Case 2. That is, Case 3 participates in or rejects N/HRD because of support for doing things its own way, to include the way it does HRD. Decisions whether or not to participate in Case 3 are, however, made from an informed position about how N/HRD may or may not meet the organization’s HRD criteria. This informed position is fostered by internal HRD expertise, substantial experience of N/HRD, and close ties with a range of government agencies and bodies.

Chapter 9 presents cross-case comparisons and analysis based upon the three sets of conclusions drawn about Cases 1, 2 and 3.

## **CHAPTER 9**

### **CROSS-CASE COMPARISONS AND ANALYSIS**

#### **9.1 Introduction**

The chapter compares the results from the individual cases under the following headings:

- Organizational Culture, using an analysis technique developed with the name ‘From Metaphor to Model’;
- HRD Approach;
- Organizational learning;
- Formality;
- National HRD, including the IIP questionnaire delivered in Cases 2 and 3;
- Leadership and Evolution & Growth.

The output of these analyses is a summary of cross-case comparisons and conclusions that constitute level 1 project inferences as depicted in Figure 9 (page 54).

#### **9.2 Organizational Culture: ‘From Metaphor to Model’**

“And now tell me...how did you manage to know?”...”My good Adso,” my master said, “during our whole journey I have been teaching you to recognize the evidence through which the world speaks to us like a great book...the endless array of symbols with which God, through His creatures, speaks to us of the eternal life. But the universe is even more talkative...it speaks not only of ultimate things (which it does always in an obscure fashion) but also of closer things, and then it speaks quite clearly”. (Eco, 1992: 23-24)

Here, Eco outlines a conversation in which Adso’s master, William of Baskerville, alludes to the relationship between signs and symbols as a means of understanding social phenomena. If a sign is a significant substitution of something else (Feldman, 1995) characterized by detachment from the item it substitutes, then a symbol system is a significative theme constructed through signs (Berger and Luckmann, 1991). As the culture of an organization may be thought of as a collection of symbol systems (Owen Jones, 1996), then an exploration of symbols may be a good way of understanding organizational culture. Language, and how

it is used, is an important feature of social research. As a sign system itself, language objectifies the subjectivity of individuals (Berger and Luckmann, 1991). For example, the three organizational metaphors introduced towards the end of Chapters 6, 7 and 8 were derived in the language frequently used by case respondents. These metaphors have been positioned as symbolic of each case's primary culture - or primary symbol systems in the context of the above. The analysis technique in this section, therefore, engages metaphor to compare the three cases' primary cultures. As suggested in the discussion of research expectations at Chapter 3 (page 56), this technique evolved organically from the casework.

***'From Metaphor to Model':***

Figure 24, below, abstracts a metaphor from the above passage by Eco (1992) to illustrate how organizational signs and symbol systems (often presented or perceived metaphorically) may be engaged in an epistemological principle described by Nonaka (1996: 23) as "from metaphor to model". Nonaka (ibid.) claims that the conversion of tacit knowledge to explicit knowledge means finding a way to express the inexpressible. He argues that metaphor accomplishes this by:

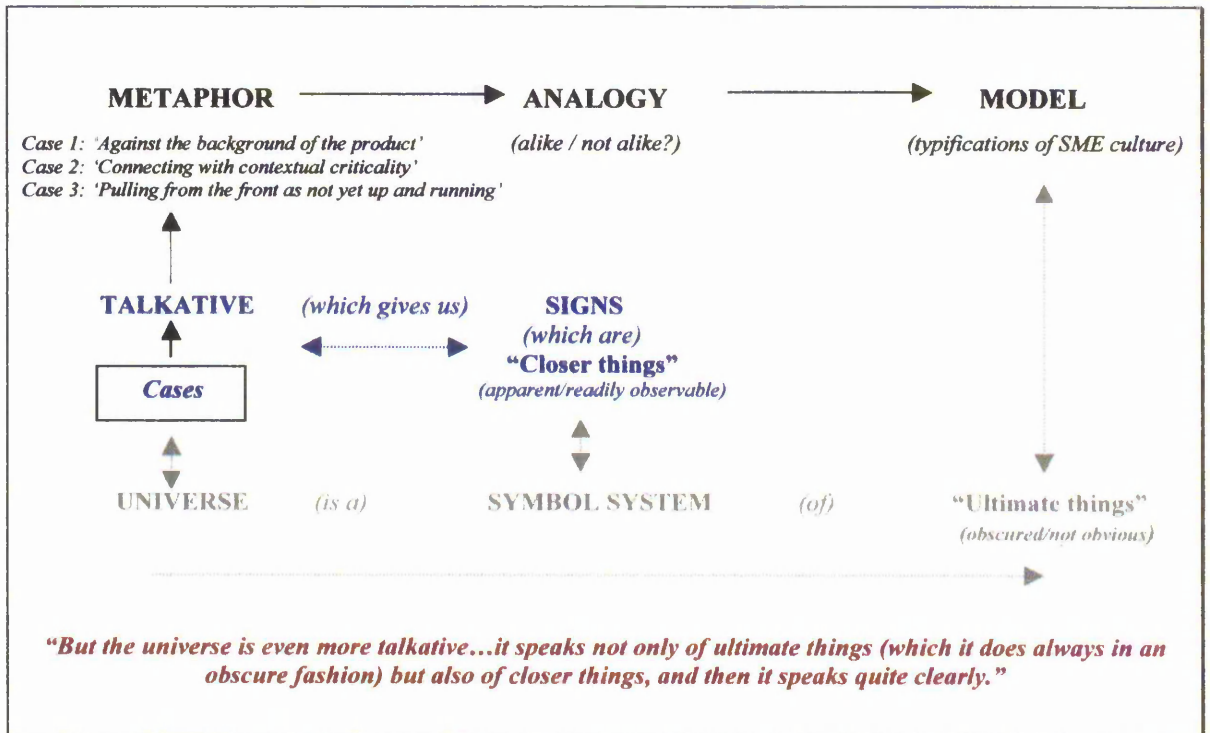
...merging two different and distinct areas of experience into a single inclusive image or symbol...By establishing a connection between two things that seem only distantly related, metaphors set up a discrepancy or conflict. Often metaphoric images have multiple meanings, appear logically contradictory or even irrational...it is the very conflict that metaphors embody that jump-starts the creative process. (ibid: 25)

Nonaka then goes on to say:

But while metaphor triggers the knowledge-creation process, it alone is not enough to complete it. The next step is analogy. Whereas metaphor is mostly driven by intuition links images that at first glance seem remote from each other, analogy is a more structured process of reconciling contradictions and making distinctions. Put another way, by clarifying how the two ideas in one phrase are actually alike and not alike, the contradictions incorporated into metaphors are harmonized by analogy. In this respect, analogy is an intermediate step between pure imagination and logical thinking. (ibid: 25)

The basis of Nonaka's (1996) argument is that movement from 'pure imagination' (metaphor) to 'logical thinking' (model) is too great without an intermediary step - analogy,

Figure 24: From Metaphor to Model



whereby an enquiry into how the elements of a metaphor are similar and yet different facilitates a more structured analysis. But the process begins in the imagery of metaphor.

In Figure 24, the 'universe' is depicted as a symbol system - obscured and 'ultimate' - that exudes more obvious signs by 'being talkative'. An exploration of these signs ('closer things') leads to insights about the more obscured part of the system ('ultimate things'), that in a work organization would typically relate to cultural issues such as values, beliefs, and management perspectives. Two observations are made here. First, that Figure 24 is an axiomatic illustration of 'from metaphor to model', in that Eco's metaphor led to the development of the model. Second, that as the metaphor used to extrapolate the model is epistemologically grounded, it would seem appropriate as an analysis framework.

The figure builds upon Nonaka's (1996) principle to show how the three metaphors from the casework (denoting the cases' primary cultures) are used to develop a 'model' of what might typify SME culture - a sub-variable of the study. The cases are positioned in Figure 24 as 'universes' that have been 'talkative', to a point of expressing the inexpressible metaphorically. The progression from metaphor to model is achieved by analogy. Figure 25, below, shows the main outputs of an enquiry into how the cases are 'alike' and 'not alike' ('analogy'), based upon the three metaphors. A preliminary step involved listing the



**Figure 25: From Metaphor to Model: towards a model of SME culture**

*Case 1: Against the background of making the product*

*Case 2: Connecting with critical contextuality*

*Case 3: Pulling from the front as not yet up and running*

	<b>ALIKE?</b>	<b>NOT ALIKE?</b>
<b>Cases 1 &amp; 2</b>	<p>Seen in a context determined by the organization itself through internally-developed perspectives and standards; Strongly implicates an imperative position - 'must satisfy our needs';</p> <p>Focus is on the organization itself that demands to be taken 'as is';</p> <p>'Movement' is inwards, towards the organization - general ethos of 'they/it must come to us';</p> <p>Sense that direction is about 'pulling in'.</p>	<p>Case 1 appears 'tactile', reflecting perhaps the tangibility of its end product and industry – although arguably Case 1's actual product is design innovation.</p> <p>Signs that Case 2 may tolerate more external intervention, but only to the point of satisfying own agenda and methods.</p>
<b>Cases 1 &amp; 2 and Case 3</b>	<p><i>Cases 1, 2 &amp; 3:</i></p> <p>All three cases have a need for connection: Cases 1 &amp; 2 pulling in to connect internally; Case 3 pulling out to connect externally.</p>	<p><i>Case 3:</i></p> <p>Suggests a dynamic context, organization is not yet where it wants to be, or not yet sure where it wants to be;</p> <p>Focus on leadership role, rather than organizational purpose;</p> <p>External intervention sought to change the organization;</p> <p>'Movement' is outwards, away from the organization as it exists now towards external perspectives and standards;</p> <p>Sense that direction is about 'pulling out'.</p>

↓

<b>Themes</b> <i>(typifications of SME culture)</i>	<b>FOCUS ON 'SELF' AND CRITICAL ISSUES; MOVEMENT AND ENERGY TO MAKE CONNECTION; DIRECTION OF MOVEMENT/ENERGY FLOWS DETERMINED BY THE OTHER TWO THEMES</b>
--	---

principal characteristics of each case as suggested by the metaphors. The 'themes' at the bottom of the figure are extracted from the analysis and cited as typifications of SME culture ('model'). These themes are seen as important in the context of the study and are further developed later in this and the next chapter.

There appears to be more similarity than difference between Cases 1 and 2, with Case 2 exhibiting a slightly more relaxed position regarding external intervention. Case 1's



apparent tacitility may be synonymous with an engineering environment. Case 3 emerges almost diametrically opposed to the other two, which might support previous arguments about Case 3 being different from other small organizations (Box 11, page 171). Overall, Cases 1 and 2 tend to be inward focused, whilst Case 3 demonstrates an outward perspective. Interestingly, even though Case 1 seems more culturally akin to Case 2, Cases 2 and 3 are more alike when it comes to using N/HRD programmes. Case 2's conditional tolerance of external intervention may offer some explanation of this apparent anomaly. The analysis of the metaphors emphasizes 'connection': Case 2 explicitly so; Case 1 suggesting that everything must 'connect' with its product; and Case 3 trying to 'connect' with organizational change. In all three cases, connection is seen as focused on 'self' and critical organizational issues. However, the direction of movement/energy flows are not common to all cases. Cases 1 and 2 'pull' external opportunities inwards to connect with them. Case 3 is 'pulled' (through the DM's 'pulling from the front') outwards to connect with external opportunities.

### **9.3 HRD Approaches**

Table 16, below, compares the HRD 'planning', 'doing' and 'evaluating' activities in the three cases. The summary statements at the top of the figure are extracted from Figures 19, 21 and 26 in Chapters 6, 7 and 8, respectively. Table 16 shows that each HRD approach differs from the other two, with Case 1 most closely matching the conventional SME paradigm presented at Figure 7 in Chapter 2. None of the cases is, however, an exact fit with the generic model. Whilst all three organizations demonstrate little formality in their HRD processes, Case 3 shows a focused determination to explore T&D at organizational, team and individual levels. Case 3 also demonstrates an external perspective through participation in programmes and activities such as the New Deal, NVQs, and foreign exchanges. It seems that, in all three cases, HRD is concentrated upon developing the organization to meet the particular demands of its own operating environment and circumstances: engineering and product development needs in Case 1; to a reasonable sufficiency and balance in Case 2; and attention to issues concerning both society and enterprise in Case 3. This is seen as being linked to matters of 'criticality' and 'connection'. It also seems that the cases may have directed HRD effort at organizational level first, and at individual level second - or, in Cases 1 & 2, hardly at all. If it is typical of SMEs to pursue organizational development before, or to the exclusion of, individual development, the extent

**Table 16: Cross-case Comparison of HRD Approaches**


S U M M A R Y	<p><b>Case 1: design &amp; build engineering</b></p> <p><b>Within the limits of individual capability and responsibility against the background of making the product</b></p> <p><i>(Chapter 6)</i></p>	<p><b>Case 2: security &amp; telecommunications</b></p> <p><b>'Ad hoc', or developed to a 'reasonable sufficiency' to instill/retain customer confidence; balanced against a need to limit corporate risk and disruptions to work</b></p> <p><i>(Chapter 7)</i></p>	<p><b>Case 3: youth &amp; community projects</b></p> <p><b>Focused upon developing the organization. T&amp;D is eclectic but gradually becoming more integrated. Delivery is creative, resourceful and opportunistic, reliant upon external funding and provision for individuals</b></p> <p><i>(Chapter 8)</i></p>
P L A N N I N G	<p>No formal HRD planning</p> <p>HRD not planned in the context of its plans for growth</p> <p>Tended to employ qualified people who need little or no training</p> <p>Planned to introduce ISO 9001 which does require some formality in T&amp;D</p>	<p>HRD has been considered in the light of recent organizational changes</p> <p>No organizational T&amp;D plan in place</p> <p>Individual training plans were discussed with the MD but not developed</p> <p>Plans to do job descriptions put off</p>	<p>T&amp;D planning is informally, but regularly, discussed during team and individual performance meetings with the DM</p> <p>More formal planning now being put in place as a result of the organization becoming a 'supplier' to the New Deal programme</p> <p>Would like to implement IIP (or industry specific equivalent) and more formalized HRD processes in general</p>
D O I N G	<p>1 traditional apprentice</p> <p>Workforce training ad hoc and dependent upon informal sharing of information and skills with peers</p> <p>No management development</p> <p>Management apparently happy with the level of T&amp;D undertaken, although some managers recognize the need for more diverse management skills</p>	<p>1 Modern Apprentice (MA)</p> <p>Management team have undertaken formal off-job development</p> <p>No evidence of training being carried out according to T&amp;D plans</p> <p>Workforce training is reactive and sporadic</p> <p>Staff appraisal system in place</p>	<p>Designed and implemented its own behaviourally-based selection process</p> <p>Employee exchange visit to Hong Kong</p> <p>Team building taken place to examine team roles and responsibilities</p> <p>Individual performance reviews/coaching sessions with development manager take place regularly - output is Documented</p> <p>Staff development with NVQs and other external programmes</p>
E V A L U A T I N G	<p>Evaluation occurred as part of feedback on on-the-job errors</p>	<p>Informal through annual appraisal system</p> <p>The MA's progress is evaluated under the overall modern apprenticeship scheme by the college and on-the-job feedback on errors</p>	<p>Informal evaluation takes place during reviews and team meeting</p> <p>The need for more specific evaluation of learning is appreciated</p>
	<p>No internal HRD expertise</p>	<p>No internal HRD expertise</p>	<p>Development manager is familiar with business planning and HRD processes</p>

of HRD in SMEs may be underestimated. As much of the literature on the subject appears to converge upon the T&D of individuals, this may be valid. However, there are differing rationales in each case for developing organization over individuals. For instance, Case 1 preferred to employ qualified craftsmen and saw individual development as the responsibility of individuals; Case 2's MD feels that T&D is lost time; and the DM in Case 3 recognizes a need for personal intervention in the development of employees, but sees the augmentation of formality and work projects as more pressing and immediate priorities.

**9.4 Organizational Learning**

Table 17, below, compares the organizational learning styles of the three cases, based upon those advanced by DiBella et al (1996) (Appendix 2). Beneath the main data is a summary of each organization's industry type. The learning styles of Cases 1 and 3 quite notably reflect the industries they represent, whilst Case 2's learning orientation leans more towards a reflection of the MD's own identity and needs, thus offering a further similarity between Cases 1 and 3, with Case 2 ostensibly out on a limb. Cases 1 and 3 seem to share a belief that 'work' should not only serve the purpose of the organization, but should also be stimulating and fulfilling for those who work there - a belief engendered in Case 1 through the commercial and humanistic values of the MD and the technical manager, and in Case 3 by virtue of its operating environment. This work ethos has not been detected in Case 2, where people seem to be perceived as organizational resources above human beings. If, as indicated in Figure 25, Cases 1 and 2 are alike and diametrically opposed to Case 3, then it would seem that neither primary culture, nor management perspectives, nor industry type, as individual constructs, are clear determinants of organizational learning style. If this were so,

**Table 17: Comparison of Organizational Learning Styles**

Case 1	Case 2	Case 3
Mostly located in 'Rugged Individualism', but some signs of 'Techno-analytical'	Unable to locate in any particular DiBella style - perhaps oriented more towards 'Traditional' - but notion of 'getting there in due course' may be a reflection of a learning style, with the MD taking active steps (appraisal process) to ensure that tacit knowledge ultimately belongs to the organization	Readily identifiable in a 'Communal' learning orientation pattern
<i>Product Orientation</i>	<i>Combined Product/Service Orientation</i>	<i>Service Orientation</i>
 <i>Industry Type</i>		

Cases 1 and 2 might share a more closely-matched learning orientation based upon culture and/or industry type, and Cases 1 and 3 on management perspectives. There may also be some commonality across the three cases towards an 'Evangelical' learning orientation (Appendix 2) for, at times, all have been obliged to learn transformationally due to external pressures and demands.

The data at Table 17, above, have been extrapolated into the 'Idiosyncratic-situational SME Learning Orientation' model at Box 13, below. The model, which is based in issues relating to flexibility and situational formality, suggests that SME learning is shaped by a mix of complex internal organizational perspectives and external influences, that tend to be indeterminable and unpredictable.

**Box 13: Idiosyncratic-situational SME Learning Orientation**

<i>Idiosyncratic-situational pattern of learning orientation:</i>	
•	Shaped by perceived 'leader' and then regulated by industry 'norms'
•	Creates knowledge internally, but opportunist in engaging external perspectives
•	Emphasizes product and process knowledge interchangeably
•	Demonstrates both incremental and transformational learning (more comfortable with the former, but on occasions forced to engage in the latter)
•	Difficult to discern at times whether learning is at organizational, team, or individual level as an individual and/or a team may constitute the 'organization', and vice-versa
•	Mainly informal dissemination of knowledge, but develops more formal mechanisms as needed.

**9.5 Formality**

Appendix 35 compares the formality ratings in the three cases and shows an analysis of similarities in matched pairs. Globally, no pattern readily emerges, and it is difficult to say whether one organization may be more or less formal than the others. On examining formality variable by variable, we can see that each case exhibits a different profile to the other two, with Case 1's outwardly the most extreme. The overall summary ratings indicate that Cases 2 and 3 are similar to each other and different from Case 1, both in terms of current rating and degree of shift over twelve months. The analysis of similarities in compared ratings shows a reasonably even distribution of occurrences - Cases 1 and 2



achieving fewer incidences of similarity (3) as a matched pair than the other two pairings; and Case 3 achieving four occurrences in pairings with both of the other cases. There is similarity in only three variables across all cases: 'Training and Development', 'Selection Process', and 'Organization Structure'. Interestingly, the lowest formality rating in these appears in 'Training and Development', and the ratings (1, 3 and 4 in Cases 1, 2 and 3 respectively) increment in keeping with patterns traceable in both the organizational metaphors (and, therefore, primary organizational cultures) and the HRD approaches compared at Table 16. There are moderate to high formality levels across all cases, in 'Selection Process' and 'Organization Structure'. These variables might be construed as organizational imperatives, on the basis that it may be difficult to operate without some kind of recognizable structure in which to configure and manage work and people; and that new employees have to be selected against some 'standard' to ensure continuity of organizational values and operating criteria. Even though levels of formality in 'Selection Process' are similar across all cases, actual selection processes are variant: Cases 1 and 2 rely on external mechanisms and perspectives, whilst Case 3 has developed a bespoke process internally. Curiously, this is antithetical to data presented at Figure 25 regarding organizational metaphors, where Case 3 is shown to be more externally focused than Cases 1 and 2. Perhaps these are examples of where deviation from normal values is perceived as necessary to retain operational flexibility, even in the pursuit of formality.

A final point to be made here about cross-case similarity concerns 'Leadership Style' and 'Power and Influence', whereby Cases 2 and 3 show a notably similar profile and marked opposition to Case 1. The technical manager of Case 1 explained leadership style as 'pragmatic and informal' and power and influence as 'situational', appraisals that concur with an appraisal of leadership and influence in Case 1 as participative and relaxed. In Cases 2 and 3, however, leadership and power 'issues' were observed. Perhaps respondent assessment of formality in these areas is a reflection of the intensity of these issues.

Table 18, below, highlights dissimilarities in the three cases. Case 1's position in matters of leadership and power & influence is reversed in a high rating for 'Employee Involvement'. This is attributed to the importance placed on seeking shop-floor input to product design - an argument supported by a moderately high formality rating (6) in 'Knowledge Management', that in Case 1's context inextricably involves employees. The ratings against the three variables shown for Case 2 ('Performance Appraisal/Review', Reward & Recognition, and Job Rotation/Enhancement') reflect the organization's attention

**Table 18: Analysis of Formality Comparisons - No Similarity With Other Cases**

Case	Variable	Rating	Observations
1	Employee Involvement	9	Formality of skill of job leads to feedback about the design, which in turn leads to formal changes to design.
1	Leadership Style	1	Pragmatic and informal.
1	Power and Influence	1	Situational.
2	Performance Appraisal/Review	8	Formal system developed to gain organizational knowledge, seen as a catalyst for change.
2	Reward & Recognition	6	Formal grading and pay structure set out in employee handbook.
2	Job Rotation/enhancement etc.	0	Only to suit business needs, not individual needs.
3	Induction Process	3	Considered by the DM as a missed opportunity and becoming a bit of a 'hobby horse' for her.
3	Succession Planning	2	Reflects the image of the voluntary sector, only happens when enforced externally.
3	Communication Systems	6	Variety of ways, both written and verbal.

to developing structures to contain and control, and a perceived lack of attention to the needs of individuals - the latter being another possible sign of 'people as resources'. Oddly, Case 2 appears not to see the staff appraisal scheme as 'Knowledge Management', as this was afforded a low formality rating (3) by the sales & marketing director. It is conceivable that this might have been higher had the MD completed the formality questionnaire. Case 3's DM has, perhaps, aired a particular hobby horse in rating 'Induction Process' as 3, whilst a low rating in 'Succession Planning' (2) and a moderate rating in 'Communication Systems' appear to be realistic reflections of 'life' in Case 3.

In summary, many contradictions are perceived in formality across the three cases, with no dominant pattern readily discernible. Respondent perceptions of formality also appear to concur with what is either important and/or critical to either self and/or the organization - perceptions that can shade formality ratings either up or down. As overall current formality ratings (Appendix 35) are down in Case 1 and up in Cases 2 and 3 over a twelve months period - and as Cases 2 and 3 are engaged in N/HRD programmes and Case 1 was not - there could be a relationship between 'formality' and 'N/HRD'. But, is increased formality a consequence or a cause of N/HRD in Cases 2 and 3, or is a possible relationship just coincidental? In both organizations an N/HRD programme served as a catalyst for change. Case 3's DM engaged with the New Deal specifically to increase organizational formality, whilst the sales & marketing director of Case 2 brought in SfSBs to help improve communications and morale. If that meant an increase in formality, then that was regarded as



an inevitable consequence of change.

### 9.6 National HRD

Table 19, below, offers a summary of compared N/HRD perspectives. Each of the three positions in the table appears unique in composition, but matters of ‘connection’ present an important common theme. In Case 1, N/RD does not connect to bespoke organizational requirements and owner/manager perspectives at all (see Table 13 in Chapter 6); in Case 2 it connects when adequately funded and ‘convenient’ - because there is no other option available due to no internal HRD expertise, for instance. Whilst in Case 3, N/HRD connects because:

- the DM’s experience/understanding of the strengths and weaknesses of N/HRD programmes;
- of its operating environment and networking opportunities - for example the CEO of Wirral CVS is on the CEWTEC board;
- as a charity organization operating in an Objective One area for EC funding, financial support is relatively available and accessible;
- the New Deal is seen as philosophically and commercially viable for furthering organizational goals.

**Table 19: Comparison of Views about National HRD**

<b>Case 1</b>	<b>Case 2</b>	<b>Case 3</b>
Disaffected and detached as did not see N/HRD programmes fitting in specifically with organizational needs. MD conceded that the modern apprenticeship was ‘nearer the mark than anything he had seen’. Strongly opposed to NVQs as a learning mechanism.	Cynical and suspicious, but conveniently forgiving. Regarded SfSBs as a catalyst for change as it was a forerunner to the appraisal system. Pleased with the contribution that the 1 modern apprentice is making to the business. Abandoned attempt at becoming a New Deal employer.	Favourable but discerning. Both DO2 and the DM knowledgeable of N/HRD so able to make informed judgements as to the strengths and weaknesses of particular programmes. Case 3 is a New Deal supplier for pathway phase (ETF & VSO). DM sees the New Deal as uniting society and enterprise.
<i>Views on IIP:</i> Questioned the relevance to small company situations. Nothing wrong with the theory, it’s the application that is at fault. Concerned about adapting an organization to a given framework.	<i>Views on IIP:</i> No outright opposition but concerned about time & costs involved in achieving a standard that may have little or no business benefit to employer or employee. Would consider if a customer requirement.	<i>Views on IIP:</i> Believes that an organization like Case 3 should be investing in people, but concerned over cost of IIP consultancy. Is considering an industry-specific alternative standard focused on the HR, development & pastoral care needs of both staff and volunteers.

Case 1's profile is less like the other two as it demonstrates relatively uncompromising and negative views. Even though Cases 2 and 3 participate in N/HRD, they do so from dissimilar stances as discussed above. Both organizations have had bad experiences: Case 2 with MAs, the New Deal, and TEC/Business Link interactions; and Case 3 with SfSBs and NVQs. Both organizations criticize inadequacies in guidance and feedback mechanisms. Case 2 seems to persevere with N/HRD out of necessity when there is no other option available, whilst Case 3, persists more through informed choice and 'know how'. It was, however, Case 2 that managed to mould an MA programme to suit its own needs. Apart from Case 1, there appears to be little concern over the formality of N/HRD programmes. Whilst, Cases 1 and 2 have reservations over the relevance of IIP to small organizations, Cases 2 and 3 worry about implementation costs. The following discusses the results of the IIP questionnaire in Cases 2 and 3.

***'Your Organization and Investors in People' (IIP questionnaire):***

Appendix 7 shows the IIP questionnaire completed by the sales & marketing director of Case 2 and the DM of Case 3 in mid/late 1999. The questionnaire was developed from 'The IIP Small Organization Hurdle Model' at Figure 15 (page 101) - an outcome of the preparatory survey in 1996. It was delivered as part of the casework to gain more structured opinion about IIP, and to test an earlier proposition that the model could be developed as a practical diagnostic tool to assess an organization's 'cultural readiness' for IIP. In associating the questionnaire to its origins in the model (Figure 15), Section 1 seeks opinion about the 'arena' and 'influences from the external environment', and Section 2 about IIP awareness - 'Fence 3'. Section 3 comprises ten Likert scale statements relating to 'influences from outside' (Statement 7) and the remaining 'fences' (Statements 5 and 6 both relate to 'Fence 5'). Section four asks why the organization has not adopted IIP and what might encourage it to do so. Table 20, below, shows the results in Sections 2 and 3. The table comprises two sets of data reflecting views of both Case 2 and 3 respondents and also the researcher about all three cases, which were completed prior to seeing respondent responses. Responses in Sections 2 and 3 attract a combined maximum score of 56 - the lower the score, the greater perception of cultural 'barrier' to IIP. Table 20 shows that both respondents' results compare closely with the researcher's, in terms of total scores and 'understanding of IIP'. Respondent/researcher similarity is also reflected in the distribution of responses that underpin these scores. This indicates a good understanding of Cases 2 and 3, and that if

**Table 20: IIP Questionnaire Sections 2 and 3**

Case	SECTION 2: What most closely matches understanding of IIP		SECTIONS 2 & 3: Score	
	Respondent View	Researcher View	Respondent	Researcher
1		<i>*It is about the training &amp; development of people</i>		20
2	It is about the training & development of people	<i>It is about the training &amp; development of people</i>	25	27
3	It is about developing an organization as a whole	<i>It is about culture change in an organization</i>	40	39

\* This was also the view returned by Case 1’s technical manager during the preparatory survey in 1996

Case 1 had completed the questionnaire, it is reasonable to think that there would have been respondent/researcher compatibility there too. On this basis, the pattern of scores in the three cases supports a recurring theme about the cases’ ‘incremental’ HRD approaches and views about N/HRD in general. It is likely, therefore, that Case 3 is culturally and intellectually more ready for IIP than the other two organizations.

The main barriers to adoption of IIP in Cases 2 and 3 are summarized in the responses to Section 4 of the questionnaire (Table 21, below). Whilst in isolation, the data in the table

**Table 21: IIP Questionnaire Section 4**

	Main reason(s) not adopted IIP?	What would encourage a commitment to IIP?
<b>CASE 2</b>	The MD does not see the benefits of IIP and thinks it would be a bureaucratic waste of time.	The wholehearted commitment of the MD.
<b>CASE 3</b>	Lack of resource ie: time, training, money.	We definitely want to commit to IIP. All that is stopping us is time, expertise and money.

appear to present differing indictments of why IIP has not been adopted (MD perspectives in Case 2, and resources in Case 3), an analysis of the comparisons at Tables 22 and 23, below, offer better insights into where and how these bottom-line statements may be grounded. Table 22 shows that the two cases share views in four areas: resources and costs; understanding of IIP; and confidence in TEC/Business Link support and encouragement.



Table 22: IIP Questionnaire Section 3

Statements	Case 2	Case 3
1. Issues surrounding time, money and resource in general really are major obstacles...	A	SA
2. Our customers are asking us to adopt IIP	SD	A
3. I have a good understanding of what IIP is all about...	A	SA
4. The views and perspectives of those who own/manage our organization are keenly aligned to the training & development of all managers and employees in it	D	A
5. Business/management skills in our organization are sufficiently adequate...	U	D
6. Owner/managers in our organization have received formal business/management training...	SD	U
7. If we were to adopt IIP, I believe we would receive good support/encouragement from TEC	A	A
8. At least one person in our organization has practical and/or theoretical expertise in HRD	D	SA
9. We really have given careful consideration to the benefits of IIP and why we may/not need it	SD	A
10. ...we ultimately believe that the cost of introducing IIP would be prohibitive	U	U

Key: Shared views

The remaining variables demonstrate opposing or dissimilar views. For example, Statements 2, 4, 8 and 9 present opposing views, whilst those about the whole area of business/management skills and training (Statements 5 and 6) appear dissimilar rather than opposed. A closer comparison of the combined responses in Statements 5 and 6 is interesting. Do the respondents have dissimilar views, or are they actually saying the same thing, but in different ways? Case 2 may be saying 'I know managers haven't had formal training, but I don't know if this makes their skills inadequate'; and Case 3, 'I know that business/management skills are inadequate, but I don't know if this is due to a lack of formal training'. Either way, management skills (in)adequacy would appear to be an area of uncertainty in both cases, and in that respect is a shared feature. The two cases 'start' (Statement 1) and 'finish' (Statement 10) in agreement, but each journey between these points is, by and large, different. Also each case's journey appears to have caused initial views about cost to soften. This may be because the questionnaire has challenged respondents' perceptions through reflection - a learning process that has simultaneously clarified and clouded previous understandings. The four areas of shared views may represent primary decision-taking 'imperatives' - for arguably, any organization, small or large, needs to be mindful of resource issues, especially financial ones, have a level of intellectual comfort about what it engages in, and have confidence in the accessibility of support of a potentially powerful external stakeholder. The remaining variables in Table 22 relate to more

individualistic organizational matters. Table 23, below, summarizing IIP motivators and barriers in Cases 2 and 3, builds upon this suggestion.

It seems that Case 2's 'individualism' comprises a range of non-supportive (of IIP) internal and external influences, an overall picture of the organization mirrored in the discussions in Chapter 7. This suggests that Case 2 may in itself be a barrier to IIP, arguably a condition shaped by leadership perspectives and an uncertain external environment. On the other hand, much of Case 3's individualism in Table 23 supports IIP. An element of compulsion in Case 3's situation is also noted, in that customers - in the main government

**Table 23: IIP Questionnaire - Summary of IIP Motivators and Barriers in Cases 2 and 3**

	<b>Motivators</b>	<b>Barriers</b>
<b>CASE 2</b>	<p><i>Awareness &amp; understanding of what IIP is all about</i></p> <p><i>Believes would receive good support &amp; encouragement from the TEC/Business Link</i></p>	<p><i>Issues surrounding time, money and resource</i></p> <p>Not perceived as a customer requirement</p> <p>Perspectives and commitment of MD</p> <p>Perceived as non essential</p> <p>Possible benefits of IIP not carefully considered</p> <p>Lack of internal HRD expertise</p> <p>Demands and pressures of role multiplicity</p> <p>Fluctuating and uncertain external environment</p>
<b>CASE 3</b>	<p><i>Awareness &amp; understanding of what IIP is all about</i></p> <p><i>Believes would receive good support &amp; encouragement from the TEC/Business Link</i></p> <p>Operates in a people-focused environment</p> <p>Perceived as essential – growth means that the principles of IIP are even more important in relation to effective structures, communication and procedures</p> <p>Close ties and associations with government departments and agencies</p> <p>Influenced by social policy, government initiatives, the community</p> <p>Customers are asking Case 3 to adopt IIP</p> <p>Wants structured (but paper free) organizational systems and processes</p> <p>Management positive towards continuous improvement and commitment to T&amp;D</p> <p>Possible benefits of IIP carefully considered</p> <p>Internal HRD expertise</p>	<p><i>Issues surrounding time, money and resource</i></p> <p>Staff training in IIP principles and implementation</p> <p>Level and nature of support from TEC/Business Link, would not meet Case 3's initial needs</p> <p>Length of time to implement - fears a loss of impetus</p> <p>Fear of too much 'paper'</p>

Key: *Blue italics* = shared motivators

*Red italics* = shared barriers

agencies - are asking for a commitment to IIP. This factor is missing in Case 2, and as the sales & marketing director said that he would consider IIP if it were a customer requirement (see Table 19, above), then this may be construed as a critical IIP motivator. Case 3's DM, although confident of receiving TEC/Business Link support, feels it would be inadequate. She wrote:

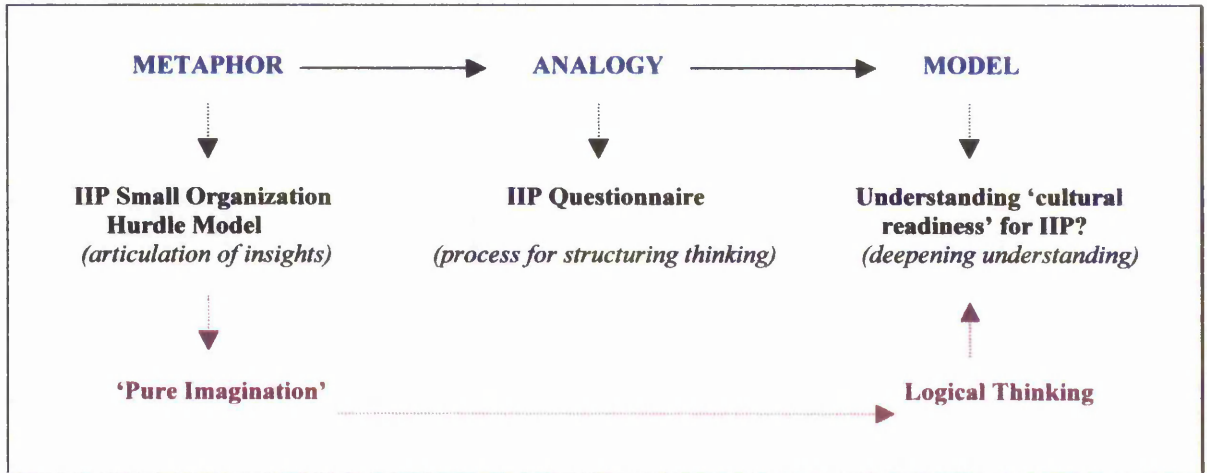
I think that training for staff, an expert to take us through, and money for the training and help with the processes would help. I know some of this is available from the TECs and Business Link - but it's not always in an easy to access package with the level of support that we would need initially. Seriously for us I think it would be mentoring. If we as a small organisation could be mentored by a larger organisation already committed to or awarded IIP, then the lessons learnt could be passed on. The resourcing factor would be less prohibitive, and I think that other organisations would benefit as well as ours. This process would obviously have to be facilitated, and it would from our perspective fit into "Business in the Community" type activity. Maybe the Business Links of this world could set up a buddy system: a successful IIP organisation with an up and coming learner as part of their follow through and reviews...just an idea. I know that for IIP we are talking about a culture change etc. within the organisation, and this takes time, but by the time people within the organisation become trained - the process has become too lengthy and some of the impetus is lost. Also the paper trail becomes arduous. The way I would see IIP becoming part of our organisation is to make it as paper free as possible but still structured. I think the idea of continuous improvement and commitment to training and development for staff and users alike is already imbedded in our organisation but yet unleashed to realise full potential - all we need is "a little help from our friends" and we would be there.

Having appraised her organization's position regarding IIP, the DM offers a possible way of overcoming barriers in suggesting an approach involving mentoring and 'buddying'. The notion of 'a little help from our friends' is interesting. It suggests two things perhaps: one, that it wouldn't take *much* for this organization to make a commitment to IIP; and two, that it is a matter of connection - Case 3 is reaching out for something, or someone, to connect with.

Having 'tested' the proposal in Chapter 5 that the 'IIP Small Organization Hurdle Model' could be developed into a practical diagnostic tool, it is argued that, whilst the IIP questionnaire may not claim absolute robustness, its use has brought fresh insights, added weight to other findings in the study, encouraged respondents to reflect constructively upon their organizations - and, to some degree, validated the sequencing of the variables in the hurdle model presented in Chapter 5. Figure 26, below, uses the analysis technique 'From Metaphor to Model' to illustrate how development and use of the IIP questionnaire has helped refine initial insights into IIP gained in the preparatory survey.



**Figure 26: Understanding Cultural Readiness for IIP using the analysis technique ‘From metaphor to Model’**



**9.7 Leadership and Evolution & Growth**

Whilst matters of leadership and evolution & growth were selected for special consideration within Cases 3 and 2 respectively, it became apparent that one construct could not be studied without automatically drawing in and upon the other. Good insights into Case 2’s evolution & growth were achieved through an analysis of its leadership, whilst in Case 3, leadership perspectives were also well meshed with the organization’s evolution & growth. Another point here is that product & design innovation - the special SME characteristic in Case 1 - was central to that organization’s leadership focus, and evolution & growth. Table 24, below, compares leadership and evolution & growth in the three cases. Although other leadership influences exist (the technical manager in Case 1, the sales & marketing director in Case 2,

**Table 24: Cross-case Leadership and Evolution & Growth**

	<b>Leadership Style</b>	<b>Evolution &amp; Growth</b>
<b>Case 1</b>	Involved, technically practical & hands-on, sociable, relaxed, highly visible.	Driven by a pride in product and design innovation and a need to establish new overseas markets. Rapid growth.
<b>Case 2</b>	Aloof and ‘capricious’. Not visible, but would like to be so - up to a point.	Driven by a need to change market perceptions to match its new trading status and integrated suite of products. Moving to a ‘one-stop-shop’. Rapid growth.
<b>Case 3</b>	Eclectic, busy, ‘pulling from the front’, commanding, controlling. Involved and visible but would like to be less so.	Driven by a need to become a supplier to a potential emerging ‘competitor’ (New Deal). Rapid and eclectic growth.

and the MC in Case 3), the MDs of Cases 1 and 2, and the DM of Case 3, appear to be the most influential characters in their respective organizations, so the table and subsequent commentary mostly reflect their leadership characteristics.

Three differing leadership styles emerge, each trying to bring about organizational change in his or her own way. All three are technically experienced in their respective fields and operating environments, and appear to exert significant influence over their respective organizations. The leadership approaches differ, each reflecting a combination of industry perspectives and personal preferences, the MD in Case 1 through a highly involved and visible shop-floor presence, the MD of Case 2 by temporarily stepping out of his comfort zone - his 'ivory tower' - to glean knowledge from individual employees, and Case 3's DM setting the manner and pace for change and then 'pulling from the front'. Globally, the data at Table 24 suggest 'pace' and 'movement'. All cases are chasing new markets, a commonality that is seen as the main driver of change in each organization.

### **9.8 Summary of Cross-case Comparisons and Conclusions**

Table 25, below, is a summary of cross-case comparisons in the chapter. The data are colour coded to identify patterns. By examining only the primary variables (those in black), it seems that Cases 1 and 2 (blue shading) are more similar in 'Organizational Culture' and 'HRD Approach', Cases 1 and 3 (red shading) are not at all similar, but that globally Cases 2 and 3 (green shading) are the most alike ('Overall Formality Rating', Formality Shift', and 'National HRD'). But on comparing the cases to include the individual formality variables, here termed 'Formality Contexts' (those in brown), it is difficult to determine an overall pattern and to say that either one case resembles another more closely, or that one case is clearly different from the other two. From the exploration of formality contexts, Cases 2 and 3 appear similar in 'Leadership Style', although results in the primary variables indicate three different leadership styles across the cases. Cases 2 and 3 are also similar in 'Power and Influence', but Case 2 aligns with Case 1 concerning culture and HRD approach. This might suggest that matters of leadership and power are themselves influenced by situations within the other variables. 'Communications Systems' is a possible candidate, as it is Case 2's sales & marketing director who, like the MD of Case 1, appears to have a visible leadership presence in his organization. Interestingly, results in formality contexts now position Cases 1 and 3 (red shading) alike in four areas.

**Table 25: Summary of Cross-case Comparisons**

Primary Variables	Case 1	Case 2	Case 3
Organizational Culture (metaphor)			
HRD Approach			
Learning Styles			
Leadership styles			
Overall Formality Rating			
Formality Shift over 12 months			
<i>FORMALITY CONTEXTS:</i>			
<i>Training &amp; Development</i>			←→
<i>Selection Process</i>	←→		
<i>Induction Process</i>			
<i>Performance/Appraisal Review</i>			
<i>Succession Planning</i>			
<i>Reward &amp; Recognition Systems</i>			
<i>Employee Involvement Systems</i>			
<i>Job Rotation/enhancement/enlargement</i>			
<i>Communication System</i>			
<i>Knowledge Management</i>			
<i>Leadership Style</i>			
<i>Power &amp; Influence</i>			
<i>Organization Structure</i>	←		→
Views on national HRD			

**Key:** (Grey shadings are graded to denote levels of formality ratings. The darker the grey, the higher the rating.)

Cases 1 & 2 more alike	Cases 2 & 3 more alike	Cases 1 & 3 more alike	Similarities in all cases	Not alike
------------------------	------------------------	------------------------	---------------------------	-----------

It has already been argued that respondent perceptions of formality seem to relate to what is currently critical to them. Within the responses to the variables in ‘Formality Contexts’ (detailed at Appendices 26, 29 and 34) there are signs that respondents have offered views about formality in substitution for other issues. For example, when Case 3’s DM afforded ‘Induction Process’ a low formality rating, she may have scored her displeasure at not being able to induct new recruits adequately. Or, when Case 2’s sales & marketing director gave a low formality rating to ‘Communications Systems’, he may have commented upon the culture and leadership of the organization, that he signified as secretive and covert. Or, when



Case 1's technical manager gave 'Employee Involvement Systems' a high (9) formality score, he may have emphasized the importance of design innovation in the organization - "formality in the skill of the job leads to feedback to me about the design, which in turn leads to formal changes to design". Arguments in the thesis have suggested that formality needs to be seen in a context. The data at Table 25 support this suggestion and afford a useful insight into how formality is perceived and applied in different organizational contexts by different people.

Table 26, below, summarizes how and why the three cases may have developed the HRD approaches they have, and how such perspectives may be affecting participation in N/HRD. The table suggests that all three HRD approaches are a reflection of the different

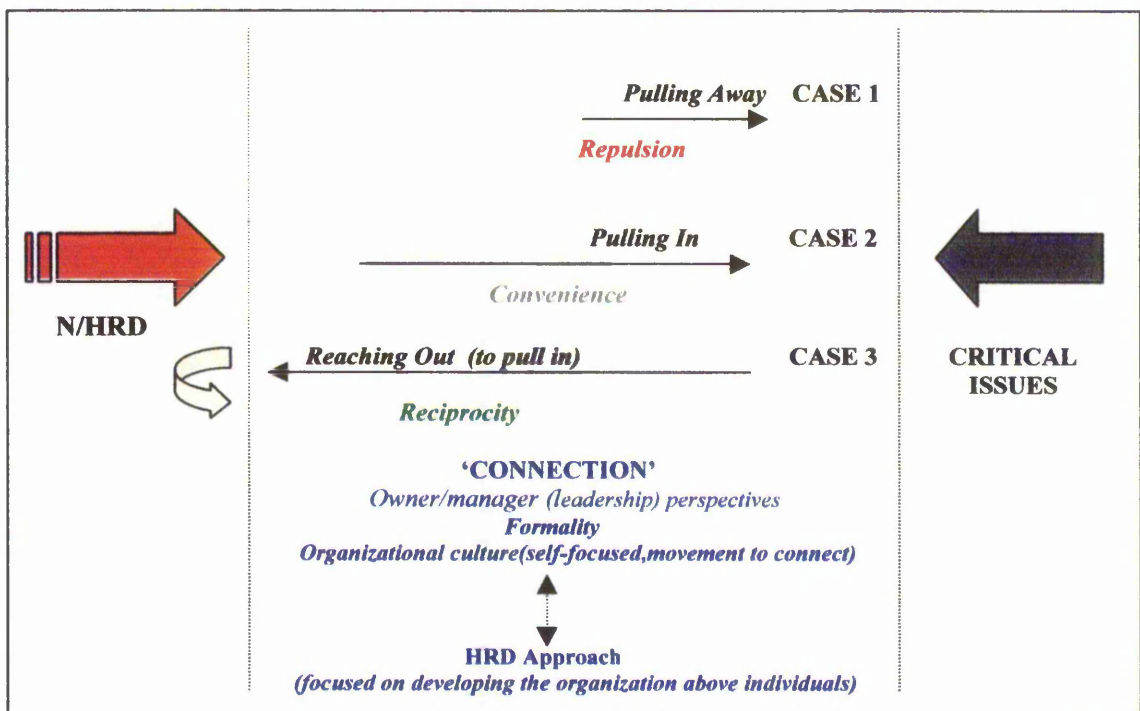
**Table 26: Cross-case Summary of Factors influencing HRD Approaches and N/HRD Perspectives**

Case	<i>"How and why do SMEs develop the HRD approaches they do,..."</i>	<i>...how might such perspectives be affecting SME participation in N/HRD?"</i>
1	Shaped by traditional engineering values and needs located in rather entrenched owner/manager perspectives. Case 1's stated HRD needs were more aspirational than operational. No internal HRD expertise to enable development of alternative HRD perspectives and approaches.	HRD perspectives seem to be a significant barrier to participation in N/HRD, as this was not compatible with Case 1's own statements of what HRD needed to be. Case 1 required HRD to be a set of flexible means to a bespoke end, but perceived N/HRD seen a generic end driven by a collection of rigid means.
2	Case 2's HRD approach (ad hoc and developed to a level of sufficiency) reflects the MD's view of T&D as lost time and a work disruption, balanced against a need to retain customer confidence and limit legislative liability. HRD focus is on engineers as both MD and sales & technical directors are former engineers. Loss of major contract was a catalyst for change that led to introduction of staff appraisal system. No internal HRD to develop this and other HRD initiatives to cater for staff T&D in general. MD also seen as an obstruction to this happening.	Tendency to seize upon N/HRD out of necessity (no internal HRD expertise) and convenience (if readily available and funded) to fit with perceived HRD needs, that focus on critical organizational issues. Case 2 seem cynical and suspicious towards N/HRD, tolerating rather than approving it. As N/HRD is the only source of HRD available to Case 2, participation is opportunistic rather than through informed choice.
3	Case 3's HRD approach reflects the industry it serves. Although restricted by funding, this approach has evolved over time under the influences of three different leaders, all of whom have some sort of HRD / N/HRD experience and acumen.	Participation is discerning, based upon informed judgement of different leaders with HRD / N/HRD knowledge and experience. Long-standing and close ties with government agencies and funding arrangements also encourages N/HRD participation. Internal HRD / N/HRD expertise can also be a barrier to N/HRD - IIP, for example. The New Deal, however, aligns with Case 3's ethos of uniting society and enterprise; but participation in this programme is also important to organizational evolution and growth.

industries the cases represent (Cases 1 and 3 directly, and Case 2 indirectly through the MD's background as a former telecommunications engineer) and leadership influences, moulded themselves by a variety of life and industry experiences and capabilities. As the table also indicates, HRD experience/expertise seems a critical factor in influencing decisions regarding how and why to participate in or reject N/HRD. For example, whilst Case 1 rejects N/HRD from what seems outright prejudice, Case 2 participates when opportunity conveniently connects with current need. On the other hand, Case 3 participates in N/HRD mostly through informed choice, although there is some evidence of compulsion to participate in the New Deal.

Although different, all three positions are formed by perspectives located in the complex issues discussed throughout the chapter. These discussions have shown that the cases are individualistic in terms of their organizational cultures, HRD approaches, learning styles, perspectives on formality and N/HRD, leadership styles and growth patterns. Whilst it is difficult to determine any overall pattern within this mass of detail, Table 26, above, once again highlights the underlying theme of 'connection' noted in the various analyses throughout the chapter. However, as already seen, movement to connect is not always in the same direction. Figure 27, below, summarizes the relationship between 'connection' and

Figure 27: Connection and direction in the three cases



'direction of movement to connect' in the three cases. Clearly repelled by N/HRD, Case 1 pulls away from it to connect with other things critical to issues of design innovation. Case 2 pulls N/HRD in to connect with critical issues regarding evolution & growth. As the most externally-focused of the three cases, Case 3 pulls outwards reciprocally to *meet with* the incoming energy flows of N/HRD. Having made connection, Case 3 then pulls N/HRD in, much in the same way as Case 2 does. But whereas Case 3 proactively reaches out to pull in, Case 2 wants convenient inward energy flows - to be 'spoon fed' as the sales & marketing director put it. It might appear from Figure 27 that whilst Cases 1 and 2 pull towards critical issues, Case 3 pulls away from them. This is not so, because many of Case 3's critical issues reside within the national social and political framework, of which N/HRD is an important part. As 'criticality' and N/HRD are the same in this context, Case 3, too, pulls towards critical issues.

The constitution of 'connection', as shown in Figure 27 and evidenced in the cross-case analyses, is complex. Owner/manager (leadership) perspectives, the way in which formality is perceived and applied and organizational culture all appear important determinants of N/HRD connection with the cases. As the cases' HRD approaches have also been positioned as a product of these determinants, these approaches, too, are thought to have considerable bearing upon whether or not the cases participate in or reject N/HRD. There is substantial evidence to suggest that both the HRD approaches adopted by the cases, and dispositions towards N/HRD may be consequences of the factors depicted at Figure 27 as constituents of 'connection'. Logically, this would mean that the cases reject or participate in N/HRD because of support for doing things their own way - including HRD - and that the constitution of 'connection' is central to this argument.

## **9.9 Summary of Chapter 9**

Chapter 9 has compared the outputs of the summary models of the three cases described in Chapters 6, 7 and 8. Collectively, Chapters 6 to 9 have explored the sub-variables shown in track 2 of the conceptual framework (Figure 8, page 47) leading to level 1 inferences being drawn in the previous section. A general analysis strategy of following the theoretical proposition that KV1 may be a natural barrier to KV2 has been deployed in the analyses at Chapters 6 to 9, guided by the principles and flow in the CAF (Figure 12, page 64). Chapter 9 brings part two of the thesis to a close. Part three draws together the study's main conclusions and discusses its outcomes and contributions.



## **PART THREE**

---

### **CONCLUSIONS, OUTCOMES AND CONTRIBUTIONS**

---

Chapter 10: Project Conclusions

Chapter 11: Critique of Outcomes and Contributions

## **CHAPTER 10**

### **PROJECT CONCLUSIONS**

#### **10.1 Introduction**

The purpose of the chapter is to draw together and describe the project's main conclusions and to suggest some areas for further research. Although measures have been introduced to assure validity (discussed in Chapters 3 and 4 and reinforced below), results of the research need to be accepted within the context of the limited industry range and location of the three cases.

Chapter 9 ended with a summary of cross-case comparisons and conclusions, positioned as level 1 inferences. Chapter 10 takes the cross-case conclusions, develops them into a set of project conclusions, comparing results against the starting hypothesis, that KV1 may be a natural barrier to KV2. As also suggested in Chapter 3 (page 54), it is at this second iteration of analysis and inference that an appropriate level of theory resides for generalization of results to occur (Yin, 1994). A test of the validity of results is also applied. The chapter closes with some suggestions for further research.

#### **10.2 Main Project Conclusions**

Four main conclusions are advanced from the study. Each one relates to a research objective and corresponding set of questions as shown in Table 5 (page 49). The first two conclusions describe KV1 and KV2 respectively, the third explains the relationship between KV1 and KV2, and the fourth integrates the others by summarizing the new insights that the study has brought to the research problem.

##### **Conclusion 1**

*Research Objective: 'Explore and describe the HRD models and perspectives found in the SMEs studied.'*

*Questions: 1.1 & 1.2 (fed by 2.1 to 2.6)*

The study shows that HRD in SMEs matches its depiction in KV1 (Table 4, page 43). The study also indicates that SME HRD approaches are individualistic and informal reflections of industry norms and expectations, and owner/manager perspectives and influences, which in

turn are shaped by life and industry experiences and capabilities. An important corollary to this is that SME HRD approaches seem more naturally directed at the development of organizational learning and capability than it is at the T&D of individuals. Organizational learning is orientated towards the idiosyncratic-situational pattern as depicted in Box 13 (page 208). Whilst no firm conclusion can be drawn as to whether SMEs are more natural learners than large organizations, there are examples in the cases of mechanisms for seeking organizational knowledge that seem intuitive, yet deliberate in 'design'. As SME HRD emerges naturally in response to current, critical organizational learning needs, it is 'hidden', misunderstood and underestimated, and is typified by a predominance of tacit knowledge and skills. A presence of diverse owner/manager perceptions of formality interpreted and applied in varying organizational contexts means that the role of formality in shaping SME HRD approaches is diverse and situational too.

### **Conclusion 2**

*Research Objective: 'Explore the characteristics of N/HRD using IIP as a focal context.'*

*Questions: 1.3 & 1.4 (fed by 2.7 to 2.11)*

There is no evidence to suggest that owner/managers perceive N/HRD as anything other than its depiction in KV2 (Table 4, page 43). Whilst this may be a commonality, views about the *role and value* of N/HRD to an SME's HRD needs are individualistic and do, therefore, vary. Factors that seem particularly influential in shaping views about N/HRD - negatively or positively - emanate from owner/managers' perspectives and backgrounds, which as already suggested in Conclusion 1, above, are shaped by life and industry experiences and capabilities. A diverse range of owner/manager perceptions and interpretations of formality (as discussed in Conclusion 1) is also believed to impact impressions of N/HRD. The foregoing about N/HRD in general, also extends to IIP specifically. Overall, IIP is seen by owner/managers as too 'big', too expensive and, in varying degrees, irrelevant and unnecessary for small organizations.

### **Conclusion 3**

*Research Objective: Compare the HRD models and perspectives found in the SMEs studied with the characteristics of N/HRD.'*

*Questions: 1.5 to 1.7 (fed by 2.12 & 2.13)*

Because Conclusions 1 and 2 seem to validate KV1 and KV2 respectively, it also follows that

the starting hypothesis (page 44) about HRD in SMEs constituting a barrier to participation in N/HRD may be valid too. Conclusions 1 and 2 also indicate that matters of 'connection' are central to the nature of SME HRD approaches adopted, and whether SMEs participate in or reject N/HRD. HRD approaches aimed at organization above individual development connect with SMEs, as these naturally tend to focus upon what is currently and contextually critical. Whether or not these approaches are effective is debatable and dependent upon a host of other factors such as a presence of internal HRD expertise, or quite simply luck. By and large, N/HRD does not match this critical connection criterion; it is a formal, generic model mainly aimed at the T&D of individuals. Geoffrey Holland (source: research interview) summed up 'connection' by saying that SMEs are independent, and connecting with them is difficult if you haven't got much to offer. All of these factors place HRD in SMEs at odds with N/HRD. IIP may be an exception to this, but the research suggests that IIP does not connect too well with SMEs even allowing for its supposed leaning towards organization, as well as individual, development.

The constitution of connection is obscured within the complexity and dynamics of the three constructs designated as sub-variables of the study (Figure 8, page 47). For example, an empirical investigation of formality in various contexts has positioned it, not as a fixed construct, but as a subjective and mutable constituent of connection. Formality is used as a convenient 'label' in substitution for 'ultimate things' - more profound, but less immediately discernible - which may be symptomatic of a tendency to confuse dimensions of organizational arrangements (structure) and informal arrangements (culture) as discussed in Chapter 2 (page 10).

Determinants of connection are likely to be different in each SME. Whilst the net effect of connection may be consistent - participation in, or rejection of, N/HRD - the precise nature of connection is probably impossible to define generically out of context. However, the research indicates that the two most likely factors to influence SME participation in N/HRD positively are: 1) a presence of internal HRD and/or N/HRD experience/expertise; and 2) whether or not an SME is predominantly internally- or externally-focused (direction of movement and energy flows) - the more externally-focused an organization, the more likely it is to tolerate external intervention and connect reciprocally with N/HRD. These factors appear to reflect the predominantly self-centred world of the SME - themselves a product of other issues such as owner/manager perspectives, backgrounds and capabilities, and industry norms.

Other determinants of connection have also been identified. Geoffrey Holland (source: research interview) and Case 2's sales & marketing director both spoke about connection and the language of the SME; the former claiming that it is concerned with problems and things you feel you want to know more about, and the latter suggesting that the language of the TECs is not the language that he speaks. Case 1's analytical manager alluded to a connection between language mode and learning when he reflected how it might have been helpful to have written down 'in his own language' what he had learned from a particular design project. The language of the SME is grounded in notions of activity, energy, pace, 'being in it' and having to find ways out of problems rather than planning for them to happen. The language of N/HRD does not connect well with SMEs, as that projects a shifting image of abbreviations and acronyms. There have been several references to 'help' in the thesis: a 'nudge' in Case 1; the 'MD just wants one side of A4' in Case 2; and Case 3's DM 'wanting a little help from her friends', for example. On the basis that help is only helpful when perceived as such by the person or organization being helped, not the helper (Mumford, 1997), it could be that what is couched as 'help' only speaks to, and connects with, the language of the SME if perceived as help by the SME itself. The extent to which N/HRD is perceived as genuinely helpful may have considerable bearing on its ability to engage with SMEs.

#### **Conclusion 4**

*Research Objective: Determine the impact of SME models and perspectives upon participation in N/HRD.'*

*Questions: 1.8 & 1.9 (fed by 2.14 & 2.15)*

In summary, the reasons and rationales underpinning how and why SMEs develop the HRD approaches they do (as indicated in Conclusion 1, above) are perceived as barriers to SME participation in N/HRD (as indicated in Conclusions 2 and 3, above). In this sense, SME HRD is itself a natural barrier to SME participation in N/HRD. As SMEs seem to develop (tacitly) HRD approaches aimed at organization learning and development above the T&D of individuals, N/HRD does not connect easily with their diverse and informal agendas. For N/HRD to connect, it must explicitly address the constituents and determinants of SME connection (see Figure 28, below) and allow SMEs to take from N/HRD what is helpful to them, at a time and in a manner that is contextually and currently critical and convenient.

### 10.3 Conclusions and Theory Development: 'A Theory of SME Barriers to Participation in National HRD'

Figure 28, below, illustrates the relationship between the above conclusions in a model developed with the title 'A Theory of SME Barriers to Participation in National HRD'. Connection is depicted as a central, linking theme. It links both KV1 and KV2 and the two parts of the figure above and beneath 'connection'. These two parts reflect the two tracks of the conceptual framework and relate to the study's two major questions.

**Figure 28: A Theory of SME Barriers to Participation in National HRD**

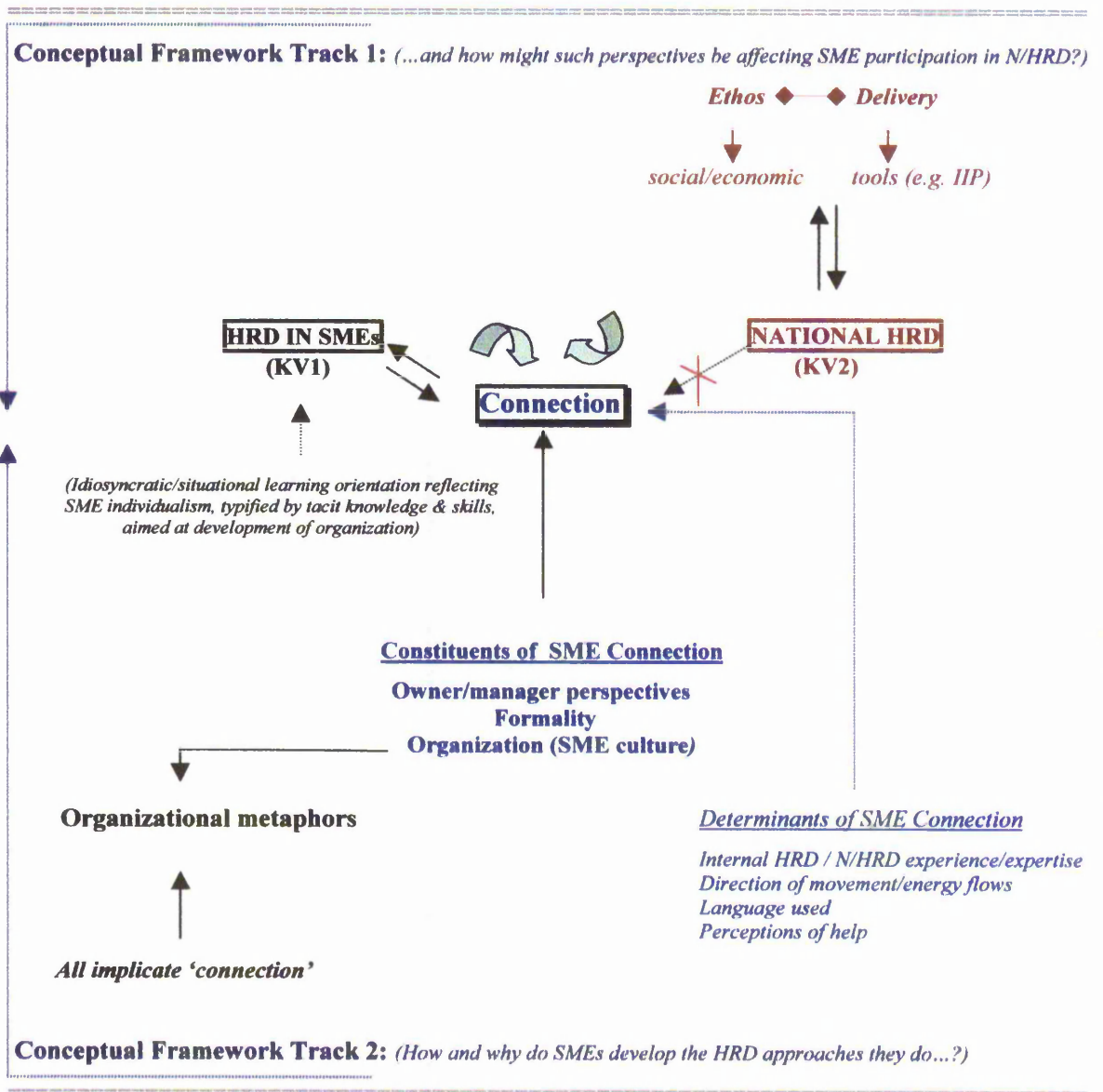




Figure 28, above, is a mirror image of the conceptual framework at Figure 8 (page 47) with KV1 and KV2 positioned as comparative features of both models. What was depicted as 'see data at Table 4' (starting model) in Figure 8, is shown as 'connection' in Figure 28. The fact that the negative relationship between KV1 and KV2, as indicated in Table 4, has been explained within conclusions positively as 'connection', illustrates how the study's positive logic has been maintained throughout the research, from conceptualization to conclusions. Because the study sought evidence about what existed and why that was so, results are describable in terms of 'presences' rather than 'absences'. Figure 28 indicates that an SME's own HRD approach 'connects' (with items cited as constituents and determinants of connection) as that reflects what is currently and contextually critical. N/HRD only 'connects' when, either by accident or design, its intervention focuses upon an SME's constituents and determinants of connection.

Finally, the research has both tested a theory that KV1 is a natural barrier to KV2 and also evolved a theory about that barrier. Empirical results about KV1 and KV2 concur with their characteristics in the starting model at Table 4, and as such seem to confirm that KV1 is a barrier to KV2. As the major theoretical development of the research, the contribution of the model at Figure 28, above, is fully evaluated in the next chapter.

#### **10.4 Validity of Results**

Chapter 3 (page 55) states that:

...if results in two or more cases support the characteristics of *both* KV1 and KV2 as proposed at Table 4 (page 43), *and* indicate that participation in, or rejection of, KV2 is due to support for KV1, then internal validity and capability for generalization of results may be reasonably claimed.

Table 27, below, assesses results in the three cases against this statement. All cases indicate that their HRD approaches support the general 'shape' of KV1, although some formality is noted in the approaches of Cases 2 and 3. But, given the arguments in the thesis about the subjective and mutable nature of formality, this is not seen as a significant deviation. There was nothing found in any of the cases to suggest that KV2 was perceived as anything other than its depiction at Table 4 (page 43). Therefore, it is thought reasonable to claim that all three cases support KV2. Evidence suggests that all three cases reject, or participate in, KV2 because of internal factors that make N/HRD (un)suitable, (un)realistic or (un)attainable. As it has been shown that all cases support KV1, then it is logical to conclude that they reject

**Table 27: Test of Validity of Results**

	Case 1	Case 2	Case 3
Support for KV1?	Yes	Yes, but some formality in HRD approach	Yes, but some formality in HRD approach
Support for KV2?	Yes	Yes	Yes
Participate in or reject KV2 because of support for KV1?	Yes	Yes	Yes

KV2 because of support for KV1, as evidence suggests that their own HRD approaches are founded in what is contextually current and critical (and to some extent, convenient). On this basis, it is thought reasonable to claim internal validity of the causality suggested within the conclusions and for external validity of these results.

### **10.5 Areas for Further Research**

The study has indicated several areas for further research. The first is an examination of the knowledge-development and learning processes in SMEs using, perhaps, some of the ideas and models developed in the thesis. For example, the model of SME learning orientation at Box 13 in Chapter 9 (page 208) could be used as a basis for further investigation. The matter of whether there might be a knowledge form somewhere between tacit and explicit peculiar to SMEs and entrepreneurialism has been mentioned several times and may merit some exploration in the context of SME knowledge-development and learning processes. The casework suggests that there may be a knowledge form that is intuitive, yet focused and determined - something that has been particularly notable in the MD of Case 2 and the DM of Case 3.

The study has shown that the *context* for SME HRD is important, both in terms of researching it and understanding it. This relates to the organic nature of HRD in SMEs as discussed in Chapter 2 and demonstrated in the cases studied, whereby in effect HRD is 'found' as a naturally-occurring intervention in an SME's natural learning processes. It is suggested here, therefore, that in the light of the HRD SME experience in this project, researchers might like to revisit the concept of HRD as an intervention.

Another interesting theme emerging from the research concerns the notion 'of journeying without perceived arrival'. This may be significant of SME pace, movement and energy flows. But is movement here concerned with change, the development of knowledge - or both? It could be that SME evolution & growth and what it knows and can do, are inseparable. It was certainly difficult to separate issues of evolution & growth and leadership empirically in the three cases. This theme may relate to the previous points about

SME knowledge development and learning processes and the 'organic' nature of SME HRD.

The thesis mentions revisions to the IIP standard and processes following IIP UK's projects STAR and LASER. The impact of these changes on the take up and effectiveness of IIP in the SME sector is suggested here as an important research topic for the future. Based upon evidence in this study, any such project may be best advised to focus on tracking longer-term IIP 'journeys' rather than just data about 'arrivals' and short-term implementation benefits. The impact of the new Small Business Service is seen as integral to any such investigation, as an examination of the effects of changes to both the IIP standard and its delivery mechanism, collectively, represents a significant evaluation of the effectiveness of changing government policy towards the development of SMEs in general.

The research highlights two further separate but related areas for investigation. The first concerns the lack of clarity about the impact of HRD on SME capability and performance, as arguably, owner/managers may see 'bottom-line' consequence as *the* most critical issue that HRD or N/HRD has to connect with. And finally, a 'government health warning' is issued (to the government) about the perceived movement towards compulsion in N/HRD. There can be little doubt that, by implication, 'compulsion' would be an effective means of getting SMEs to adopt N/HRD. But how effective might the outcome of enforced connection on SME capability and performance actually be? This issue is linked to a tendency for measuring N/HRD effectiveness by statistical analyses of participation in programmes; and given the point made at the beginning of the paragraph regarding HRD impact on SME capability and performance, a search for alternative measurement criteria might be sensible.

## **10.6 Summary of Chapter 10**

Chapter 10 has drawn together the project's main conclusions, which briefly are:

- HRD approaches in SMEs are individualistic and informal reflections of industry norms and expectations, and owner/manager perspectives and influences, that in turn are shaped by life and industry experiences and capabilities;
- There is no evidence to suggest that N/HRD is anything other than its depiction as KV2;
- Matters of 'connection' are central to whether SMEs participate in or reject N/HRD. The constitution of connection is obscured within the complexity and

dynamics of the constructs designated as sub-variables of the study and the constitution of connection is likely to be different in each SME;

- The reasons and rationales underpinning how and why SMEs develop the HRD approaches they do are *also* perceived as barriers to SME participation in N/HRD. In this sense, HRD in an SME is in itself a natural barrier to that SME's participation in N/HRD.

The relationship between these conclusions was then explained within the model at Figure 28, 'A Theory of SME Barriers to Participation in National HRD'. On the robustness of conclusions, Miles and Huberman write:

The claims we make for our conclusions are usually buttressed by three features: We say (a) we have evolved, or tested, a theory; (b) we have stuck to all of the available, relevant data; and (c) there has been, in Ragin's (1987) terms, a steady 'dialogue' between our ideas (theory) and the data (evidence). (Miles and Huberman, 1994: 144)

This study has tested a starting theory about the relationship between the HRD approaches typically developed by SMEs and SME participation in N/HRD, and developed a theory about this relationship. The research has stuck to what is relevant by virtue of the design and methodology described in Chapters 3 and 4, and has maintained a steady dialogue between ideas and evidence as demonstrated in the discussions and models presented in the thesis. It is argued, therefore, that the conclusions presented in the chapter be accepted as robust within the scope and constraints of the project. The chapter has also highlighted some areas for further research.

Chapter 11 offers a critique of the study's outcomes and contributions.

## **CHAPTER 11**

### **CRITIQUE OF OUTCOMES AND CONTRIBUTIONS**

#### **11.1 Introduction**

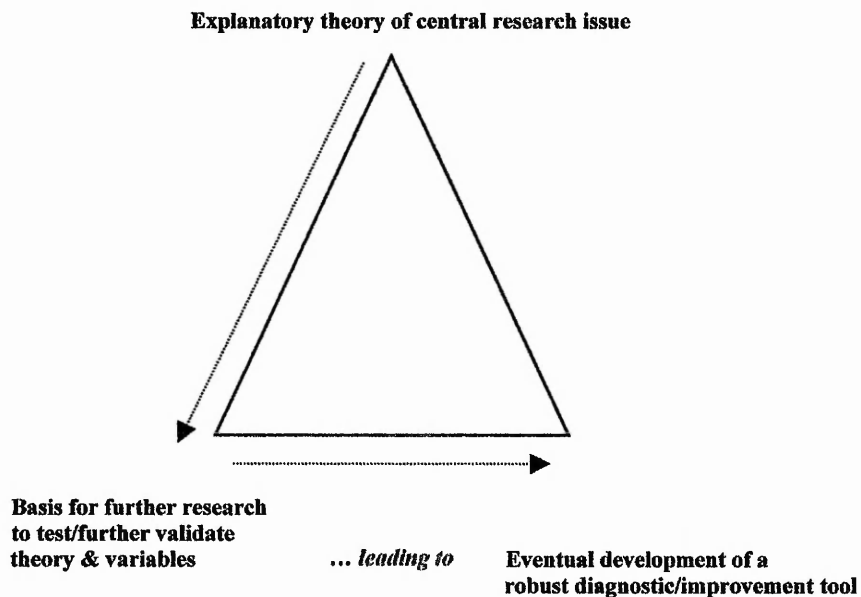
The chapter evaluates what the study has accomplished in terms of outcomes and contributions. An overall appraisal of outcomes suggests that they both matched original expectations, as discussed in Chapter 3, and enabled further insights and ideas. Arguably, any research outcome contributes to the particular body of knowledge being researched. This project has accomplished several noteworthy outcomes, one of which - the explanatory model of SME barriers to participation in N/HRD (Figure 28 in the previous chapter) - is advanced in the thesis as the major theoretical development of the work. The main aim of Chapter 11 is, therefore, to explore the contribution of this model. Discussions then turn to a review of other project outcomes that, in some way, have contributed to the existing body of knowledge about the theory and practice of HRD in SMEs, and how to research it. But first, a brief assessment is made of how the research aim and objectives performed in practice.

#### **11.2 Performance of Research Aim and Objectives**

Table 5 (page 49) shows the research aim and objectives and their relationship to the research problem and questions. As the main project conclusions (in Chapter 10) are readily identifiable as products of the research objectives, it seems reasonable to judge that these objectives were relevant and realistic in practice, and were effectively met. The conclusions also provided a relevant and realistic response to the research problem. As the aim and objectives flowed directly from the research problem and its two major questions, this is a further substantiation of their relevance and robustness.

#### **11.3 The Major Theoretical Outcome and Contribution of the Research**

The most significant theoretical outcome and contribution of the research is the explanatory model of SME take-up of N/HRD developed with the title, 'A Theory of SME Barriers to Participation in National HRD' (Figure 28, page 227). The composition of the model and the validity of its theoretical base have been dealt with in discussions at Chapter 10. Here, it is

**Figure 29: Contribution of ‘A Theory of SME Barriers to Participation in National HRD’**

argued that the model contributes in three distinct, yet related ways as summarized in Figure 29, above. First, the model at Figure 28 enhances significantly what is already known about the research problem (the poor take-up of N/HRD by SMEs) by indicating the relationships and causal patterns between the constructs and variables in the study. In Figure 28, the perceived gap between HRD in SMEs and N/HRD is labelled as ‘connection’. The constitution of this gap and its impact on the research problem are dependent upon the ‘constituents’ and ‘determinants’ of ‘SME connection’. Following empirical investigations, the study’s sub-variables (owner/manager perspectives, formality and ‘organization’) have been re-labelled in Figure 28 as ‘constituents of connection’; what was discovered about these constituents has been labelled and described as ‘determinants of connection’. So, the model also shows that the research *looked at* the constituents of SME connection and found (by *looking for*) the determinants of connection, which at the outset of the study were unspecified and unknown. Whilst the notion of N/HRD failing to engage with SMEs may not be entirely novel, the manner in which the ‘gap’ (first hypothesized at the end of Chapter 2 and then empirically shown in Figure 28) has been positioned, investigated and explained in the thesis makes a substantial, original contribution to that problem in particular, and to HRD in SMEs in general. A major theoretical statement underpinning the explanatory model at Figure 28 is contained within Conclusion 4 (page 226). This argues:

For N/HRD to connect (with SMEs), it must explicitly address the constituents and determinants of



SME connection and allow SMEs to take from N/HRD what is helpful to them, at a time and in a manner that is contextually and currently critical and convenient.

A second component of Figure 29, above, indicates that the explanatory model (Figure 28) provides a framework for further empirical research into SME participation in N/HRD. The model could be applied within a wider range, number and location of SMEs by *looking at* the variables positioned as constituents of connection, in order to *look for* those items listed as determinants of connection. As it has already been suggested (Conclusion 3) that the determinants of connection are likely to be different in each SME, then it is also possible that further research using Figure 28 as a basis may discover other determinants. Over time, it may also be possible to build up a comprehensive picture of determinants, perhaps categorized by industry type, location or size, for instance.

The third component of Figure 29, above, suggests that further research using the model at Figure 28 as a framework could ultimately lead to the development of a robust, diagnostic tool for exploring the likelihood of SME engagement in N/HRD. This process could enable the identification of those SMEs most likely to participate in N/HRD, and also help tailor N/HRD delivery and tools more precisely to meet SME needs. It is feasible too that, together, these potential outputs could bring about cost savings and other tangible benefits to both SME owner/managers and those concerned with setting and delivering N/HRD policy and direction.

In summary, the main theoretical development of the research - a model developed with the title 'A Theory of SME Barriers to Participation in National HRD' - as well as an important outcome in its own right, has good potential for further theoretical and practical development. The pathway traced in the foregoing evaluation suggests a substantial contribution to SME N/HRD policy-making and delivery agendas.

#### **11.4 Other Outcomes and Contributions**

Arguably, HRD in SMEs is a neglected field of study and the research has generated some other important outcomes that have contributed to this body of knowledge in local, national, conceptual and practical contexts. For example, the preparatory survey supplied CEWTEC with previously unknown data about the local small business community. The survey also produced the 'IIP Small Organization Hurdle Model' (Figure 15, page 101), later developed

into a practical instrument (IIP questionnaire), that might be used as a diagnostic tool within a programme of IIP implementation. As already argued, principles underpinning the IIP questionnaire could be extended to other N/HRD programmes.

The case studies have added substantially to what is already known about HRD in SMEs, and SMEs in general. An especially important outcome of the casework was the cross-case comparison of HRD approaches (Table 16, page 206), suggesting three different ‘models’, none of them exactly similar to the generic model developed in Chapter 2 (Figure 7, page 41). Management of the casework in the thesis shows how three very different organizations can be investigated, analyzed and described within a flexible, yet consistent, framework. Allowing for flexibility and individualism was an important aspect of researching in SMEs. As it was relatively difficult to locate literature specifically about researching HRD in SMEs, discussions of experiences in the thesis offer an important contribution to that particular body of knowledge. Some research tools have been developed for the study that make a good contribution to research knowledge and practice. These are:

- The Conceptual Analysis Framework (CAF, Figure 12, page 64);
- ‘From Metaphor to Model (Figure 24, page 203);
- The Test of Validity of Results (Table 27, page 228).

Together, they provide a data analysis strategy (CAF), a specific data analysis tool that could be applied to a variety of situations (see, for example, its further use in Figure 26, page 217), and a simple assurance test of a study’s capability for generalization of results. The CAF was designed to both emulate purist tradition and to satisfy the logistical needs of researching in SMEs. The framework was sufficiently flexible to allow field practices and interactions with respondents to be shaped by the idiosyncrasies of SME life and owner/manager perspectives. Generally, to remain distanced from case respondents was impossible. At times, the research was obliged to ‘go with the flow’ for critical observations to occur naturally. Having said that, the decision to explore formality by means of a structured questionnaire towards the end of the programme, proved invaluable due to how the cross-case analysis of formality facilitated a significant modification of perceptions about it. Formality needed to be seen in context, and whereas it was necessary to permit a substantial amount of freewheeling during the bulk of the casework, there came a point when an intervention was needed to ‘force’ formality into a range of specific contexts using a structured and consistent (across cases)

method. A similar necessity was recognized in the delivery of the IIP questionnaire to Cases 2 and 3. As already suggested in Chapter 4 (evaluation of methodological strengths), this research approach - occasional structured intervention in a predominance of relatively informal interventions - seemed to suit SME pace, rhythm and expectations. The analysis technique 'From Metaphor to Model' also seems congruent with SME life, as it has strong visual impact located in practical contexts and the language of problems.

Discussions and models relating to the study's variables offer fresh perspectives on those constructs - for example, conceptualization of 'Learning as the Focus of HRD' (Figure 3, page 92, N/HRD as 'ethos and delivery' (Figure 5, page 28), and formality on a continuum between informality and bureaucracy (Figure 11, page 61). Development of these models was certainly an effective way of unravelling thinking about the complexity and relationships contained in the constructs. On the subject of models in general, their limitations are acknowledged in the following:

None of us has a model that actually captures the real world, because no complex reality can be represented analytically and a model is an analytical way of representing reality. Moreover, for the purpose of learning, it is not the reality that matters but the (team's) model of reality, which will change as members' understanding of their world improves. (de Geus, 1996: 97-98)

If the models in the thesis appear imperfect, then it is because they have been developed out of a need to understand and learn rather than construct perfect description, for, arguably, no model can ever be considered as finite, or perfect. Collectively, the models also served as a kind of conceptual barometer - providing a mechanism for checking upon continuity and consistency of thought and reasoning throughout research stages. For example, the depiction of project conclusions at Figure 28 (page 227) helped validate the relationship between project results and its original ideation in the conceptual framework.

As the study has been about HRD in SMEs, and as the researcher is also an HRD consultant/practitioner, it was felt important that the project should contribute something to SME/HRD practice as well as theory. The principle of structured (but timely and sparing) intervention in naturally-occurring SME processes has been applied to an HRD approach, developed with the title of 'Stepping Outside to Come In'. It is based upon observations made in Cases 2 and 3: the action-learning basis from Case 3, the intervention from both Cases 2 and 3.

***'Stepping outside to come in':***

The model at Figure 30, below, comprises a three-stage intervention and an approach matching SME characteristics of activity and the need to find a way out of problems. The intervention reflects the notion of SME growth necessitating a realignment of entrepreneurial capability from individual to organization as discussed in Chapter 2. 'MD' in Figure 30 is used generically. It may be substituted with any other term that suggests a principal SME leadership role. Arguably, Stage 3 of the intervention represents an ultimate desired state, whereby the MD sees himself and his workforce together 'within' the organization: the development of knowledge and learning may then occur at individual, team and organization levels. However, the research has shown that it may be difficult for an owner/manager of a growing SME to step outside of his solipsistic conceptualization of 'organization' and detach 'self' from 'creation', with the result that organizational knowledge and learning is limited to what *he* knows and learns. So, the MD needs some motivational force to encourage him to step outside of a conceptualization of 'self as organization' (Stage 2) and then step back inside again with the workforce. This could be as the result of deliberate HRD intervention, or a naturally-occurring influence. Up to Stage 2 of the model, the concept of 'stepping outside to come in' is founded in Case 2, whereby the impact of losing a critical customer contract served as a catalyst for change, necessitating the MD to communicate with his workforce to augment personal and organizational knowledge. Positioning the HRD intervention to move an organization towards Stage 3 of the model is based upon professional contact with Case 3 following formal disengagement from the research programme.

**11.4 And finally...**

...this research project has been a challenging and worthwhile experience. It is hoped that all those who choose, or are obliged, to read about it find something they consider helpful.



## **PART FOUR**

---

### **ANNEXES**

---

- Annex 1:     References and Bibliography**
- Annex 2:     List of Abbreviations**
- Annex 3:     Appendices**
- Annex 4:     Journal Articles and Conference Papers**



## **ANNEX 1**

### **REFERENCES & BIBLIOGRAHPY**

## **REFERENCES AND BIBLIOGRAPHY**

- Alberga Trixy, Tyson Shaun and Parsons David (1997), "An evaluation of the Investors in People Standard", in Human Resource Management Journal, Volume 7, Number 2, pp. 47-60.
- Altman Yochanan and Iles Paul (1998), "Learning, leadership, teams: corporate learning and organisational change", in Journal of Management Development, Volume 17, Number 1, pp. 44-55.
- Argyris Chris (1992), On Organizational Learning, Oxford: Blackwell Business.
- Armstrong Paul (1997), Delivering Modern Apprenticeships, FEDA, FE Matters, Volume 1, Number 16.
- Atkinson J. (1999), The New Deal for Young Unemployed People: A Summary of Progress, Brighton: IES, Research report ESR13.
- Bannock Graham and Peacock Alan (1989), Governments and Small Business, London: Paul Chapman Publishing Ltd.
- Barber E. and Manger G. (1997), "Improving management's valuations of human capital in small firms", in Journal of Management Development, Volume 16, Number 7, pp. 457-465.
- Barratt Alan M. and Georgides Dimitri P. (1994), "A Synolic Approach to HRD", in Management Development Review, Volume 7, Number 1, pp.13-15.
- Barratt Alan M. and Georgides Dimitri P. (1995), "The synolic approach to human resource development", in Executive Development, Volume 8, Number 2, pp. 29-32.
- Baumard Philippe (1996), "Organizations in the Fog: An Investigation into the Dynamics of Knowledge", in Moingeon Bertrand and Edmondson Amy (eds.), Organizational Learning and Competitive Advantage, London: Sage Publications, pp. 74-91.
- Beaver Graham, Lashley Conrad and Stewart Jim (1998), "Management development", in Thomas Rhodri (ed.), The Management of Small Tourism and Hospitality Firms, London: Cassell, pp. 156-173.
- Belbin R. Meredith (1981), Management Teams Why They Succeed or Fail, Oxford: Butterworth-Heinemann Ltd.
- Berger Peter L. and Luckmann Thomas (1991), The Social Construction of Reality A Treatise in the Sociology of Knowledge, Harmondsworth England: Penguin Books Ltd.
- Berry-Lound Dorothy and Parsons David (1995), Investors in People: What is it Worth?, Horsham: the Host Consultancy, Research Summary Report No. 9.
- Billett Stephen (1994), "Situating Learning in the Workplace - Having Another Look at Apprenticeships", in Journal of Industrial and Commercial Training, Volume 26, Number 11, pp. 9-16.

- Birchall David (1998), "HR and understanding small and medium-sized enterprises", in Human Resource Development International, Volume 1, Number 4, pp. 443-450.
- Bradburd Ralph M. and Ross David R. (1989), "Can Small Firms Find and Defend Strategic Niches? A Test of the Porter Hypothesis", in Review of Economics and Statistics, Volume LXXI, May, Number 2, pp. 258-262.
- Bryman Alan and Cramer Duncan (1990), Quantitative Data Analysis for Social Scientists, London: Routledge.
- Bryman Alan and Cramer Duncan (1997), Quantitative Data Analysis with SPSS for Windows: a guide for social scientists, London: Routledge.
- Buckley Roger and Caple Jim (1990), The Theory and Practice of Training, London: Kogan Page.
- Burack Elmer H. (1991), "Changing the Company Culture - the Role of Human Resource Development", in Long Range Planning, Volume 24, Number 1, pp. 88-95.
- Burgoyne John and Reynolds Michael, eds. (1997), Management Learning: Integrating Perspectives in Theory and Practice, London: Sage Publications.
- Cabinet Office (1996), Competitiveness: Creating the enterprise centre of Europe, London: HMSO.
- Cacioppe Roy (1998), "An integrated model and approach for the design of effective leadership development programs", in Leadership and Organizational Development, Volume 19, Number 1, pp. 44-53.
- Canning Roy (1996), "Enhancing the quality of learning in human resource development", in Journal of European Industrial Training, Volume 20, Number 2, pp. 3-10.
- CBI and NACETT (1997), Skills for 2000: Employers and the National Targets,
- CEWTEC Ltd (1993), The Future of the Local Economy 1994-95.
- CEWTEC Ltd (1994), Annual Report & Accounts 1993-1994.
- CEWTEC Ltd (1995a), Corporate and Businesss Plan Summary 1995-96.
- CEWTEC Ltd (1995b), Economic and Labour Market Assessment 1995-96.
- CEWTEC Ltd (1996a), Annual Report & Accounts 1995-96.
- CEWTEC Ltd (1996b), Corporate and Businesss Plan Summary 1996-97.
- CEWTEC Ltd (1996c), Corporate Plan 1997-2000. Business Plan 1997-98 Summary.
- CEWTEC Ltd (1996d), Six Case Studies on the Use of National Management Standards in Companies in the CEWTEC Area.

- CEWTEC Ltd (1997a), Economic Assessment Summary 1997-98.
- CEWTEC Ltd (1997b), Annual Report & Accounts 1996-97.
- CEWTEC Ltd (1998), Economic Assessment Summary for 1998-99.
- Chao G. T. (1997), "Organizational Socialization in Multinational Corporations: The Role of Implicit Learning", in Cooper C. L. and Jackson C. E. (eds), Creating Tomorrow's Organizations, Chichester: John Wiley & Sons.
- Chapman Mary (1994), "Investing in People for Business Success", in Quality World, October 1994, pp. 670-672.
- Chaston Ian (1997), "Small firm performance: assessing the interaction between entrepreneurial style and organizational structure", in European Journal of Marketing, Volume 31, Number 11/12, pp. 814-831.
- Chaston Ian and Baker Sue (1998), "Relationship influencers: determination of affect in the provision of advisory services to SME sector firms", in Journal of European Industrial Training, Volume 22, Number 6, pp. 249-256.
- Clarke Julia and Gibson-Sweet Monica (1998), "Enterprising futures: training and education for small businesses", in Education and Training, Volume 40, Number 3, pp. 102-108.
- Collis David (1996), "Organizational Capability as a Source of Profit", in Moingeon Bertrand and Edmondson Amy (eds.), Organizational Learning and Competitive Advantage, London: Sage Publications, pp. 139-163.
- Concise Oxford Dictionary (1995), ninth edition, Oxford: Clarendon Press.
- Coopey John (1995), "The Learning Organization, Power, Politics and Ideology", in Management Learning, Volume 26, Number 2, pp. 193-213.
- Cosh Andy, Duncan John and Hughes Alan (1998), Investment in training and small firm growth and survival: An empirical analysis for the UK 1987 - 95, DfEE, Research Report RR 36.
- Crick Dave and Chaudhry Shiv (1997), "Small businesses' motives for exporting The effect of internationalization", in Journal of Marketing Practice: Applied Marketing Science, Volume 3, Number 3, pp. 156-170.
- Cruise O'Brien Rita (1995), "Employee involvement in performance improvement A consideration of tacit knowledge, commitment and trust", in Employee Relations, Volume 17, Number 3, pp. 110-120.
- Cumbria TEC (1997), Cumbria IIP Impact Analysis March 1997, London: The pH Group Limited.
- Davis Keith and Newstrom John W. (1972), Human Behavior at Work, eighth edition, USA: McGraw-Hill Series in Management.
- Definition of Small and Medium-sized Enterprises (SMEs) (1996), Enterprise Policy, Distributive Trades, Tourism & Cooperatives DGXXIII at the European Commission (online). Available at: [europa.eu.int/en/comm/dg23/guide\\_en/definit.htm](http://europa.eu.int/en/comm/dg23/guide_en/definit.htm) (Accessed 4 July 1998).

- Department Employment Group (1994), The Competitive Edge Employee Involvement in Britain.
- DfEE (1994a), How do Employers Benefit from becoming Investors in People?, SEN Briefing, 9/94.
- DfEE (1995a), Lifetime Learning: a consultation document.
- DfEE (1995b), TECs Getting Results: the good practice series.
- DfEE (1995c), Focus on Small Firms in Britain, Skills and Enterprise Executive Issue 5/95, SEN Publication.
- DfEE (1996a), Labour Market & Skill Trends 1996/1997, SEN Publication.
- DfEE (1996b), TEC Approaches to Engaging Small and Medium Enterprises in Modern Apprenticeships, Sheffield: DfEE, QPID Study Report No.48.
- DfEE (1996c), Employers See Return on Investors, SEN Publication Briefing, Issue 6/96.
- DfEE (1997a), Labour Market & Skill Trends 1997/1998, SEN Publication.
- DfEE (1997b), Design of the New Deal for 18-24 year olds.
- DfEE (1997c), The Learning Process in NVO & SVO Delivery RS 39, DfEE Research Brief.
- DfEE (1997d), Individual Take-Up of NVOs/SVOs Stimuli and Obstacles RS48, DfEE Research Brief.
- DfEE (1997e), Modern Apprenticeships: Survey of Young People. A Comparison of Modern Apprenticeships and Young People in Full-time Education RS51, DfEE Research Brief.
- DfEE (1997f), Modern Apprenticeships: a Survey of Employers. The Effect of Modern Apprenticeships on Employers' Training Practices and the Availability of NVO Level 3 Training RS53, DfEE Research Brief.
- DfEE (1997g), TECs and Small Firms Training - Lessons from Skills for Small Businesses, DfEE Research Report RR27.
- DfEE (1997h), Connecting the Learning Society, National Grid for Learning, the Government's Consultation Paper, DfEE.
- DfEE (1997i) Modern Apprenticeships: Emerging Good Practice, Sheffield: DfEE, QPID Study Report No. 61.
- DfEE (1997j), Millennium Volunteers to Catch the Imagination of Young People, News Bulletin, 425/97, 10 December 1997.
- DfEE (1998a), The Learning Age, London: The Stationery Office Limited.
- DfEE (1998b), University for Industry Pathfinder Prospectus, DfEE Publications.

- DfEE (1998c), Towards a National Skills Agenda: First Report of the National Skills Task Force, Sudbury: DfEE.
- DfEE (1998d), Labour Market & Skill Trends 1998/1999, SEN Publication.
- DfEE (1998e), £32 Million to Boost Small Firms' Competitiveness: Blunkett, News Bulletin 519/98: London, DfEE.
- DfEE (1998f), National Training Organisations (NTOs), (online). Available at: [www.dfec.gov.uk/ntopromo.htm](http://www.dfec.gov.uk/ntopromo.htm) (Accessed 31 March 1999).
- DfEE (1998g), Evaluation of Modern Apprenticeships: 1998 Survey of Employers, (online). Available at: [www.dfec.gov.uk/research/report94.html](http://www.dfec.gov.uk/research/report94.html) (Accessed 31 March 1999).
- DfEE (1998h), Blunkett Sets Out Importance of Youth Volunteering for Healthy Communities, News Bulletin 315/98, 18 June 1998.
- DfEE (1998i), David Blunkett Announces Head of Millennium Volunteers Unit, News Bulletin 587/98, 17 December 1998.
- DfEE (1998j), FE Colleges can help SME Training, Skills and Enterprise Executive Issue 4/98, SEN Publication.
- DfEE (1999a), Developing Tomorrow's Workforce, SEN Publication 354.
- DfEE (1999b), Workforce Development Using Management Development to help small businesses grow, Sheffield: DfEE Publications, QPID .
- DfEE (1999c), Delivering Skills for All, Second Report of the National Task Force, Executive Summary.
- DfEE (1999d), Modern Apprenticeships and Gender Stereotyping, Nottingham: DfEE Publications, QPID Report No. 71.
- DfEE (1999e), Learning to Succeed a new framework for post-16 learning, (online). Available at [www.dfec.gov.uk/post16](http://www.dfec.gov.uk/post16) (Accessed 19 July 1999).
- DfEE (1999f), Tim Melville-Ross is New Chairman of Investors in People UK, News Bulletin 396/99, 3 September 1999.
- DfEE (1999g), Fast Track Millennium Volunteer Projects Get Go-Ahead, News Bulletin 463/99, 22 October 1999.
- DfEE (1999h), New Deal (online). Available at [www.newdeal.uk.gov](http://www.newdeal.uk.gov) (Accessed 21 November 1999).
- DfEE (1999i), Sir Paul McCartney and Alan McGee Back New Deal for Musicians, News Bulletin, 468/99, 26 October 1999.
- DiBella Anthony J., Nevis Edwin C., and Gould Janet M. (1996), "Organizational Learning Style as a



Core Capability”, in Moingeon Bertrand and Edmondson Amy (eds.), Organizational Learning and Competitive Advantage, London: Sage Publications, pp. 38-55.

- Dickson K. E. and Hadjimanolis A. (1998), “Innovation and networking amongst small manufacturing firms in Cyprus”, in International Journal of Entrepreneurial Behaviour & Research, Volume 4, Number 1, pp. 5-17.
- Down Simon and Smith David (1998), “It pays to be nice to people, Investors in People: the search for measurable benefits”, in Personnel Review, Volume 27, Number 2, pp. 143-155.
- DTI (1991a), The Environment a Challenge for Business, DTI Publications.
- DTI (1991b), Innovation, HMSO.
- DTI (1991c), The Enterprise Initiative, HMSO.
- DTI (1995a), People are the Business, London: DTI Publications.
- DTI (1995b), Total Quality Management and Effective Leadership, DTI Publications.
- DTI (1995c), Competitiveness Forging Ahead. A Summary, DTI Publications.
- DTI (1997), Competitiveness our partnership with business UK: A Benchmark for Business, DTI Publications.
- DTI (1998), Our Competitive Future: Building the Knowledge Driven Economy, (online). Available at: [www.dti.gov.uk/comp/competitive/wh\\_es1.htm](http://www.dti.gov.uk/comp/competitive/wh_es1.htm) (Accessed 7 January 1999).
- DTI (1999a), The Small Business Service, (online). Available at: [www.dti.gov.uk/sbs](http://www.dti.gov.uk/sbs) (Accessed 19 July 1999).
- DTI and CBI (1993), Innovation the best practice. The Report.
- DTI and CBI (1994), Competitiveness - How the best UK companies are Winning.
- Easterby-Smith M., Thorpe R. and Lowe A. (1993), Management Research: an Introduction, London: Sage Publications Ltd.
- Eco Umberto (1992), The Name of the Rose, London: Minerva.
- Employment Department (1994), Individual Commitment to Lifetime Learning: individuals' attitudes, report on the qualitative phase, Sheffield: Employment Department.
- Employment Department (1994), Individual Commitment to Learning: individuals' attitudes, report on the quantitative phase, Sheffield: Employment Department.
- Employment Department (1994), Individual Commitment to Learning: employers' attitudes, Sheffield: Employment Department.
- Employment Department (1995), Individual Commitment to Learning: providers' attitudes, Sheffield:

Employment Department.

- Employment Policy Institute (1997), Benefit Sanctions for the Jobless: 'Tough Love' or Rough Treatment?, Economic Report, Volume 11, Number 7.
- European Commission (1998), Developing Learning Organisation Model in SME Clusters, Final report of project ERB-SOE2-CT95-2007, (D.E.L.O.S. Project): European Commission.
- Eyre Phil and Smallman Clive (1998), "Euromanagement competences in small- and medium-sized enterprises: a development path for the new millennium?", in Management Decision, Volume 36, Number 1, pp. 34-42.
- Feldman Martha S. (1995), Strategies for Interpreting Qualitative Data, Thousand Oaks, California: Sage Publications Inc.
- Field Paul, Moore Joanne, Dickinson Peter, Elgar Jane and Gray Patrick (1995), Local Development Partnerships and Investments in People. Sheffield: Employment Department, Research Strategy Branch.
- Fletcher Shirley (1991), NVOs Standards and Competence, London: Kogan Page Ltd.
- French Robert and Bazalgette John (1996), "From 'Learning Organization' to 'Teaching-Learning Organization'?", in Management Learning, Volume 27, Number 1, pp. 113-128.
- French Wendell L. and Bell Cecil H. Jnr. (1990), Organization Development: behavioral science interventions for organization improvement, 4th ed. New Jersey: Prentice Hall.
- French Wendell L. and Bell Cecil H. Jr. (1990), Organization Development, Englewood Cliffs New Jersey: Prentice-Hall Inc.
- Fryer R. H. (1997), Learning for the Twenty-First Century, NAGCELL.
- Galbraith Jay R. (1996), "Designing the Innovating Organization", in Starkey Ken (ed.), How Organizations Learn, London: International Thomson Business Press, pp. 156-181.
- Garavan Thomas N. (1995a), "Stakeholders and strategic human resource development", in Journal of European Industrial Training, Volume 19, Number 10, pp. 11-16.
- Garavan Thomas N. (1995b), "HRD stakeholders: their philosophies, values, expectations and evaluation criteria", in Journal of European Industrial Training, Volume 19, Number 10, pp.17-30.
- Garavan Thomas N. (1995c), "Stakeholder analysis: the implications for the management of HRD", in Journal of European Industrial Training, Volume 19, Number 10, pp. 45-46.
- Garavan Thomas N., Costine Pat and Heraty Noreen (1995), "The emergence of strategic human resource development", in Journal of European Industrial Training, Volume 19, Number 10, pp. 4-10.
- Garavan Thomas N. and Deegan Joe (1995), "Discontinuous change in organizations. Using training and development interventions to develop creativity", in Industrial and Commercial Training, Volume 27, Number 11, pp. 18-25.

- Gibb Allan A. (1997), "Small Firms' Training and Competitiveness. Building upon the Small business as a Learning Organization", in International Small Business Journal, Volume 15, Number 3, pp. 13-29.
- Gill J. and Johnson P. (1991), Research Methods for Managers, London: Paul Chapman Publishing Ltd.
- Glancey Keith (1998), "Determinants of growth and profitability in small entrepreneurial firms", in International Journal of Entrepreneurial Behaviour and Research", Volume 4, Number 1, pp. 18-27.
- Goodwin John, Hills Katherine and Ashton David (1999), "Training and development in the United Kingdom", in International Journal of Training and Development, Volume 3, Number 2, pp. 167-179.
- Hales Colin, Tamangani Ziv, Walker Anne and Murphy Noelle (1996), "NVQs in small businesses: factors influencing adoption", in Education and Training, Volume 38, Number 2, pp. 3-13.
- Halley Alain and Guilhon Alice (1997), "Logistics behaviour of small enterprises: performance, strategy and definition", in International Journal of Physical Distribution & Logistics Management, Volume 27, Number 8, pp. 475-495.
- Hamblett J. and Holden R. J. (1998), "To boldly go? Questioning orthodox accounts of employee development", in Human Resource Development International, Volume 1, Number 2, pp. 149-170.
- Hamel Jacques (1993), Case Study Methods, Newbury Park, California: Sage Publications Inc.
- Handy Charles (1993), Understanding Organizations, fourth edition, London: Penguin Group.
- Hankinson Alan, Barlett David and Ducheneaut Bertrand (1997), "The key factors in the small profiles of small-medium enterprise owner-managers that influence business performance", in International Journal of Entrepreneurial Behaviour and Research, Volume 3, Number 4, pp. 168-175.
- Harrison Rosemary (1997), Employee Development, London: Institute of Personnel and Development.
- Hassard John and Pym Denis, eds. (1990), The Theory and Philosophy of Organizations, London: Routledge.
- Haughton Graham, Peck Jamie, Hart Trevor, Strange Ian, Tickell Adam and Williams Colin (1995), TECs and Their Boards, Sheffield: DfEE.
- Hawkins Peter (1994), "Organizational Learning Taking Stock and Facing the Challenge", in Management Learning, Volume 25, Number 1, pp. 71-82.
- HDL Training & Development (1995), IIP Adviser Workshop, Henley-on-Thames, 23-25 October, 1995.
- Hendry Chris (1996), "Understanding and Creating Whole Organizational Change Through Learning Theory", in Human Relations, Volume 49, Number 5, pp. 621-641.

- Heraty Noreen and Morley Michael (1995), "Line managers and human resource development", in Journal of European Industrial Training, Volume 19, Number 10, pp. 31-37.
- Hill Rosemary (1994), unpublished MScHRD dissertation, The Learning Organization: a business development opportunity?, The Nottingham Trent University.
- Hill Rosemary (1996a), Investors in People Survey in Wirral Companies (Phase I), a report for CEWTEC Ltd, unpublished interim report, March 1996.
- Hill Rosemary (1996b), Training and Development Survey, unpublished final report for CEWTEC, June 1996.
- Hill Rosemary and Stewart Jim (1999a), "Human Resource Development in Small Organizations", in Human Resource Development International, Volume 2, Number 2, pp. 103-123.
- Hill Rosemary and Stewart Jim (1999b), "Investors in People in Small Organizations: learning to stay the course?", in Journal of European Industrial Training, Volume 23, Number 6, pp.286-299.
- Hillage J. and Moralee J. (1996), The Return on Investors, Brighton: IES.
- Honey Peter (1999), "A Declaration on Learning", in Human Resource Development International, Volume 2, Number 1, pp. 9-16.
- Honey Peter and Mumford Alan (1989), The Manual of Learning Opportunities, Maidenhead: Peter Honey.
- Horner Melissa (1997), "Leadership theory: past, present and future", in Team Performance Management, Volume 3, Number 4, pp. 270-287.
- Horst H.ter, Sambrook S., Stewart J. and Meinicke K. (1999), "The role of HRD within learning (oriented) organisations in creating opportunities for lifelong learning", in Building Learning Organisations: Tools and Techniques, Glasgow: ECLO 6<sup>th</sup> International Conference, 19-21 May 1999.
- IIP UK (1994), Better People Better Business, London: IIP UK.
- IIP UK (1995), Investing in People. How to get Started, London: IIP UK.
- IIP UK (1996), Investors in People the Revised Indicators: advice and guidance for practitioners, London: IIP UK.
- IIP UK (1998), What is Investors in People?, (online). Available at: [www.iipuk.co.uk/iipuk/index2.html](http://www.iipuk.co.uk/iipuk/index2.html) (Accessed 16 September 1998).
- IIP UK (2000), The Investors in People Standard, (online). Available at: [www.iipuk.co.uk](http://www.iipuk.co.uk) (Accessed 18 April 2000).
- IIP UK, Cranfield School of Management and HOST Consultancy (1995), Good Practice in Human Resource Management & Investors in People, London: IIP UK.

- Iles Paul A. (1993), "Achieving Strategic Coherence in HRD through Competence-based Management and Organization Development", in Personnel Review, Volume 22, Number 6, pp. 63-80.
- Iles Paul (1994), "Developing Learning Environments: Challenges for Theory, Research and Practice", in Journal of European Industrial Training, Volume 18, Number 3, pp. 3-9.
- Investors in People UK (1996), Investors in People the Revised Indicators: advice and guidance for practitioners.
- IPD (1997), The IPD guide to on-the-job training, London: IPD.
- IPD (1997a), Innovation, Opportunity Through People. Consultative Document, London: IPD.
- IQA (1998), Spotlight: an individual's perspective on the potential of people. Marv Chapman, Quality World, February 1998, pp. 16-17.
- Irani Z., Sharp J. M. and Kagioglou M. (1997), "Communicating through self-directed work teams (SDWTs) within an SME learning organization", in Journal of Workplace Learning, Volume 9, Number 6, pp. 199-205.
- ISR (1998), Investors in People The Employee View, London: International Survey Research.
- Johnson David (1995), "Stress and stress management among owner-managers of small and medium-sized enterprises", in Employee Counselling Today, Volume 7, Number 5, pp. 14-19.
- Jones-Evans Dylan (1995), "A typology of technology-based entrepreneurs", in International Journal of Entrepreneurial Behaviour and Research, Volume 1, Number 1, pp. 26-47.
- Joyce Paul, McNulty Tony and Woods Adrian (1995), "Workforce training: are small firms different?", in Journal of European and Industrial Training, Volume 19, Number 5, pp. 19-25.
- Kamenka Eugene (1989), Bureaucracy, Oxford: Blackwell.
- Keeble David, Bryson John and Wood Peter (1992), "The Rise and Role of Small Service Firms in the United Kingdom", in International Small Business Journal, Volume 11, Number 1, pp. 11-22.
- Kilmann Ralph H. (1996a), "Designing collateral organizations", in Starkey Ken (ed.), How Organizations Learn, London: International Thomson Business Press, pp. 182-198.
- Kilmann Ralph H. (1996b), "Management Learning Organizations Enhancing Business Education for the 21st Century", in Management Learning, Volume 27, Number 2, pp. 203-237.
- Kolb David A. (1984), Experiential Learning, Englewood Cliffs New Jersey: Prentice Hall PTR.
- Kuchinke K. Peter (1995), "Managing Learning for Performance", in Human Resource Development Quarterly, Volume 6, Number 3, pp. 307-316.
- Kur Ed and Bunning Richard (1996), "A three-track process for executive leadership development", in Leadership & Organization Development Journal, Volume 17, Number 4, pp. 4-12.

- Kur Mitchell (1997), "Viewpoint: Leaders Everywhere! Can a broad spectrum of leadership behaviours permeate an entire organization?", in The Leadership and Organization Development Journal, Volume 18, Numbers 4 and 5, pp. 267-270.
- Laborde Genie Z. (1987), Influencing with Integrity, California: Syntony Publishing.
- Lane A. David, ed., (1994), Issues in People Management No. 8: People Management in Small and Medium Enterprises, London: IPD.
- Lee Monica (1995), "Learning for work: short-term gain or long-term benefit?", in Personnel Review, Volume 24, Number 6, pp. 29-43.
- Legge Karen (1995), Human Resource Management Rhetorics and Realities, London: Macmillan Press Ltd.
- Lewis Paul (1971), "Attitudes towards Training", in Industrial Training International, Volume 6, Number 12, p. 372.
- Lewis Paul (1972a), "Adverse Attitudes and their Effect on Training", in Personnel Management, November 1972, pp. 35-38.
- Lewis Paul (1972b), "Relationships between trainers and line managements: a behavioural science approach", in Industrial Relations, Volume 3, Number 2, pp. 35-42.
- Lewis Paul (1977), "A framework for research into training and development", in International Journal of Training and Development, Volume 1, Number 1, pp. 2-8.
- Management Charter Initiative (1993), Investors in People and Management Standards, London: Management Charter Initiative.
- Marlow Sue (1997), "The employment environment and smaller firms", in International Journal of Behaviour and Research, Volume 3, Number 4, pp.143-148.
- Marsick V. J. and Watkins K. E. (1997), "Lessons from Informal and Incidental Learning", in Burgoyne John and Reynolds Michael. (eds), Management Learning: Integrating Perspectives in Theory and Practice, London: Sage Publications, pp. 295-311.
- Martin Joanne (1990), "Breaking up the mono-method monopolies in organizational studies", in Hassard John and Pym Denis (eds.), The Theory and Philosophy of Organizations, London: Routledge, pp. 30-43.
- Matlay Harry (1999), "Employers' perceptions and implementation of S/NVQs in Britain: a critical overview", in International Journal of Training and Development, Volume 3, Number 2, pp.132-141.
- Matlay Harry and Hyland Terry (1997), "NVQs in the small business sector: a critical overview", in Education and Training, Volume 39, Number 9, pp. 325-332.
- Maynard Ross (1995), "Investors in People: Quality Through People", in Quality World, October 1995, pp. 697-701.



- MCB University Press, ed. (1997), conference on, The Learning Organization: Prescriptions for Action - perspectives on the Future, York, 21 January 1997.
- McGill Ian and Beaty Liz (1992), Action Learning: a practitioner's guide, London: Kogan Page.
- McGoldrick Jim and Stewart Jim (1996), "The HRM-HRD Nexus", in Stewart Jim and McGoldrick Jim (eds), Human Resource Development Perspectives, Strategies and Practice, London: Pitman Publishing, pp. 9-27.
- MCI (1993), Investors in People and Management Standards, London: MCI.
- Megginson David (1996), "Planned and Emergent Learning", in Management Learning, Volume 27, Number 4, pp. 411-428.
- Megginson D., Joy-Matthews J., and Banfield P. (1993), Human Resource Development, London: AMED.
- Metcalf Hilary, Walling Annette and Fogarty Michael (1994), Individual Commitment to Learning. Employers' Attitudes, Sheffield: Employment Department, Research Strategy Branch.
- Miles Matthew B. and Huberman A. Michael (1994), Qualitative Data Analysis, second edition, USA: Sage Publications.
- Mintzberg Henry (1987), "Crafting Strategy", in Harvard Business Review, Volume 65, Number 4, pp. 66-75.
- Mintzberg Henry and Quinn James Brian (1991), The Strategy Process Concepts, Contexts and Cases, second edition, Englewood Cliffs New Jersey: Prentice-Hall Inc.
- Moingeon Bertrand and Edmondson Amy, eds. (1996), Organizational Learning and Competitive Advantage, London: Sage Publications.
- Morden Tony (1997), "Leadership as vision", in Management Decision, Volume 35, Number 9, pp. 668-676.
- Morris Michael H., Williams Roy W. and Nel Deon (1996), "Factors influencing family business succession", in International Journal of Entrepreneurial Behaviour and Research, Volume 2, Number 3, pp. 68-81.
- Muhlemeyer Peter and Clarke Maxine (1997), "The competitive factor: training and development as a strategic management task", in Journal of Workplace Learning, Volume 9, Number 1, pp. 4-11.
- Mumford Alan (1997), How Managers Can Develop Managers, Aldershot: Gower.
- NACETT (1996), Skills for 2000, London: NACETT.
- NACETT (1997), Developing a Local Targets Strategy. A Practical Guide, DfEE.
- Nanda Ashish (1996), "Resources, Capabilities and Competencies", in Moingeon Bertrand and Edmondson Amy (eds), Organizational Learning and Competitive Advantage, London: Sage

Publications, pp. 93-120.

- Nonaka I. (1996), "The knowledge creating company", in Starkey Ken (ed), How Organizations Learn, London: International Thomson Business Press, pp. 18-31.
- O'Donnell David and Garavan Thomas N. (1997), "Viewpoint: Linking training policy and practice to organizational goals", in Journal of European Industrial Training, Volume 21, Number 9, pp. 301-309.
- Osborne Richard L. (1995), "The essence of entrepreneurial success", in Management Decision, Volume 33, Number 7, pp. 4-9.
- Osborne Mike, Seagraves Liz, Neal Peter and Dockerell Richard (1995), Learning in Smaller Companies, Interim Report April 1995, Educational Policy and Development, University of Stirling.
- Owen Jones Michael (1996), Studying Organizational Symbolism, Thousand Oaks, California: Sage Publications Inc.
- Palmer Jason and Andrews Lisa (1997), "Team-work to green small and medium size enterprise?", in Team Performance Management, Volume 3, Number 3, pp. 193-205.
- Park Alison (1994), Individual Commitment to Learning: Individuals' Attitudes, Report on the quantitative survey, Sheffield: Employment Department, Research Strategy Branch.
- Pascale Richard (1990), Managing on the Edge, London: Penguin Books.
- Patterson Malcolm G., West Michael A., Lawthorn Rebecca and Nickell Stephen (1997), Issues in People Management No. 22: Impact of People Management Practices on Business Performance, London: IPD.
- Pettigrew Andrew and Whipp Richard (1993), Managing Change for Competitive Success, Oxford: Blackwell Publishers.
- Pickard Jane (1997), "Just the Job", in People Management, 28 August 1997, pp. 32-35.
- Pickard Jane (1997a), "Geoffrey's agenda", in People Management, Volume 3, Number 8, pp. 32-34.
- Popper Karl R. (1972), The Logic of Scientific Discovery, London: Hutchinson & Co (Publishers) Ltd.
- Porter Michael E. (1980), Competitive Advantage, New York: Free Press.
- Power Michael (1990), "Modernism, postmodernism and organization", in Hassard John and Pym Denis, (eds.), The Theory and Philosophy of Organizations, London: Routledge, pp. 109-124.
- Prince's Trust & Employment Policy Institute (1998), What Works? The New Deal for Young People, London: The Prince's Trust.
- Psathas George (1995), Conversation Analysis, Thousand Oaks, California: Sage Publications Inc.

- Rana Eila (1999a), "Tecs' incoming chairman is ready for 'big challenge'", in People Management, Volume 5, Number 13, p.11.
- Rana Eila (1999b), "£5 billion skills council set to answer UK's needs", in People Management, Volume 5, Number 14, p. 12.
- Ratcliffe Peter (1994), "Investing in Managers", in Management Development Review, Volume 7, Number 5, pp. 16-18.
- Reason Peter and Rowan John, eds. (1981), Human Inquiry A Sourcebook of New Paradigm Research, Chichester: John Wiley & Sons Ltd.
- Reed Michael (1990), "The labour process perspective on management organization: a critique and reformulation", in Hassard John and Pym Denis, (eds.), The Theory and Philosophy of Organizations, London: Routledge, pp. 63-82.
- Revans R. (1983), The ABC of Action Learning, Bromley: Chartwell-Brant.
- Reynolds Rysia and Ablett Anne (1998), "Transforming the rhetoric of organisational learning to the reality of the learning organisation", in The Learning Organization, Volume 5, Number 1, pp. 24-35.
- Riley J. (1990), Getting the Most from your Data, Bristol: Technical and Educational Services Ltd.
- Robbins Stephens P. (1990), Organization Theory: Structure, Design and Applications, third edition, Englewood Cliffs New Jersey: Prentice-Hall.
- Robbins Stephen P. (1997), Essentials of Organizational Behavior, fifth edition, Upper Saddle River New Jersey: Prentice-Hall.
- Rosenfeld Virginia (1999), "The value of Care National Vocational Qualifications: what impact do NVQs have on Care organisations in Hertfordshire?", in International Journal of Training and Development, Volume 3, Number 2, pp.142-155.
- Sadler-Smith Eugene (1996), "Learning styles: a holistic approach", in Journal of European Industrial Training, Volume 20, Number 7, pp. 29-36.
- Sambrook Sally Anne (1998), Models and Concepts of Human Resource Development: Academic and Practitioner Perspectives, unpublished PhD thesis, Nottingham Trent University.
- Sambrook Sally (2000), "Talking of HRD", in Human Resource Development International, Volume 3, Number 2, pp. 159-178.
- Sambrook Sally and Stewart Jim (1998), "No, I didn't want to be part of HR", in Human Resource Development International, Volume 1, Number 2, pp. 171-187.
- Sambrook Sally and Stewart Jim (1999), "Factors Influencing Learning in European Learning Oriented Organisations: Issues for Management", in Annual Conference of the Irish Academy of Management, University of Limerick, September 1999.
- Sauquet Alfonso and Jacobs Gabriele (1998), "Can we learn from Herodotus?", in Journal of

Managerial Psychology, Volume 13, Number 3/4, pp. 167-177.

- Seagraves Liz, ed., (1996), Learning in Smaller Companies: Improving Business Performance through Employee Development, Scotland: University of Stirling.
- Schein Edgar H. (1970), Organizational Psychology, Englewood Cliffs New Jersey: Prentice-Hall.
- Schein Edgar H. (1993), Organizational Culture and Leadership, San Francisco: Jossey-Bass.
- Schon Donald A. (1983), The Reflective Practitioner, Basic Books.
- Scott Mel and Bruce Richard (1987), "Five Stages of Growth in Small Business", in Long Range Planning, Volume 20, Number 3, pp. 45-52.
- Seagraves Liz, ed. (1996), Learning in Smaller Companies. Leading the Way, Stirling: Educational Policy and Development, University of Stirling,
- Senge Peter M. (1990), The Fifth Discipline, London: Century Business.
- Sievers Burkard (1996), "Greek mythology as means of organizational analysis: the battle at Larkfield", in Leadership and Organization Development, Volume 17, Number 6, pp. 32-40.
- Skills and Enterprise Executive (Issue 5/95, November 1995), Focus on Small Firms in Britain, Skills and Enterprise Network Publication.
- Small Firms Lead Body (1995a), Owner Management Standard. Business Planning Level 3: Business Preparation Pre Start-Up and Implementation, Northampton: SFLB.
- Small Firms Lead Body (1995b), Owner Management Standard. Business Management and Development Level 4: Standards for Problem Solving and Profit Enhancement, Northampton: SFLB.
- Spender J. C. (1996a), "Organizational knowledge, learning and memory: three concepts in search of a theory", in Journal of Organizational Change Management, Volume 9, Number 1, pp. 63-78.
- Spender J. C. (1996b), "Competitive Advantage from Tacit Knowledge", in Moingeon Bertrand and Edmondson Amy (eds), Organizational Learning and Competitive Advantage, London: Sage Publications, pp. 56-73.
- Spilsbury M., Moralee J. and Evans C. (1995), Employers' Use of the NVO System, Institute for Employment Studies Report 293.
- Stanworth M. J. K. and Curran J. (1976), "Growth and the Small Firm - an Alternative View", in Journal of Management Studies, Volume 13, pp. 95-110.
- Stanworth John, Stanworth Celia, Granger Bill and Blyth Stephanie (1989), "Who Becomes an Entrepreneur?", in International Small Business Journal, Volume 8, Number 1, pp. 11-22.
- Starkey Ken, ed. (1996), How Organizations Learn, London: International Thomson Business Press.
- Stead Valerie and Lee Monica (1996), "Inter-cultural Perspectives on HRD", in Stewart Jim and

- McGoldrick Jim (eds), Human Resource Development Perspectives, Strategies and Practice, London: Pitman Publishing, pp. 47-70.
- Stewart J. (1992), "Towards a Model of HRD", in Training and Development, October 1992, pp. 26-29.
  - Stewart Jim (1996), Managing Change Through Training and Development, second edition, London: Kogan Page Limited.
  - Stewart Jim (1998), "Intervention and assessment: the ethics of HRD", in Human Resource Development International, Volume 1, Number 1, pp. 9-12.
  - Stewart Jim and McGoldrick Jim, eds. (1996), Human Resource Development: perspectives, strategies and practice, London: Pitman Publishing.
  - Storey D. J. (1994), Understanding the Small Business Sector, London: Routledge.
  - Storey David J. and Westhead Paul (1997), "Management training in small firms - a case of market failure?", in Human Resource Management Journal, Volume 7, Number 2, pp. 61-71.
  - Taylor Bruce and Lewis Paul (1973), "Informal Learning, Training and Industrial Relations", in European Journal of Training, Volume 2, Number 2, pp.160-180.
  - Taylor Peter and Thackwray Bob (1995), Investors in People Explained, London: Kogan Page Ltd.
  - Taylor Sally and Spencer Liz (1994), Individual Commitment to Lifetime Learning: Individuals' Attitudes. Report on the qualitative phase, Sheffield: Employment Department, Social and Community Planning Research.
  - Thompson Paul and Davidson O'Connell Julia (1995), "The continuity of discontinuity Managerial rhetoric in turbulent time", in Personnel Review, Volume 24, Number 4, pp. 17-33.
  - Thompson Paul and Smith Chris (1992), "Socialism and the Labour Process in Theory and Practice", in Smith Chris and Thompson Paul (eds.), Labour in Transition the Labour Process in Eastern Europe and China, London: Routledge, pp. 3-33.
  - Tremlett Nigel, Thomas Andrew & Taylor Sally (1995), Individual Commitment to Learning. Providers' Attitudes, Sheffield: Employment Department, Research Strategy Branch.
  - Tsang Eric W. K. (1997), "Organizational Learning and the Learning Organization: A Dichotomy Between Descriptive and Prescriptive Research", in Human Relations, Volume 50, Number 1, pp. 73-89.
  - TUC (1997), The Small Firms Myth. TUC, Economic and Social Affairs Department.
  - TUC and IIP UK (1997), Investors in People and Trade Unions, London: IIP UK.
  - Tushman Michael and Nadler David (1996), "Organizing for Innovation", in Starkey Ken, (ed.), How Organizations Learn, London: International Thomson Business Press, pp. 135-155.

- Ufi (1999), A new way of learning Ufi - Developing the University for Industry Concept, (online). Available at: [www.ufild.co.uk](http://www.ufild.co.uk) (Accessed 29 July 1999).
- University of Central Lancashire, ed. (1999), conference on Beyond the Badge, Preston, 20 January, 1999.
- Vickerstaff Sarah and Parker Kim T. (1995), "Helping Small Firms: The Contribution of TECs and LECs", in International Small Business Journal, Volume 13, Number 4, pp. 56-72.
- Walton John (1996), "The Provision of Learning Support for Non-Employees", in Stewart Jim and McGoldrick Jim (eds), Human Resource Development Perspectives, Strategies and Practice, London: Pitman Publishing, pp. 120-137.
- Watson John and Everett Jim (1993), "Defining Small Business Failure", in International Small Business Journal, Volume 11, Number 3, pp. 35-48.
- Watson Tony J. (1994), In Search of Management, London: Routledge.
- Watson Tony J. (1995), "In search of HRM Beyond the rhetoric and reality distinction or the case of the dog that didn't bark", in Personnel Review, Volume 24, Number 4, pp. 6-16.
- WCVS (1995), Wirral Wide Euro Supplement, March 1995.
- Weinberger Lisa A. (1998), "Commonly held theories of human resource development", in Human Resource Development International, Volume 1, Number 1, pp. 75-93.
- Westhead Paul and Storey David (1996), "Management Training and Small Firm Performance: Why is the Link So Weak?", in International Small Business Journal, Volume 14, Number 4, pp. 13-24.
- Westhead Paul and Storey David J. (1997), Training Provision and the Development of Small and Medium-sized Enterprises, DfEE Publications Research Report Number 26.
- Wilson David C. (1992), A Strategy of Change, London: Routledge.
- Wilson Elisabeth (1996), "Managing Diversity and HRD", in Stewart Jim and McGoldrick Jim (eds), Human Resource Development Perspectives, Strategies and Practice, London: Pitman Publishing, pp. 158-179.
- Wilson Liz (1995), "Occupational standards for small firms", in Executive Development, Volume 8, Number 6, pp.18-20.
- Wood P. A., Bryson J. and Keeble D. (1993), "Regional patterns of small firm development in the business services: evidence from the United Kingdom", in Environment and Planning, Volume 25, pp. 677-700.
- Yin Robert K. (1994), Case Study Research Design and Methods, second edition, USA:Sage Publications.



**ANNEX 2**

**LIST OF ABBREVIATIONS**

**LIST OF ABBREVIATIONS**

**(in alphabetical order)**

<b><u>Abbreviation</u></b>	<b><u>Interpretation</u></b>
CAF	Convergent Analysis Framework (Figure 12)
CEWTEC	Chester, Ellesmere Port and Wirral Training & Enterprise Council
DfEE	Department for Education and Employment
DM	The development manager of Case 3
DO1	Development officer (number 1) of Case 3
DO2	Development officer (number 2) of Case 3
DTI	Department of Trade and Industry
EC	European Community
ES	Employment Service
ETF	Environmental Task Force option of the New Deal
HR	Human Resource(s)
HRD	Human Resource(s) Development
HRM	Human Resource(s) Management
IES	Institute of Employment Studies
IIP	Investors in People
IIP UK	Investors in People UK
IPD	Institute of Personnel and Development
KV1	Key Variable 1 (depicted as HRD in SMEs in conceptual framework)
KV2	Key Variable 2 (depicted as N/HRD in conceptual framework)
LASER	Learning Age Standard Evaluation & Review - an IIP UK project carried out over 1999/2000 to review the IIP standard and processes.
LEC	Local Enterprise Company
LSC	Learning and Skills Council
MA	Modern Apprenticeship
MV(s)	Millennium Volunteer(s)
N/HRD	National HRD
NLP	Neuro Linguistic Programming
NTTF	National Training Task Force
NVET	National Vocational Education and Training
NVQ	National Vocational Qualification

OB	Organizational Behaviour
OD	Organization Development
PDP	Personal development plan
SBS	Small Business Service
SfSBs	Skills for Small Businesses
SMART	Small Firms Merit Award for Research and Technology
SME	Small and medium-sized Enterprise
SMT	Senior management team (of Case 3)
STAR	Strategic Review of Assessment and Recognition - an IIP UK project carried out over 1998/1999 to review and implement changes to the IIP assessment and recognition processes.
T&D	Training & development
TEC	Training and Enterprise Council
TUC	Trades Union Congress
Ufi	University for Industry
VS	Voluntary Sector
VSO	Voluntary Sector Option of the New Deal
WCVS	Wirral Council for Voluntary Service (or Wirral CVS)
YTS	Youth Training Scheme

**ANNEX 3**

**APPENDICES**

## APPENDIX 1

### **NONAKA'S FOUR BASIC PATTERNS FOR CREATING ORGANIZATIONAL KNOWLEDGE**

---

1. ***From tacit to tacit.*** Sometimes, one individual shares tacit knowledge directly with another. For example, when Ikuko Tanaka apprentices herself to the head baker at the Osaka International Hotel, she learns his tacit skills through observation, imitation and practice. They become part of her own tacit knowledge base. Put another way, she is 'socialized' into the craft. But on its own, socialization is a rather limited form of knowledge creation. True, the apprentice learns the master's skills. But neither the apprentice nor the master gains any systematic insight into their craft knowledge. Because their knowledge never becomes explicit, it cannot easily be leveraged by the organization as a whole.
2. ***From explicit to explicit.*** An individual can also combine discrete pieces of explicit knowledge into a new whole. For example, when a comptroller collects information from throughout the organization and puts it together in a financial report, that report is new knowledge in the sense that it synthesizes information from many different sources. But this combination does not really extend the company's existing knowledge base either. But when tacit and explicit knowledge interact, as in the Matsushita example, something powerful happens. It is precisely this exchange *between* tacit and explicit knowledge that Japanese companies are especially good at developing.
3. ***From tacit to explicit.*** When Ikuko Tanaka is able to articulate the foundations of her tacit knowledge of bread-making, she converts it into explicit knowledge, thus allowing it to be shared with her project development team. Another example might be the comptroller who, instead of merely compiling a conventional financial plan for his company develops an innovative new approach to budgetary control based on his own tacit knowledge developed over years in the job.
4. ***From explicit to tacit.*** What's more, as new explicit knowledge is shared throughout the organization, other employees begin to internalize it - that is, they use it to broaden, extend, and reframe their own tacit knowledge. The comptroller's proposal causes a revision of the company's financial control system. Other employees use the innovation and eventually come to take it for granted as part of the background of tools and resources necessary to do their jobs.

---

Source: Nonaka Ikujiro (1996: 21-22)

---

## **A TYPOLOGY OF ORGANIZATIONAL LEARNING STYLES (APPENDIX 2)**

---

### ***LEARNING ORIENTATIONS***

- |                         |   |
|-------------------------|---|
| 1 Knowledge source      | Preference for developing knowledge internally versus seeking inspiration in ideas developed externally.  |
| 2 Product-process focus | Emphasize accumulation of product knowledge versus expanding competencies in basic processes.   |
| 3 Documentation mode    | Knowledge seen in personal, tacit terms, as something possessed by individuals versus being seen as explicit statements of publicly available know-how.   |
| 4 Dissemination mode    | Emphasize informal methods of sharing learning, such as role modelling and communities of practice, versus formal, prescribed organization-wide programs. |
| 5 Learning focus        | Emphasize incremental, single loop learning versus transformational, double loop learning.  |
| 6 Value-chain focus     | Center learning investments on 'design and make' side of the value chain versus the 'deliver' side.   |
| 7 Skill development     | Stress development of individuals versus development of teams of groups. Emphasize individual skills versus skills in learning and working collectively.  |

---

### ***PATTERN OF LEARNING ORIENTATIONS***

Rugged individualism	Create knowledge internally Emphasize product knowledge Individual development Knowledge as 'personal property' Informal dissemination mode
Techno-analytic	Emphasize incremental learning Focus on 'design/make' side Individual development Emphasize process knowledge Knowledge as 'personal property' Formal, firm-wide dissemination
Communal	Seek internal and external knowledge Emphasize incremental learning Emphasize team development Knowledge is collectively available
Traditional	Create knowledge internally Emphasize incremental learning Focus on 'design/make' side Individual development Formal, firm-wide dissemination
Evangelical	Create knowledge internally Transformational learning Emphasize process knowledge Individual development Informal dissemination

---

Source: DiBella Anthony J., Nevis Edwin C., and Gould Janet M. (1996)



### **APPENDIX 3**

## **OVERVIEW OF N/HRD PROGRAMMES, OTHER THAN IIP, ENCOUNTERED IN THE RESEARCH**

### ***Millennium Volunteers:***

Millennium Volunteers (MVs) is about active citizenship (DfEE, 1999g) and is the government's 'flagship' initiative about changing attitudes to volunteering amongst young people aged 16 to 24. Those completing 200 hours of voluntary service receive an Award of Excellence signed by the Secretary of State for Employment and a profile of their activities as an indication of their abilities to potential employers, colleges and universities (DfEE, 1999g). MVs was announced in December 1997 (DfEE, 1997j) as a new programme aimed at providing volunteering opportunities for a wide range of young people not yet involved in voluntary work in the community, with an expressed hope that participants will improve skills, increase employability, and enhance self esteem. In December 1998, it was reported (DfEE, 1998i) that seventeen 'trailblazer' MVs projects had been approved from the first round of applications, and that a further 559 expressions of interest were now under consideration. Case 3, the voluntary sector organization, is involved with the MV programme.

### ***Modern Apprenticeships (MAs):***

Launched nationally in 1995, the MA programme aims to provide work-based training and a level 3 NVQ for mainly young school and college leavers. MAs are developed on an industry sector basis and delivered within varying partnership models between government agencies, employers and training providers (Armstrong, 1997; DfEE, 1996). An MA programme was encountered in Case 2, the security and telecommunications organization.

### ***National Vocational Qualifications (NVQs):***

The history, characteristics and delivery mechanisms of NVQs (SVQs in Scotland) are well documented (see for example, Fletcher, 1991; Rosenfeld, 1999). With approaching fifteen years implementation history, and a supposed base in being 'industry driven', NVQs have attracted much practitioner and academic attention and received mixed reviews regarding their effectiveness. For instance, Matlay (1999: 140) concludes that "...there is an urgent need to bridge the wide gap that still exists between the rhetoric and the practice of competence-based training in Britain." Reporting on NVQs, Matlay and Hyland (1997) indicate that the system has largely failed to achieve its objectives in the SME sector - a deficit they suggest is to be addressed through a concentration of effort on small businesses by the new University for Industry (Ufi) (DfEE, 1998a), and, possibly through the new SBS. It would seem that views more supportive of NVQs tend to be located within the literature sourced by government and its agencies. Both Cases 2 and 3 had experience of NVQs.

### ***New Deal:***

The New Deal is an important part of the government's 'welfare to work' strategy, created to help unemployed people into work by closing the gap between the skills employers want and the skills people can offer (DfEE, 1999h). As well as aiming to enhance employability of the unemployed, the programme also offers employers a

subsidy of £60 per week for each New Deal client employed. Employers commit to offering New Deal clients a job with full employee status lasting a minimum of six months, and a programme of relevant training equivalent to at least one day a week (DfEE, 1997b). The government claims to have committed up to £3.5 billion over four years to the programme (DfEE 1999h). The New Deal began as a pilot in twelve Pathfinder regions across the UK - one of which was the Wirral - on 5 January 1998, and was launched nationally later that year on 6 April. The New Deal process is administered under a partnership arrangement headed by the Employment Service (ES), who engage with a range of other agencies such as TECs, the Careers Service, and the voluntary sector. There are several New Deal programmes, the main ones being: 'New Deal for 18-24 year olds'; 'New Deal for Long-term Unemployed People over 25'; 'New Deal for Lone Parents'; 'New Deal for Partners, and 'New Deal for Disabled People' (DfEE, 1999h). Other versions, such as 'New Deal for Musicians', are industry-specific (DfEE, 1999i). Despite some variation in content, all programmes work within a consistent overall framework, and, therefore, the term New Deal is used generically and globally in this study. There are three main New Deal phases: 'Gateway'; four options; and a follow-through strategy (DfEE, 1997b). Entry to the programme is 'compulsory' in that unemployed claimants of job seeker allowance (JSA) for six months or more 'automatically' qualify for a place. If they refuse or fail to take up the place, or leave early, they are liable to sanctions involving a reduction and/or suspension of JSA (ibid.). Those joining New Deal first enter a Gateway period lasting up to six months, during which time the ES and its partners work with participants to prepare them for work. Following the Gateway phase, participants choose one of four main options: full-time employment; full-time education and training; Environmental Task Force (ETF); or Voluntary Sector (VS). A possible fifth option of being helped into self-employment is also available. Government statistics up to end of August 1999 claim that New Deal has helped 92,100 young people receive training or work (50,800 in full-time education/training; 20,200 ETF; and 21,100 VSO), and that the number of young people going into jobs is more than 144,000. Steady progress in New Deal 25 + is also reported as over 24, 000 previously long-term unemployed people have now found work (DfEE, 1999h). Both Cases 2 and 3 had some involvement with the New Deal.

***Skills for Small Businesses (SfSBs):***

SfSBs was a programme for small organizations, defined in this context as less than 50 employees, introduced in April 1995 aimed at developing internal HRD capacity (DfEE, 1997g). By implication, SfSBs may be considered as a precursor to the adoption of IIP in a small organization. The programme was discontinued nationally after about two years, but CEWTEC still use it as they believe it is helpful to small organizations as a 'stepping stone' to IIP. SfSBs was introduced to Case 2 in 1996 during the preparatory survey.

2 Moorings Close  
Parkgate  
South Wirral  
L64 6TL

**TRAINING AND DEVELOPMENT ACTIVITIES IN WIRRAL COMPANIES**

Dear Colleague,

I am carrying out a survey on behalf of Chester, Ellesmere Port and Wirral Training and Enterprise Council (CEWTEC) Limited about training and development activities in the Wirral area, and your help in providing me with some information in relation to your company would be very much appreciated.

This questionnaire is designed to be completed by the owner-manager, managing director or personnel/human resource/training specialist within your organization. It should not take any longer than 15 minutes to complete and your views will be of great value. A few guidelines follow:

1. To record your responses, just circle the appropriate number(s) to the right of each selection listing. Please ignore the numbers in brackets on the far right of the page - these are for official use only.
2. Where it specifically asks, please select one item only.
3. Please use black ink and where a narrative is required, please PRINT your response.
4. Before returning the questionnaire, please check that you have completed all sections fully.

Please be assured that all details supplied by you will be treated in the strictest of confidence.

It would be extremely helpful if you could complete and return the questionnaire to me in the enclosed postage-paid envelope within the next 7 days. Thank you.

**ROSEMARY HILL**  
February 1996

---

**IN STRICTEST CONFIDENCE**

**SECTION 1 ABOUT YOUR COMPANY**

1.1 Company name:

.....

1.2 Company address:

.....

.....

.....

Post Code.....

1.3 Type of company: *(Select which item applies to your company)*

- |                              |   |     |
|------------------------------|---|-----|
| Sole trader                  | 1 | (1) |
| Partnership                  | 2 |     |
| Limited Company              | 3 |     |
| Public Limited Company (PLC) | 4 |     |

1.4 Nature of business: *(Indicate the main activity in which your company is involved. Select one item only from the following)*

- |   |    |     |
|---|----|-----|
| Accountancy   | 1  | (2) |
| Agriculture, forestry, fisheries  | 2  |     |
| Care and education  | 3  |     |
| Computing/IT  | 4  |     |
| Construction  | 5  |     |
| Consulting  | 6  |     |
| Dental services   | 7  |     |
| Financial services  | 8  |     |
| Heavy industrial  | 9  |     |
| Hotels and catering   | 10 |     |
| Legal services  | 11 |     |
| Leisure or entertainment  | 12 |     |
| Light industrial  | 13 |     |
| Manufacturing   | 14 |     |
| Medical practices/health services   | 15 |     |
| Retail  | 16 |     |
| Services <i>(other than the service industries specifically mentioned in this list)</i> | 17 |     |
| Transport and distribution  | 18 |     |
| Other <i>(please specify in the space below)</i>  | 19 |     |
- .....

1.5 Total number of employees:

*(Please indicate in the space below how many people your company employs)*

..... (3)

---

**SECTION 2 ABOUT TRAINING AND DEVELOPMENT IN YOUR COMPANY**

2.1 Who is responsible for training and development in your company?

*(Select one item only from the following)*

- |  |   |     |
|--|---|-----|
| Personnel/HR/training specialist                 | 1 | (4) |
| Line manager/supervisor/foreman                  | 2 |     |
| Combination of the above two categories          | 3 |     |
| No one in particular                             | 4 |     |
| Other <i>(Please specify in the space below)</i> | 5 |     |
- .....

2.2 How are the training and development needs of your people assessed?

*(Select one item only from the following)*

- |   |   |     |
|---|---|-----|
| Formally <i>(structured analyses, skills audits, appraisals, performance reviews etc)</i> | 1 | (5) |
| Informally <i>(as and when a need for training occurs, for example)</i>                   | 2 |     |
| Combination of the above two categories   | 3 |     |
| Training and development needs are not assessed at all                                    | 4 |     |
-

**SECTION 3 THE INVESTORS IN PEOPLE STANDARD**

3.1 Have you heard of the Investors in People standard before?

(Select one item only, then see the note below)

- |     |   |     |
|-----|---|-----|
| Yes | 1 | (6) |
| No  | 2 |     |

Note: If you answered yes to point 3.1 above, please carry on completing the questionnaire from point 3.2 below. If you answered no to point 3.1 please go directly to section 6 at the end of this questionnaire.

3.2 From whom/where have you already sought/had information about Investors in People? (You may select more than one item if appropriate):

- |   |   |      |
|---|---|------|
| A Training and Enterprise Council (TEC)         | 1 | (7)  |
| Business association (e.g. Chamber of Commerce) | 2 | (8)  |
| Books, newspapers, journals, magazines etc      | 3 | (9)  |
| Advertisement                                   | 4 | (10) |
| A friend or business colleague                  | 5 | (11) |
| Investors in People UK Ltd                      | 6 | (12) |
| An external consultant                          | 7 | (13) |
| Other (Please specify in the space below)       | 8 | (14) |
- .....

**SECTION 4 YOUR THOUGHTS ABOUT INVESTORS IN PEOPLE**

4.1 Which of the following statements most closely matches your company's understanding of Investors in People? (Select one item only)

- |   |   |      |
|---|---|------|
| It is a quality standard similar to BS EN ISO 9000 (formerly BS 5750) | 1 | (15) |
| It is a national standard about good training practice                | 2 |      |
| It is about training and development of people                        | 3 |      |
| It is about managers managing their people                            | 4 |      |
| It is about changing culture  | 5 |      |
| It is about developing the organization as a whole                    | 6 |      |
| It is about a creating a 'learning climate' in an organization        | 7 |      |

4.2 Relate each of the following 12 statements to how your company feels towards Investors in People. Then indicate whether you: Strongly Agree with (SA); Agree with (A); are Undecided about (U); Disagree with (D); or Strongly Disagree with (SD) each statement. Circle one number only for each statement. For example, if you Strongly Disagree (SD) with the first statement, "We don't need it", circle the number 5 on that line. Please respond to all of the statements, ensuring that you read each one carefully before recording your answer.

- |   | SA | A | U | D | SD |      |
|---|----|---|---|---|----|------|
| (a) We don't need it                                      | 1  | 2 | 3 | 4 | 5  | (16) |
| (b) We don't have the time or resource to implement it    | 1  | 2 | 3 | 4 | 5  | (17) |
| (c) We believe it would bring some good business benefits | 1  | 2 | 3 | 4 | 5  | (18) |
| (d) We believe it's too bureaucratic                      | 1  | 2 | 3 | 4 | 5  | (19) |
| (e) It would suit our company culture well                | 1  | 2 | 3 | 4 | 5  | (20) |
| (f) We are not really sure of what it's all about         | 1  | 2 | 3 | 4 | 5  | (21) |
| (g) It involves too much extra work                       | 1  | 2 | 3 | 4 | 5  | (22) |
| (h) We are not ready for it yet                           | 1  | 2 | 3 | 4 | 5  | (23) |
| (i) In principle, we have no real aversion to it          | 1  | 2 | 3 | 4 | 5  | (24) |
| (j) Our customers are asking us to consider it            | 1  | 2 | 3 | 4 | 5  | (25) |
| (k) We are concerned about assessment                     | 1  | 2 | 3 | 4 | 5  | (26) |
| (l) It links training and development to business goals   | 1  | 2 | 3 | 4 | 5  | (27) |

- 4.3 How specifically do you feel that training and development could benefit your company?
- .....
- .....
- ..... 1 (28)
- 4.4 What specific reservation(s) might your company have about Investors in People?
- .....
- .....
- ..... 1 (29)

---

**SECTION 5 BUSINESS IMPROVEMENT WITHIN YOUR COMPANY**

- 5.1 What business improvement activities/projects are your company currently involved in? *(Please select more than one item if appropriate)*
- |   |    |      |
|---|----|------|
| Benchmarking                                      | 1  | (30) |
| BS EN ISO 9000 <i>(formerly known as BS 5750)</i> | 2  | (31) |
| Business Process Reengineering (BPR)              | 3  | (32) |
| CAD/CAM   | 4  | (33) |
| Customer Care                                     | 5  | (34) |
| Just in Time (JIT) manufacturing                  | 6  | (35) |
| Management Charter Initiative (MCI)               | 7  | (36) |
| National Vocational Qualifications (NVQs)         | 8  | (37) |
| Performance Management                            | 9  | (38) |
| Total Quality Management (TQM)                    | 10 | (39) |
| World Class Manufacturing                         | 11 | (40) |
| None  | 12 | (41) |
| Other <i>(please specify in the space below)</i>  | 13 | (42) |
- .....

---

**SECTION 6 FURTHER INFORMATION**

- 6.1 Would you like further information or advice about Investors in People?
- |     |   |      |
|-----|---|------|
| Yes | 1 | (43) |
| No  | 2 |      |
- 6.2 Would you or someone else in your company be willing to talk through some of the issues raised in this questionnaire with me informally, face to face?
- |     |   |      |
|-----|---|------|
| Yes | 1 | (44) |
| No  | 2 |      |

*(If yes, to either/both question(s), please provide a name and telephone number. Thank you.)*

Contact Name..... Position.....

Telephone number..... Extension.....

---



## **APPENDIX 5**

### **OVERVIEW OF OUT-OF-CASE INTERVIEWS**

The four out-of-case interviews offered varying views and perspectives about HRD, SMEs, IIP, and N/HRD in SMEs. Two interviews were conducted with people at N/HRD policy level (Brian Wolfson and Geoffrey Holland), another at N/HRD delivery level (the local Business Link/TEC IIP manager), and another with an academic (Paul Thompson). The interview respondents are considered influential and credible people within their individual spheres and professional remits. The overviews below are presented under: *Why?*; *When and Where?*; and *How and What?*. The appendix then presents a summary of the most important contributions from all interviews.

#### **1. Structured Interview with Sir Brian Wolfson (KT)**

##### ***Why?***

Brian Wolfson was interviewed in his capacity as the then chairman of IIP UK (1993-1999). He has held a variety of senior executive and board positions - as chairman of Anglo Nordic Holdings from 1976 to 1987, and chairman of Wembley Stadium Ltd from 1986 to 1995, for example. Following the inauguration of the National Training Task Force (NTTF) in 1988, he set up and chaired a sub-group of the NTTF which was charged with examining how to promote to employers the ethos and necessity of investing in the skills of their people. In the Spring of 1993, a successor body to the NTTF, the National Advisory Committee for Education and Training Targets (NACETT), was announced by government. The NTTF sub-group continued until the end of June, when on 1 July 1993, a new body, IIP UK, was established with Wolfson as its chairman (Taylor and Thackwray, 1995) - an office he held until 1 October, 1999 when Tim Melville-Ross became IIP UK's new chairman (DfEE, 1999f). The main reason for this interview was to obtain a first-hand account of his views - as a policy maker and 'originator' of the standard - about IIP's development, constitution, potential and usefulness to SMEs.

##### ***When and Where?***

20 May 1997, at Brian Wolfson's private office in London.

##### ***How and What?***

This was a structured interview using a topic guide provided in advance to the respondent. The following points were covered:

1. Early challenges for the NTTF;

2. Best practice upon which IIP was founded;
3. The role of IIP UK;
4. The international potential of IIP;
5. TECs, Business Links and Chambers of Commerce;
6. IIP and small organizations;
7. Progress towards the national targets for IIP;
8. Organizational culture and management;
9. Formality and IIP.

## **2. Structured Interview with Sir Geoffrey Holland (KCB)**

### ***Why?***

Geoffrey Holland has been Vice-chancellor of the University of Exeter since 1994 and President of the Chartered Institute of Personnel and Development (CIPD) since October 1998 (at the time of the interview, he was president elect). He has held senior posts in the armed forces, the civil service/government offices, and higher education. In 1974, Holland joined the Manpower Services Commission (MSC), becoming its director in 1982. As Permanent Secretary to the then Employment Department (1988-1993), he was instrumental in setting up the TEC movement. He was knighted in 1989. Before taking up his present post at Exeter, Holland spent a year as Permanent Secretary to the then Department of Education as Permanent secretary (Pickard, 1997a). Holland was interviewed for his views on the past, present and future role of the TECs, and his perspectives on UK business and HRD.

### ***When and Where?***

18 February 1998, at the University of Exeter.

### ***How and What?***

This was a structured interview using a topic guide that was provided in advance to the respondent. A transcript was sent to Geoffrey Holland after the interview, who then confirmed the content in writing.

The following points were covered:

1. Challenges in setting up the TECs;
2. The TECs now;
3. Future role of the TECs;
4. Business planning and HRD in SMEs;
5. Geoffrey Holland's accession to presidency of the IPD;
6. The New Deal;
7. Training and education in the UK during the 80s, the 90s and into the new millennium.

### **3. Semi-structured Interview with CEWTEC's IIP Manager**

#### ***Why?***

The IIP manager in this interview was successor to the IIP manager incumbent at the time of the preparatory survey (Chapter 5). She was interviewed for her views about how CEWTEC had progressed their plans for tackling issues of a lack of take up of IIP in organizations employing less than 50 people in the CEWTEC area (focus of preparatory survey investigation). The interviewee was previously interviewed in 1996 as a respondent in one of the surveyed organizations - Respondent 3 (R3), transport and distribution contractor. Having a previous background in personnel management, she worked for both Business Link Wirral and the Wirral Chamber of Commerce prior to her becoming operations manager in R3. On leaving R3 she returned to the Chamber of Commerce and then again to Business Link Wirral to where she assumed the IIP manager's role. She left Business Link Wirral in June 1999 to work for a large firm of management consultants.

#### ***When and Where?***

5 January 1999, at CEWTEC/Business Link Wirral offices in Birkenhead.

#### ***How and What?***

This was a semi-structured interview aimed at exploring the following topics:

1. Baseline targeting for IIP and CEWTEC's performance;
2. Relationship between CEWTEC, Business Link Wirral and Chamber of Commerce;
3. IIP manager's experience with a family-run small organization;
4. IIP manager's views on formality and bureaucracy.

### **4. Semi-structured Telephone interview with Professor Paul Thompson**

#### ***Why?***

As a prominent labour process theorist, Professor Thompson was interviewed for an alternative perspective on the IIP standard and process.

#### ***When and Where?***

18 March 1999, over the telephone.

#### ***How and What?***

This was a semi-structured interview broadly aimed at exploring the following two questions (the proposed interview content was outlined to the respondent in prior written and telephone communications):

1. What is the basis of the labour process theory?
2. How is the basis of IIP challenged by the labour process theory of management and organization?

### **Summary of Main Output/Contributions of Interviews**

IIP was a common theme in all four interviews - either explicitly (Brian Wolfson, CEWTEC's IIP manager, Paul Thompson), or implicitly (Geoffrey Holland's views on the TECs and delivery mechanisms of national programmes). The interviews suggested that there is apparently unresolved rhetoric spanning a decade about needing to position IIP as a strategic business tool rather than just a training standard. Both Brian Wolfson and the IIP manager spoke of IIP in terms of 'selling', 'packages' and 'products'. It may be that attempting to 'sell' IIP to executive management in order to position it as a strategic business tool has been counter productive. For if Geoffrey Holland's comment about the personnel profession tending to be a residual rather than a key input at board level is accurate, then it may be that executive management has not appropriately understood the strategic HRD context of IIP processes.

A second issue focuses upon the political context of IIP from its inception to date. The following examples from the interviews suggest that political influences at policy and delivery/implementation levels may present an enduring obstacle in the IIP promotion and delivery mechanisms: 1) TECs were set up because the Chambers of Commerce were not doing their jobs properly (Brian Wolfson); 2) there were early tensions in the set up of the TECs between public and private sector interests making a political philosophy inevitable (Geoffrey Holland); 3) TECs might be suffering now because of the not-made-here syndrome (Geoffrey Holland) compounded by the government's review of the TEC movement; 4) there have been mixed TEC performances and scandals (Geoffrey Holland and the IIP manager) affecting credibility; and 5) there is no relationship between Business Link PBAs and the TEC IIP team (IIP manager).

In relating the arguments to SMEs, if the language of the SME is not the language of lifelong learning and education but one of immediacy and tangible problems (Geoffrey Holland), how can the language of N/HRD connect with them? Furthermore, if all N/HRD roads lead to IIP as suggested by the IIP manager, the language of IIP may not be effective in connecting with the SME and supporting the appropriate development of effective lifelong learning in smaller organizations. Brian Wolfson may have inadvertently argued that whilst IIP processes are effective for smaller organizations, its language may need simplifying. Finally, notions of a language of SMEs and how to connect with them may be fundamental in shaping owner/manager perceptions about the value of N/HRD.









How has any shift in level of formality affected the organization? What have been the benefits and the pitfalls, for example?

---

**15. Summary Questions**

1. How would you describe your policy/approach to management training and development?
  2. How would you describe your policy/approach to workforce training and development?
  3. What it is about your overall 'model' of training and development that:
    - a) Attracts your organization to national HRD initiatives?
    - b) Makes your organization reject national HRD organizations?
- 

**RESEARCHER'S ANALYSIS AIDE MEMOIRE**

***Reflection 1:***

What is formality 'like' in Case (1, 2 or 3)?

***Reflection 2:***

How might this be influencing its HRD?

***Reflection 3:***

Is this organization more likely to be attracted or alienated by national HRD initiatives, and why?

**CASES 2 & 3: IIP QUESTIONNAIRE**  
**(APPENDIX 7)**

2 Moorings Close  
Parkgate  
NESTON  
South Wirral  
CH64 6TL

Telephone/Fax: 0151 336 6810

Dear *Respondent Name*,

As already discussed, would you please complete this questionnaire and return it to me in the pre-addressed envelope. The questionnaire has four sections and it should take about 15 minutes to complete. Please give me a call if you want anything clarified. Many thanks and I look forward to seeing you again on *date*.

Kind Regards

ROSEMARY HILL  
April, 1999

---

**SECTION 1**

In a few words, how would you describe the business environment you operate in it, what are the major influences on your business from this external operating environment and which areas of your business do they affect most?

---

**SECTION 2**

Circle the item (A to F) that most closely matches your understanding of Investors in People. Please do not select more than one item.

- A. It is a national standard about good training practice
  - B. It is about the training and development of people
  - C. It is about managers managing their people
  - D. It is about culture change in an organization
  - E. It is about developing an organization as a whole
  - F. It is about creating a 'learning climate' in an organization
-



*Statement 8:*

At least one person in our organization has practical and/or theoretical expertise in human resource development (HRD)

SA                      A                      U                      D                      SD

---

*Statement 9:*

We really have given careful consideration to what the benefits of IIP might be to our organization and why we may or may not need it

SA                      A                      U                      D                      S

---

*Statement 10:*

Having considered all the issues raised by the previous statements (1 - 9) in this section of the questionnaire, we ultimately believe that the cost of introducing IIP in our organization would be prohibitive

SA                      A                      U                      D                      S

---

**SECTION 4**

Please answer the following two questions, using the space overleaf if necessary.

Question 1:

What in your view is/are the main reason(s) that you have not adopted IIP in your organization?

Question 2:

What specifically would encourage you to make a commitment to adopting IIP in your organization?

**THANK YOU FOR COMPLETING THE QUESTIONNAIRE**

## **PROCESS FOR COMPLETING AND ANALYZING THE FORMALITY QUESTIONNAIRES**

### **(APPENDIX 8)**

#### **DELIVERY**

1. The questionnaire was completed with both researcher and respondent having sight of the questions. The respondent had been advised of the subject matter of the questionnaire beforehand but not shown nor advised of the precise content, so that a more spontaneous and natural response might be achieved.
2. Whilst answering the questions, the respondent was asked to focus upon the definition of formality developed for this study (see top of Appendix 6). For ease of reference, this definition was written in large typeface on a separate piece of card that was available to the respondent throughout the process.
3. After discussing each individual question, the respondent was invited to assign a 'formality rating' on a scale of 0 (informal) to 10 (formal) to each variable in the context of his/her organization.
4. After completion of the questionnaire (which took about an hour), the respondent was asked for views about the questionnaire content and process.

#### **ANALYSIS**

1. An analysis of results was made in three ways from each case-study organization: 1) quantitative summary of the formality ratings across all variables and overall; 2) a narrative interpretation of the questionnaire results drawing upon both quantitative and qualitative data; 3) a further qualitative interpretation of the data based upon the researcher reflections shown at the end of Appendix 6.
2. For purposes of analysis operations and their discussion, formality ratings were assigned to one of three bands (low, moderate or high) as follows: ratings 0 - 3 = low formality; 4 - 6 = moderate formality; 7 - 10 = high formality.
3. A cross-case comparison and analysis of results was carried out. This is reported in Chapter 9.



**APPENDIX 9**

**TYPICAL EXAMPLES OF TOPICS COVERED DURING CASEWORK INTERVIEWS  
(COMPILED FROM INTERVIEW TOPIC GUIDES)**

**Case 1:**

What the organization does

What HRD the organization 'does'

Views and experiences with N/HRD, IIP and Modern Apprenticeships

Views and experiences with traditional apprenticeships

Operating environment and influence of a major competitor

Growth, projects on hand and new projects planned, and implications for staffing and HRD

The importance of design innovation in the organization

DTI SMART Award

New overseas markets

Roles and contributions of management team to organizational performance

Leadership style

How individual and company performance is assessed and evaluated

Re-arranged management structure

Financing new operations and alterations to premises

Effects of an emphasis on design innovation on levels of formality in the organization

Effect of growth on HRD and organizational development priorities, such as procurement and project management

**Case 2:**

What the organization does

What HRD the organization 'does'

Views on N/HRD and IIP

Experiences with Skills for Small Businesses, Modern Apprenticeships and the New Deal

Experiences with N/HRD delivery mechanisms via local TEC/Business Link and colleges

Operating environment, losing a major contract seen as catalyst for organizational change

Deciding upon new strategic directions, marketing plans and developing a new corporate identity

Staff's views on their training needs

MD's views about the value of HRD to his organization

Origins and relevance of evolving staff appraisal scheme

Top management team and leadership style

Relevance of T&D to small firms in general

Effect of evolution and growth on levels of formality in the organization

Effect of evolution & growth and leadership style on HRD and organizational development priorities

**Case 3:**

What the organization does

What HRD the organization 'does'

Views and experiences of IIP and N/HRD

Experiences with NVQs, the New Deal and Millennium Volunteers

Experiences with European and other funding e.g. National Lottery

Experiences with local TEC, Business Link, colleges and other training providers

Operating environment and influences of other stakeholders within the voluntary sector

The role and influence of the Management Committee (MC)

The MC's views about the role of formality in Case 3

Staff views about their roles and development needs

Foreign exchanges as staff development opportunities

Individual learning styles and team roles

The evolving 'senior management team' and leadership style

Rapid growth and crisis management

The move towards operating more as a commercial organization, and shedding a 'charity' image

Transition over time of leadership role from 'Officer' to 'Manager'

Development of organizational conflict and politics

Effect of leadership changes on growth and levels of formality

Effect of growth on HRD and organizational development priorities

**ANNUAL APPRAISAL FORM IN CASE 2 PLC (APPENDIX 10)**

**GENERAL EMPLOYEE DETAILS ETC IN HERE**

Please prepare your thoughts on the issues in Sections 1 to 4 of this form before attending an appraisal interview with *name of MD* on..... This meeting will be an opportunity for a two-way discussion with the MD about our company, our expectations of each other and of your performance.

**Section 1: ABOUT CASE 2 PLC**

Rate your views about the topics listed at points 1.1 to 1.8 by placing a circle around one item on the scale 'Very Happy' to 'Not Happy'; then indicate whether or not you would like to specifically talk about this with the MD by circling either YES or NO.

**1.1 Company Goals and Direction**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO

**1.2 Leadership**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO

**1.3 Communication**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO

**1.4 Team Working**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO

**1.5 Pay**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO

**1.6 Holiday Entitlement**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO

**1.7 Arrangements for Sick Pay**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO
<hr/>				

**1.8 Training and Development Opportunities**

Very Happy	Happy	Quite Happy	Not Happy	Discuss? YES or NO
<hr/>				

**Section 2: ABOUT YOURSELF**

2.1 What is it that you believe you do well at work? Please qualify your answer with examples.

2.2 What area(s) do you believe you could improve in?

2.3 In what way(s) do you believe you have developed/changed over the last year at work?

---

**Section 3: ABOUT YOUR WORK COLLEAGUES**

3.1 What is it that your work colleagues do or say that you find particularly helpful?

3.2 What is it that they do or say that is unhelpful to you?

---

**Section 4: GENERAL COMMENTS**

What else would you like to add here and/or discuss with the MD during your interview?

**LIST OF 'OFF-SITE' FIELD DOCUMENTS OBTAINED (APPENDIX 11)**

**CASE 2**

<b>Reference</b>	<b>Date Obtained</b>	<b>Description</b>
P1/96	30.10.96	Employee handbook.
P2/96	30.10.96	Outline of a seminar on leadership development attended by all Case 2 directors.
P3/96	5.11.96	Details of Telecommunications modern apprenticeships from TELITO.
P1/97	7.11.97	Case 2's new corporate advertising material.
P2/97	7.11.97	Form devised by TEC - 'Task & Skills Required Questionnaire'.

**CASE 3**

<b>Reference</b>	<b>Date Obtained</b>	<b>Description</b>
WA1/96	3.5.96	Annual Report: 1994/1995
WA2/96	3.5.96	Extract from Business Plan about current projects.
WA3/96	1.11.96	Annual Report: 1995/1996
WA4/96	1.11.96	Case 3 promotional brochure.
WA5/96	1.11.96	Blank project review proforma.
WA6/96	2.11.96	Business Plan: 1995-1998
WA7/96	9.12.96	Work time tables for three field officers.
WA1/97	16.1.97	Letter inviting researcher to Management Committee Meeting on 21.1.97.
WA2/97	4.3.97	Part of completed project review sheet.
WA3/97	4.3.97	Minutes of Management Committee Meeting attended on 21.1.97.
WA4/97	21.3.97	Researcher's report 'HRD Research in (Case 3)' for Management Committee.
WA5/97	6.11.97	Employee time records.
WA6/97	6.11.97	Annual Report: 1996/1997
WA1/98	1.6.98	Documentation relating to teambuilding event facilitated by researcher on 1.6.99 including completed questionnaires of 11 participants.
WA1/99	16.1.99	Annual Report: 1997/1998
WA2/99	2.7.99	Case 3 Induction Information booklet.
WA3/99	24.6.99	Article by Hill and Stewart (1999a) containing feedback from the development manager on authors' account of Case 3.

**N.B. No documents were collected off-site from Case 1**

ID	Reference	A) Evolution & Growth	B) Leadership/mgmt	C) Org. Strengths	D) Vulnerabilities	E) Org. HRD	F) National HRD	G) Formality
1	30.10.96 Site visit	In process of transformation, need to re-establish market position and decide between two strategic direction (p3)		Learnt from suspension of major customer contract. "a shock that allowed them to step back and look at overall picture etc" (p2)	Major customer suspended contract due to low half year profits. Reliance on one big customer	Impact of loss of major customer contract: no longer need for heavy recruitment; more controlled and focused; "catalyst and a valuable learning experience"	Pursuing SFSBs, 40 staff have completed analysis TNAs. S&M director is Key Worker, but nothing being done about his development in the programme	
2	30.10.96 Site visit	Becoming "leaner and meaner"	Access to MD can be difficult, but will have to "seize the moment". MD is "capricious."		"At the moment private training supplier are easier to access than government sponsored schemes" (p5)	Quite a lot of training being done. CCTV, selling, and Leadership course for management team.	Progress with MA problematic. Lots of "toing and froing" between CEWTEC, SITO and AMARC but to no avail. Problems in finding suitable college	Expressed a preference for informal reporting in my research
3	13.1.97 Telephone call					See how S&M director's Dale Carnegie course is dovetailing with SFSBS (back of summary sheet)	Case 2 employees not familiar with term SFSBS	
4	27.2.97 Site visit	Views on the value of training and supporting Storey's views about training & small-firm performance.	Matter of re-establishing market position still being worked on, but are adopting a more flexible position in considering sub-contractors in areas where they have no cover. Will mean new skills		Not had time to do anything about job descriptions (part of SFSBs). Marketing plan will not be ready until April.	Impact of new direction starting to impact on cross-skilling	Feels SFSBs is at a "crossroads" with criticism of TEC about it "get the paperwork off them". "Not allowed to sell IIP" due to "politics....." (p2)	TEC have been "as flexible as we wanted them to be"
5	27.2.97 Site visit						Managed to get George on an MA. S&M director had to find a suitable college for himself. When asked why TEC couldn't do this he said, "you tell me"	

APPENDIX 12: EXAMPLE OF TIME-ORDERED DISPLAY (CASE 2, SALES & MARKETING DIRECTOR PERSPECTIVES)



**PREPARATORY SURVEY 1996 PHASE 1: THEMES EXTRACTED FROM THE TWO  
OPEN QUESTIONS ON THE POSTAL QUESTIONNAIRE (APPENDIX 13)**

---

*Question:* "How specifically do you feel that training and development could benefit your company?"

**Themes Emerging from Responses to this Question**

CLARITY ABOUT COMPANY GOALS AND INDIVIDUALS' RESPONSIBILITIES

IMPROVED TEAMWORKING

BETTER MOTIVATED AND CONFIDENT PEOPLE

MORE JOB SATISFACTION

BETTER SERVICE/QUALITY/IMAGE/STANDARDS

BETTER MARKET SHARE

IMPROVED BUSINESS PERFORMANCE/EFFICIENCY

---

*Question:* "What specific reservation(s) might your company have about Investors in People?"

**Themes Emerging from Responses to this Question**

TIME/COST/RESOURCES

BUREAUCRACY

TOO FORMAL FOR SMALL COMPANIES

OTHER PRIORITIES

TIME NOT YET RIGHT

NOT SEEN AS SPECIFIC TO OWN BUSINESS

DON'T KNOW ENOUGH ABOUT IIP

PERCEIVED AS AN AWARD RATHER THAN A BUSINESS IMPROVEMENT FRAMEWORK  
(POSSIBLE ASSOCIATION WITH OTHER 'AWARDS', E.G. ISO 9000)

---

**1996 SURVEY PHASE 1: ANALYSIS OF COMPLETED QUESTIONNAIRE (APPENDIX 14)**

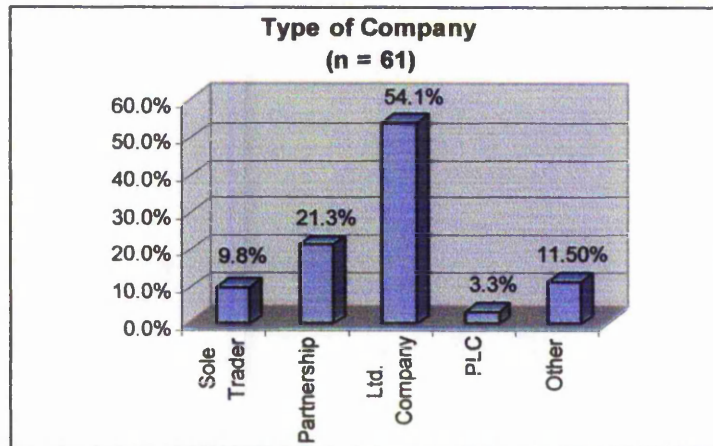
**SECTION 1 ABOUT YOUR COMPANY**

**1.1 Company name:**

**1.2 Company address and post code:**

**1.3 Type of company:** (Select which item applies to your company)

**Figure 1.3a: Analysis of Responses to 1.3**



A breakdown of the 7 companies' responses to company type as 'Other' is given at Table 1.3a, below.

**Table 1.3a: Breakdown of 'Other' Category in 1.3**

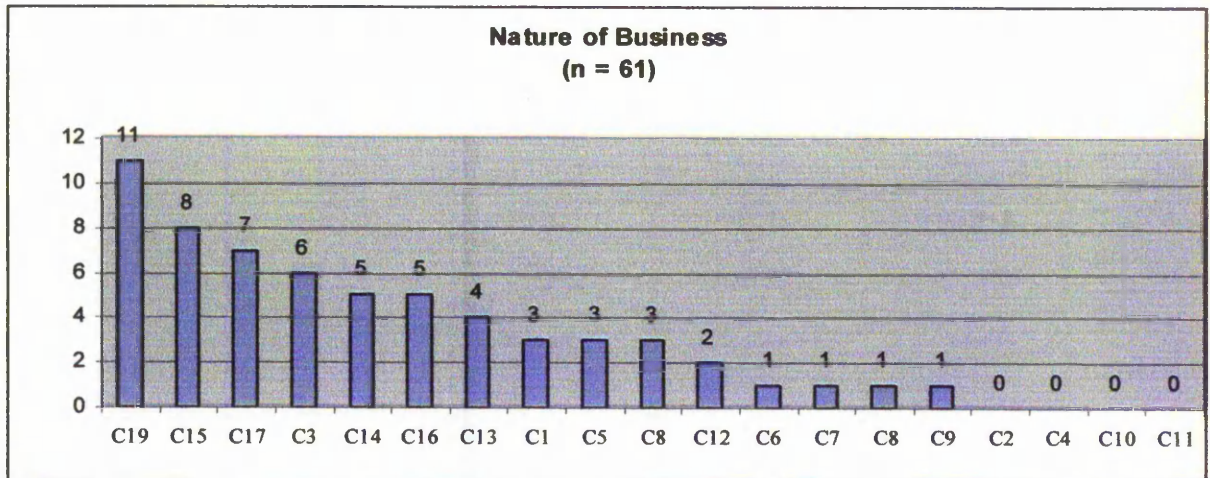
Type of Company Quoted by Respondent	Number of Incidences
Registered charity	2
Voluntary organization/charity	1
Local government	1
Didn't quote company type	3

**1.4 Nature of Business:** (Indicate the main activity in which your company is involved. Select one item only from the following)

**Table 1.4a: Analysis of Responses to 1.4**

Nature of Business	Number of Occurrences	Category
Accountancy	3	C1
Agriculture, forestry, fisheries	0	C2
Care and education	6	C3
Computing/IT	0	C4
Construction	3	C5
Consulting	1	C6
Dental services	1	C7
Financial services	1	C8
Heavy industrial	1	C9
Hotels and catering	0	C10
Legal services	0	C11
Leisure and entertainment	2	C12
Light industrial	4	C13
Manufacturing	5	C14
Medical practices/health services	8	C15
Retail	5	C16
Services (other than the services specifically mentioned)	7	C17
Transport and distribution	3	C18
Other (please specify)	11	C19

**Figure 1.4a: Business categories ranked in order of most frequent occurrence**



A breakdown of the 11 companies responding to nature of business as 'Other' (C19) is given at Table 1.4b, below.

**Table 1.4b: Breakdown of 'Other Category in 1.4**

Nature of Business Quoted by Respondent	Number of Occurrences
Architects	1
Civil engineer	1
Charity	1
Coastal harbour and towing	1
Community activities/leisure based	1
Community pharmacies	1
Horticulture	1
Magazine publishing	1
Motor trade	1
Printers	1
Social work/community	1

**1.5 Total Number of Employees** (Please indicate in the space below how many people your company employs)

The survey target population was companies employing between 10 and 50 people. Some responses were received from companies employing less than 10 or more than 50 people. Two of the 61 respondent companies did not indicate how many people they employed. The following breakdown is, therefore, based on 59 respondent companies.

**Table 1.5a: Respondent Companies Outside of the Specified Target Population**

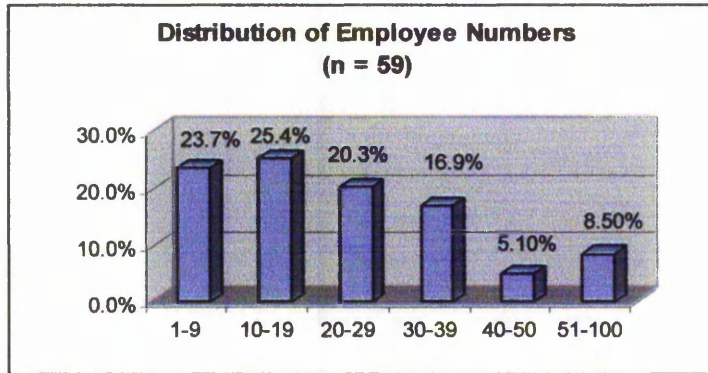
Respondent Company Details	Employee Numbers
1 company employed	1
1 company employed	3
1 company employed	4
4 companies employed	5
5 companies employed	6
2 companies employed	9
1 company employed	51
1 company employed	60
1 company employed	64
1 company employed	85
1 company employed	94

**Table 1.5b: General details for 59 respondent companies including those shown at Table 1.5a, above**

Lowest number employed by a respondent company	1
Highest number employed by a respondent company	94
Mean average number employed by respondent companies	22.49



**Figure 1.5a: Respondent Companies, Range and Frequency of Employee Numbers**

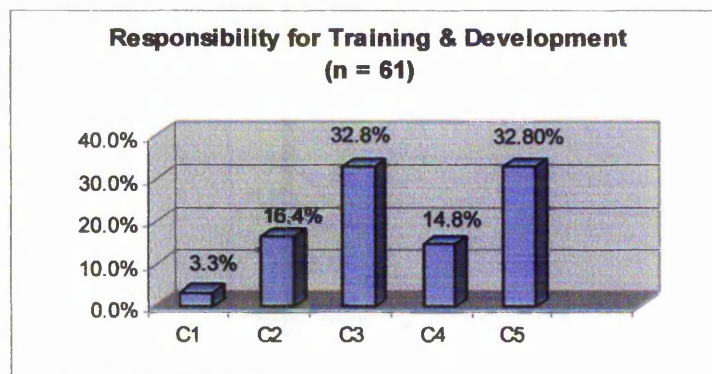


**SECTION 2 ABOUT TRAINING AND DEVELOPMENT IN YOUR COMPANY**

**2.1 Who is responsible for training and development in your company?**  
*(Select one item only from the following)*

- |   |    |
|---|----|
| Personnel/HR/training specialist        | C1 |
| Line manager/supervisor/foreman         | C2 |
| Combination of the above two categories | C3 |
| No one in particular                    | C4 |
| Other (Please specify)                  | C5 |

**Figure 2.1a: Analysis of Responses to 2.1**



A breakdown of the 20 companies responding to 2.1 as 'Other' (C5) is given at Table 2.1a, below.

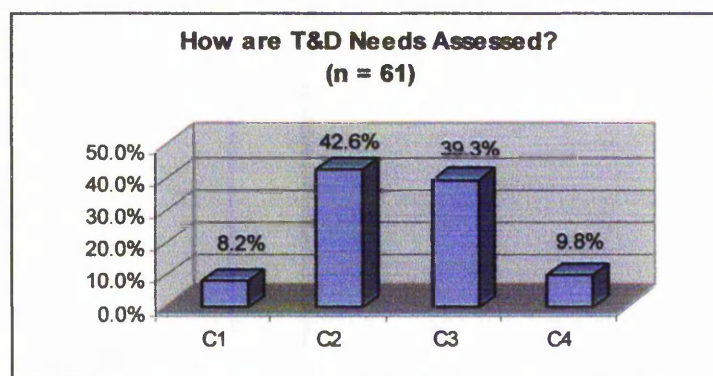
**Table 2.1a: Breakdown of 'Other' Category in 2.1**

Person Responsible for Training & Development	Number of Incidences
Proprietor	1
Owner	1
Partner	1
Senior Partner	1
Director	1
IT director	1
Managing director	3
Section head/director	1
General manager	1
Practice manager	1
Contracts manager	1
Office manager	1
Business manager	1
Administration manager	1
Centre worker	1
Matron/owner	2
Julie Roberts (Respondent 53)	1

**2.2 How are the training and development needs of your people assessed?**  
*(Select one item only from the following)*

- Formally (*structured analyses, skills audits, appraisals, performance reviews, etc*) **C1**
- Informally (*as and when a need for training occurs, for example*) **C2**
- Combination of the above two categories **C3**
- Training and development needs are not assessed at all **C4**

**Figure 2.2a: Analysis of Responses to 2.2**





**SECTION 3 THE INVESTORS IN PEOPLE STANDARD**

**3.1 Have you heard of the Investors in People standard before?**

Out of the 61 respondent companies:

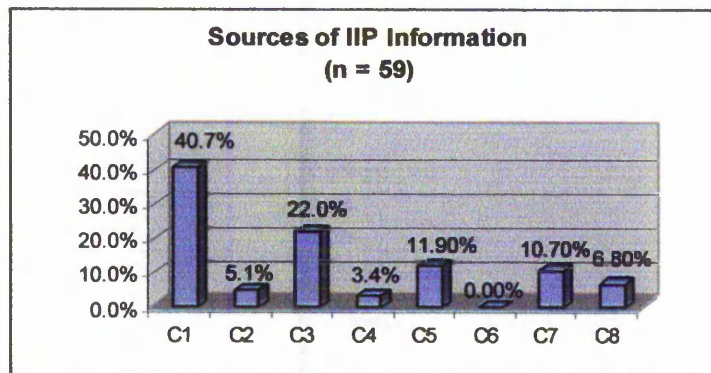
40	said YES
21	said NO

Those responding with YES were invited to carry on completing the questionnaire from point 3.2, below. Those responding NO were routed directly to Section 6 at the end of the questionnaire.

**3.2 From whom/where have you already sought/had information about Investors in People?**  
(You may select more than one item if appropriate)

- A Training and Enterprise Council (TEC) C1
- Business association (e.g. Chamber of Commerce) C2
- Books, newspapers, journals, magazines etc. C3
- Advertisement C4
- A friend or business colleague C5
- Investors in People UK C6
- An external consultant C7
- Other (please specify) C8

*Figure 3.2a: Analysis of Responses to 3.2*



A breakdown of the 4 companies responding to 3.2 as 'Other' (C8) is given at Table 3.2a, below.

*Table 3.2a: Breakdown of 'Other' in 3.2*

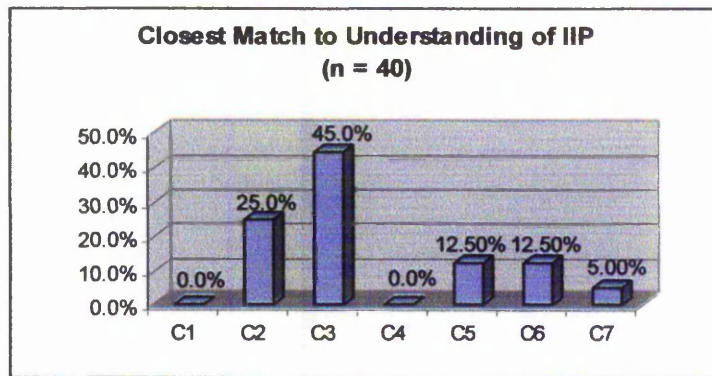
Other Sources of Information about Investors in People	Number of Incidences
Wirral Health (Respondent 4)	1
Wirral Council Volunteer Service (Respondent 19)	1
Wirral Borough Council (Respondent 25)	1
U.M.L. Ltd. Merseyside (Respondent 26)	1

**SECTION 4 YOUR THOUGHTS ABOUT INVESTORS IN PEOPLE**

**4.1 Which of the following statements most closely matches your company's understanding of Investors in People? (Select one item only)**

- It is a quality standard similar to BS EN ISO 9000 C1
- It is a national standard about good training practice C2
- It is about training and development of people C3
- It is about managers managing their people C4
- It is about changing culture C5
- It is about developing the organization as a whole C6
- It is about creating a 'learning climate' in an organization C7

**Figure 4.1a: Analysis of Responses to 4.1**



**4.2 Relate each of the following 12 statements to how your company feels towards Investors in People. Then indicate whether you: Strongly Agree with (SA); Agree with (A); are Undecided (U); Disagree with (D); or Strongly Disagree (SD) each statement.**

- (a) We don't need it
- (b) We don't have the time or resource to implement it
- (c) We believe it would bring some good business benefits
- (d) We believe it's too bureaucratic
- (e) It would suit our company culture well
- (f) We are not really sure of what it's all about
- (g) It involves too much extra work
- (h) We are not ready for it yet
- (i) In principle, we have no real aversion to it
- (j) Our customers are asking us to consider it
- (k) We are concerned about assessment
- (l) It links training and development to business goals

Please refer to Appendix 14 for an analysis of responses to the above (points a to l).

**4.3 How specifically do you feel that training and development could benefit your company?**

Out of the 40 respondents who were directed to this part of the questionnaire, 31 offered comments. A summary of these comments may be found at Appendix 12.

**4.4 What specific reservation(s) might your company have about Investors in People?**

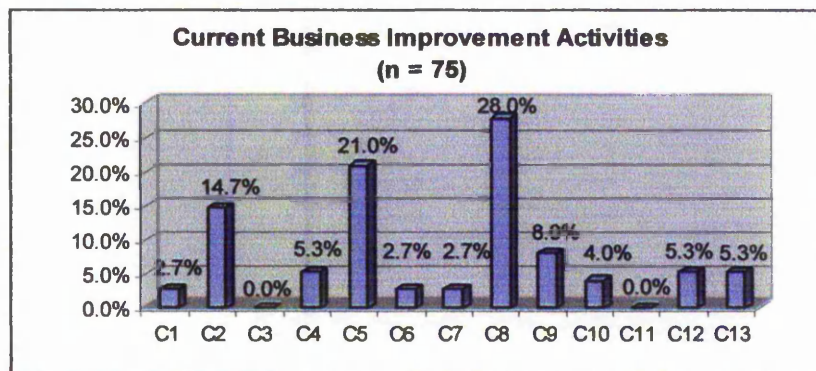
Out of the 40 respondents who were directed to this part of the questionnaire, 30 offered comments. A summary of these comments may be found at Appendix 12.

**SECTION 5 BUSINESS IMPROVEMENT WITHIN YOUR COMPANY**

**5.1 What business improvement activities/projects are your company currently involved in?**  
(Please select more than one item if appropriate)

Benchmarking	C1
BS EN ISO 900 (formerly known as BS 5750)	C2
Business Process Reengineering (BPR)	C3
CAD/CAM	C4
Customer Care	C5
Just in Time (JIT) manufacturing	C6
Management Charter Initiative (MCI)	C7
National Vocational Qualifications (NVQs)	C8
Performance Management	C9
Total Quality Management (TQM)	C10
World Class Manufacturing	C11
None	C12
Other (please specify in the space below)	C13

Figure 5.1a: Analysis of Responses to 5.1



A breakdown of the 4 companies responding to business improvement activities/projects as 'Other' (C13) is given at Table 5.1a, below.

**Table 5.1a: Breakdown of 'Other' Category in 5.1**

<b>Other Business Improvement Activities/Projects</b>	<b>Respondent Number</b>
Stabilizing the company	9
Certain accreditation programmes	19
National Homes Network Training	22
Business training for management	30

**SECTION 6 FURTHER INFORMATION**

**6.1 Would you like further information or advice about Investors in People?**

Out of the 61 respondent companies:

30	said YES
29	said NO
2	declined to answer

**6.2 Would you or someone else in your company be willing to talk through some of the issues raised in this questionnaire with me informally, face to face?**

Out of the 61 respondent companies:

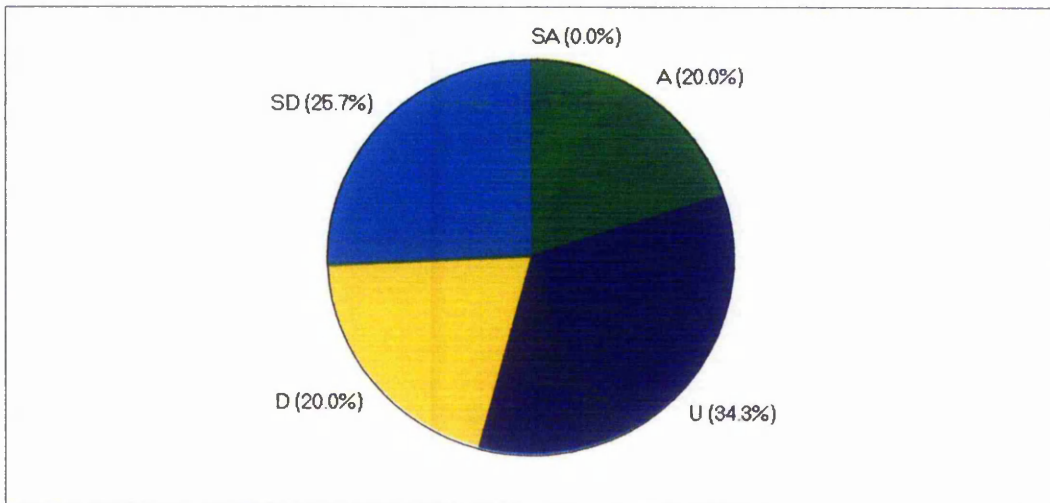
27	said YES
33	said NO
1	declined to answer



**1996 SURVEY PHASE 1: RESPONSES TO LIKERT SCALE IIP STATEMENTS (APPENDIX 15)**

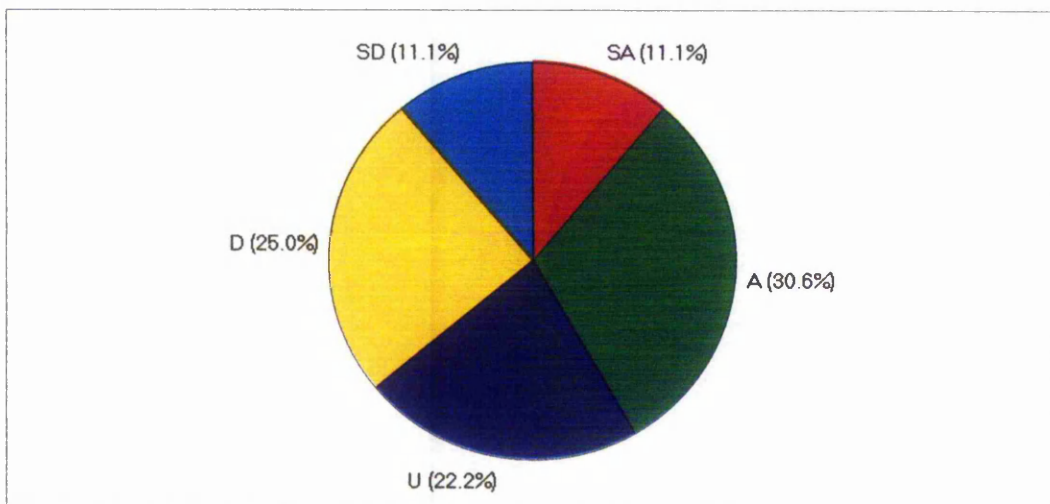
**Statement (a): "We don't need it"**

SA	A	U	D	SD	Response Category
0	7	12	7	9	Number of Responses in Category



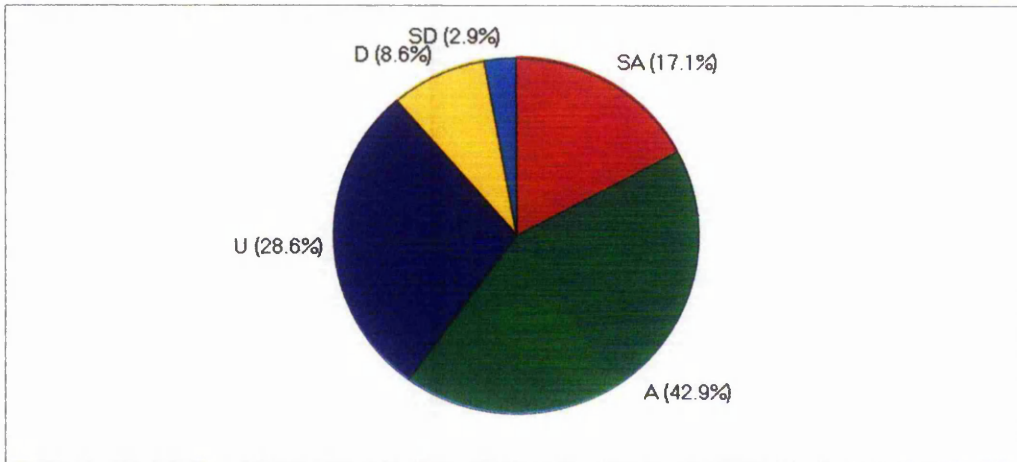
**Statement (b): "We don't have the time or resource to implement it"**

SA	A	U	D	SD	Response Category
4	11	8	9	4	Number of Responses in Category



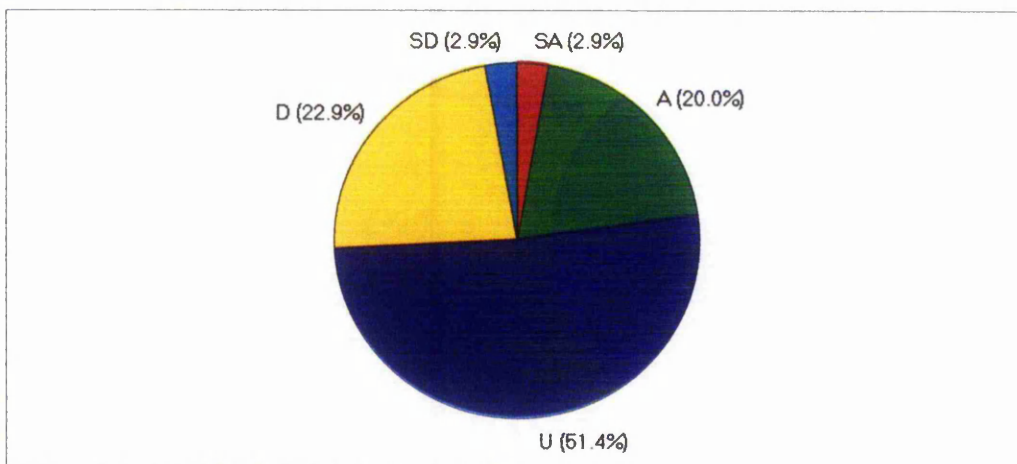
**Statement (c): "We believe it would bring some good business benefits"**

SA	A	U	D	SD	Response Category
6	15	10	3	1	Number of Responses in Category



**Statement (d): "We believe it's too bureaucratic"**

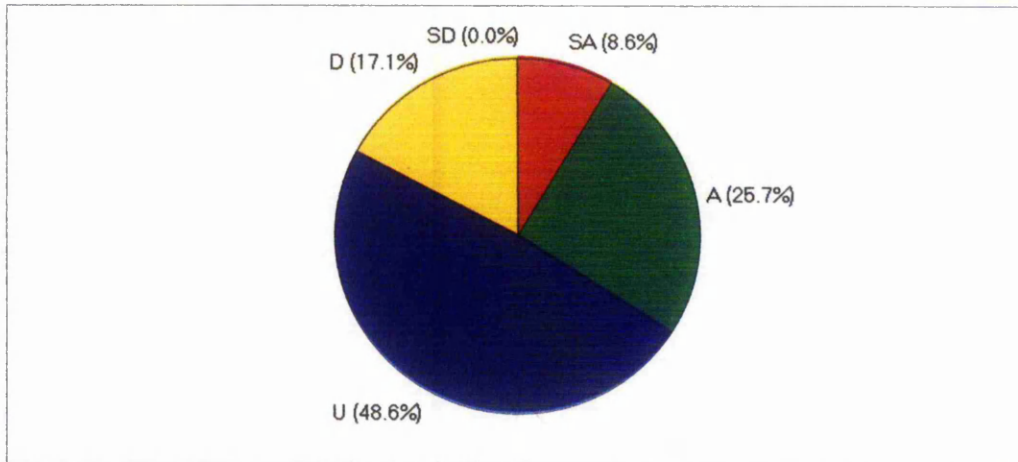
SA	A	U	D	SD	Response Category
1	7	18	8	1	Number of Responses in Category





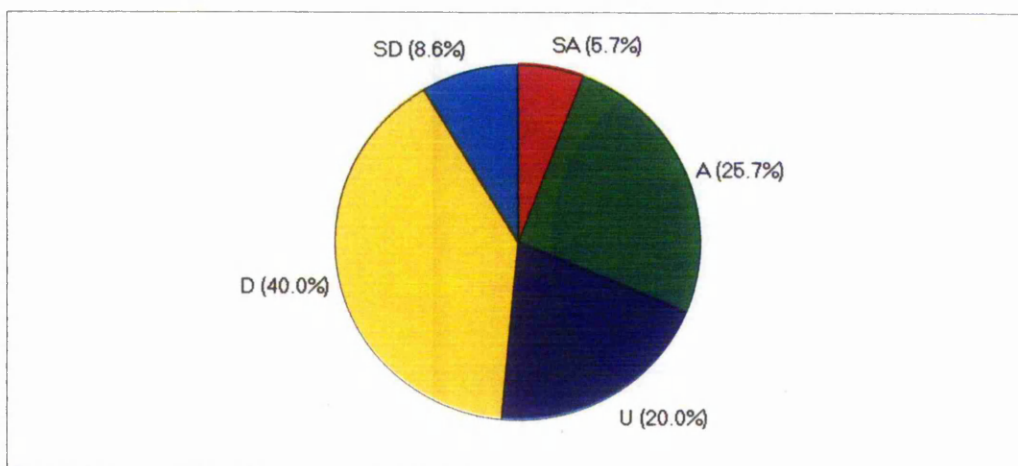
**Statement (e): "It would suit our company culture well"**

SA	A	U	D	SD	Response Category
3	9	17	6	0	Number of Responses in Category



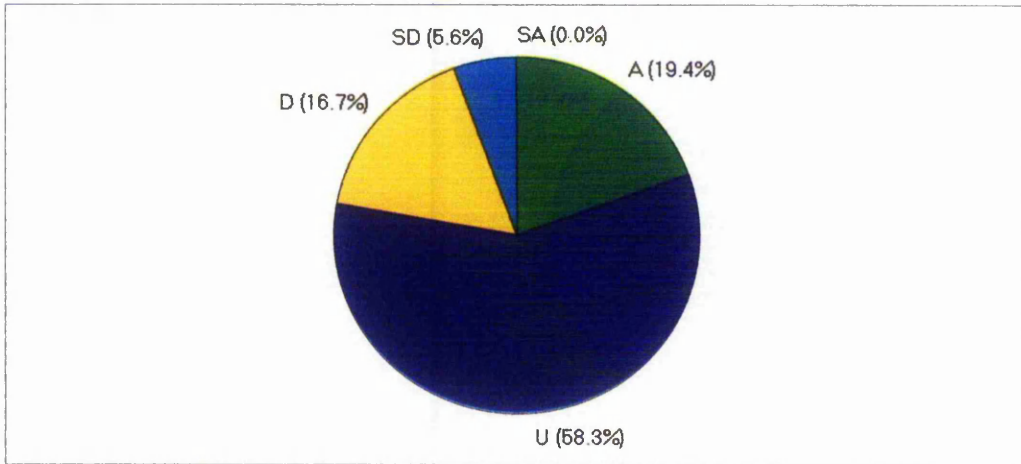
**Statement (f): "We are not really sure of what it's all about"**

SA	A	U	D	SD	Response Category
2	9	7	14	3	Number of Responses in Category



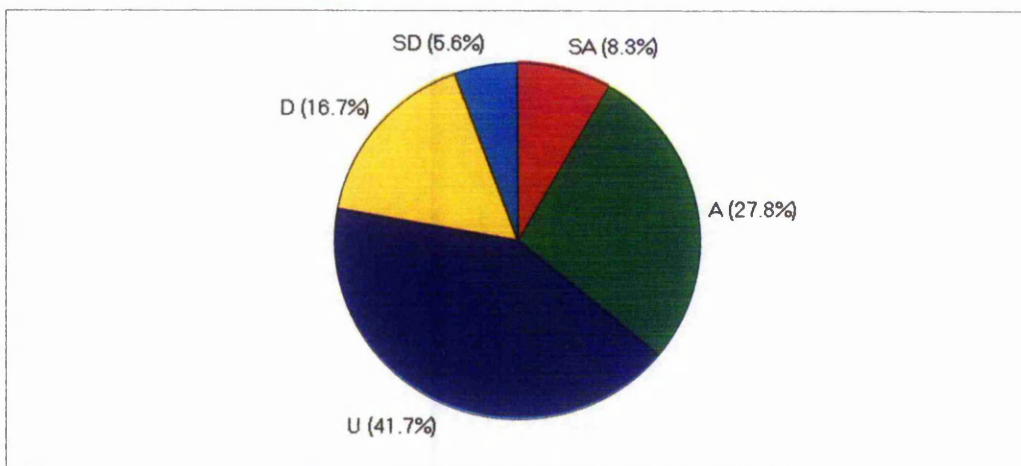
**Statement (g): "It involves too much extra work"**

SA	A	U	D	SD	Response Category
0	7	21	6	2	Number of Responses in Category



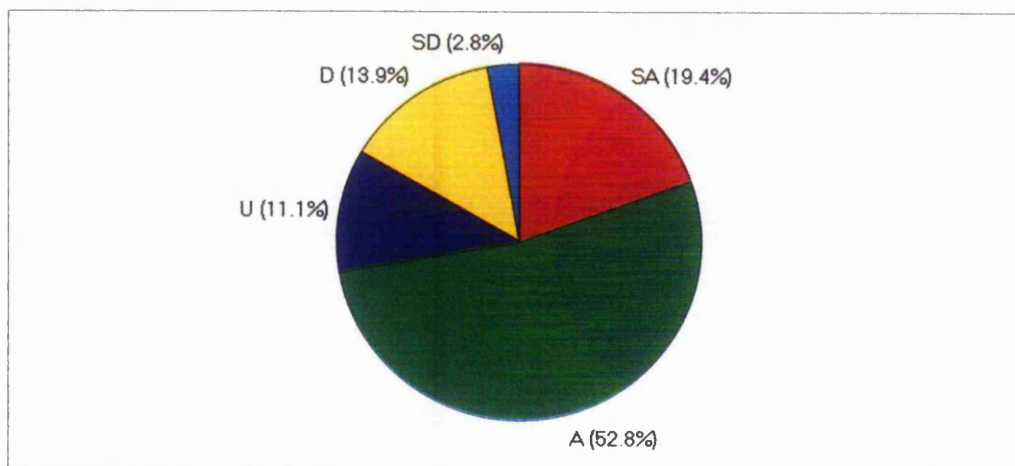
**Statement (h): "We are not ready for it yet"**

SA	A	U	D	SD	Response Category
3	10	15	6	2	Number of Responses in Category



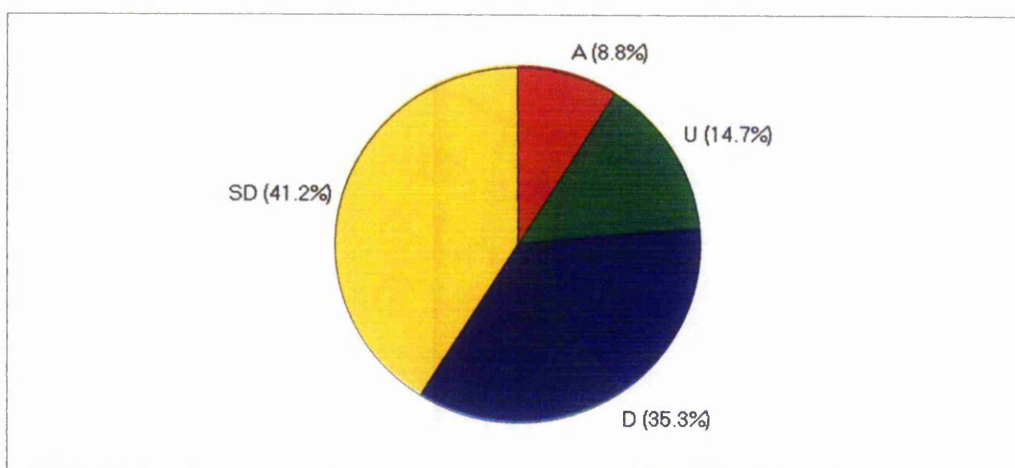
**Statement (i): "In principle, we have no real aversion to it"**

SA	A	U	D	SD	Response Category
7	19	4	5	1	Number of Responses in Category



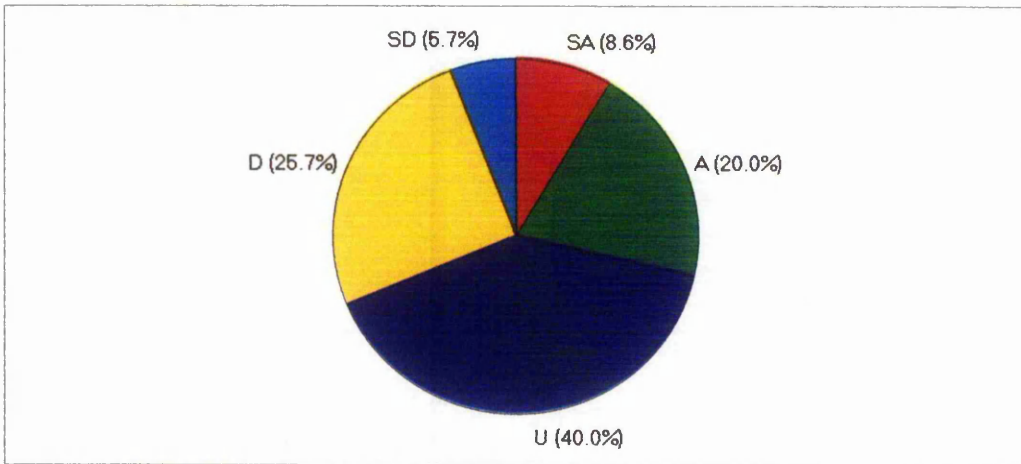
**Statement (j): "Our customers are asking us to consider it"**

SA	A	U	D	SD	Response Category
0	3	5	12	14	Number of Responses in Category



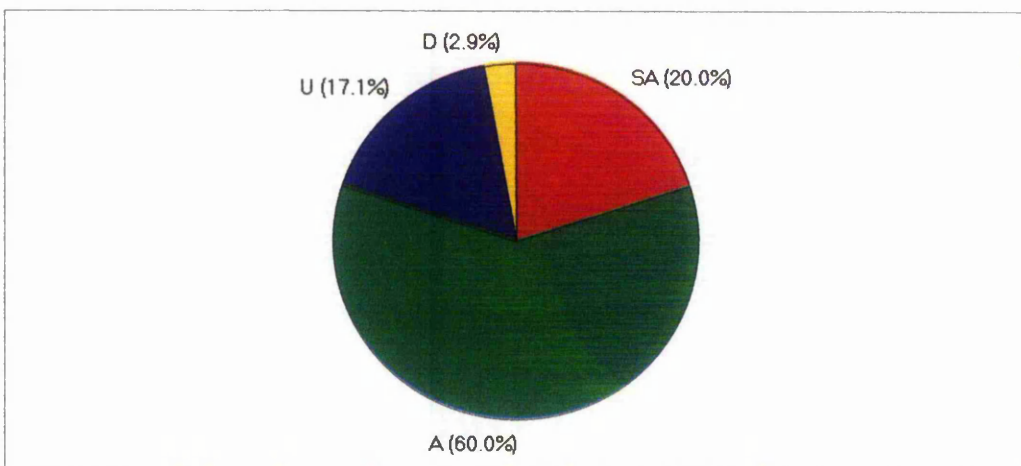
**Statement (k): "We are concerned about assessment"**

SA	A	U	D	SD	Response Category
3	7	14	9	2	Number of Responses in Category



**Statement (l): "It links training and development to business goals"**

SA	A	U	D	SD	Response Category
7	21	6	1	0	Number of Responses in Category



**PREPARATORY SURVEY 1996: CONCEPTUAL FRAMEWORK FOR LINKING SECTIONS 3.1 AND 6 OF POSTAL QUESTIONNAIRE (APPENDIX 16)**

This matrix links points 3.1, 6.1 and 6.2 of the questionnaire (replicated below). The numbers in the boxes represent the respondent reference numbers.

- 3.1 Have you heard of the Investors in People standard before?
- 6.1 Would you like further information or advice about Investors in People?
- 6.2 Would you or someone else in your company be willing to talk through some of the issues raised in this questionnaire with me informally, face to face?

	HEARD OF IIP	NOT HEARD OF IIP
<b>"YES" TO EITHER 6.1 OR 6.2</b>	<b>23 Respondents:</b>	<b>Box 1</b>
	1 15 28	11 Respondents:
	3 18 29	<b>Box 2</b>
	5 19 30	35 53
	6 22 33	37 55
	7 23 47	39 57
	8 25 48	41
	9 26 54	42
<b>"NO" TO BOTH 6.1 AND 6.2</b>	14 27	44
	<b>17 Respondents:</b>	<b>Box 3</b>
	2 17 59	10 Respondents:
	4 20 60	<b>Box 4</b>
	10 21 61	34 51
	11 24	36 56
	12 31	38 58
	13 32	40
16 50	43	
		45
		49

**COMMENTS**

**Box 1 - 23 Respondents:** Have heard of IIP and, in wanting more information and/or an interview, demonstrate perhaps 'positive' feelings towards IIP.

**Box 2 - 11 Respondents:** Despite not having heard of IIP, these respondents appear to be open minded and interested enough to want to know more.

**Box 3 - 17 Respondents:** Have heard of IIP and want neither further information nor an interview. These companies appear to demonstrate some resistance.

**Box 4 - 10 Respondents:** Have not heard of IIP and in refusing both information or an interview on the face of it demonstrate a certain amount of unfounded resistance.

Respondent reference numbers 29, 1 and 19 in Box 1 represent respectively the case-study organizations Case 1, Case 2 and Case 3 selected for subsequent case-study work.



(APPENDIX 17)

**PREPARATORY SURVEY 1996: PHASE 1 FEEDBACK WITH IIP MANAGER IN APRIL 1996**

***Question 1: Thoughts about the findings in the report on Phase 1 postal survey?***

The IIP manager shared the researcher's surprise at the number of limited companies within the target population and agreed that this was probably indicative of the sense of risk felt by small businesses in general. The survey brought home to her the number of service industries in the Wirral, particularly in the medical services sector, commenting that nursing homes were very competitive in their business thinking. The IIP manager found it interesting that managers, especially managing directors, were responsible for training and development, and suspected that most assessment of training and development needs was carried out informally by small organizations (the response to Figure 2.2a of Appendix 13 indicates a high proportion of respondents use a combination of informal and formal needs assessment methods). Also of interest to the IIP manager was that CEWTEC was seen as the highest source of information about Investors in People, and that IIP UK were apparently not very visible in their marketing. The IIP manager said she would feed these findings back to them.

***Question 2: Reasons why companies (employing 10 - 50 people) in the Wirral resist Investors in People?***

The IIP manager supported much 'conventional' thinking in terms of describing what she thought to be the main reasons for resistance (time, money, resource etc). She added that she believed that small businesses were often too busy surviving, did not see how training and development could relate to a business plan, and that HRD issues in general were not understood and, as a result, people were not seen as being important in the sense of the contribution that their development could make to organizational success and profit. She concluded that perhaps the TECs needed to concentrate on developing companies that have good growth potential; in an ideal world this would be different, and they (the TECs) should try to connect with even the strong resisters.

***Question 3: Is this representative of parallel companies in other parts of the UK?***

Overall the IIP manager believed the short answer to this was "yes", but went on to describe pockets where there are different attitudes. One example given was a local comparison made between the Wirral and the Chester areas, where companies in the Chester area were seen as being much more receptive to business and people development opportunities in general. She concluded that societal issues, business education and awareness all impacted attitudes towards the IIP initiative.

***Question 4: What have you/would you ask(ed) Wirral companies in order to confirm/refute your thinking?***

The fact that marketing initiatives to cover all the CEWTEC area generally brought in the lowest responses from the Wirral area (as opposed to Chester and Ellesmere Port), reinforced the IIP manager's views on resistance in the Wirral. Other factors that influenced her thinking were a high unemployment rate in the Wirral, and an employee base formed on strong traditionalist skills and a traditionalist upbringing. All this, combined with a somewhat parochial view of things in general, bred an unfavourable attitude towards change and thus created substantial barriers. The IIP Manager believed that CEWTEC needed to put considerable effort into breaking



down such barriers in the Wirral, and that European Objective One funding offered a major contribution towards this effort.

***Question 5: How suitable for very small companies do you believe the IIP standard to be?***

The IIP manager believed the IIP standard to be suitable for very small companies. She added that it needed handling with care and should be sold as a process that small businesses could control themselves rather than it being seen as a paper-based system incurring unnecessary bureaucracy.

***Question 6: What has already been done with the target population in the Wirral area?***

The IIP manager said that not much had been done in this direction, but that this survey was a start.

***Question 7: What do Investors-committed or recognized companies say are the biggest benefits they have gained from IIP?***

The IIP manager summarized the reported benefits of IIP as being: improved communications; a greater understanding of the direction of a business and that employees were more aware of their own targets; training was no longer viewed as a 'jolly' (a jolly or a reward) but seen as something to come out of a business need; training was being linked to career development within the business, rather than outside of it.

***Question 8: Any other thoughts or comments?***

The IIP Manager concluded her thinking overall with two main themes:

- The TECs must start to sell IIP as a way of developing a business rather than it just being seen as a training standard;
- The DTI do not fund IIP - it is seen as an HR initiative. This perhaps helps support the misconception in the minds of small business owners that IIP is not an integrated business development framework and a potential strategic platform for bringing about organizational change.

**PREPARATORY SURVEY 1996 PHASE 2: INTERVIEW RESPONDENTS**  
**(APPENDIX 18)**

<u>Survey Code</u>	<u>Type of Company</u>	<u>Approximate No. Employees</u>
*R99	Design and build construction	100
R1	Security and Telecommunications	70
R3	Transport and distribution contractor	12
R5	Motor trade (retail and servicing)	35
R6	Manufacturer of packaging	28
R8	Nursing home (A)	15
R9	Manufacturer of tin plate drums	9
R14	Nursing home (B)	35
R18	Dispensing opticians	29
R19	Voluntary sector - youth and community project work	6
R22	Estate agency	26
*R23	Department of Metropolitan Borough Council	450
R26	Scaffolding contractor	6
R27	Nursing home (C)	50
R28	Coastal towage and salvage	50
R29	Light engineering - design & build specialists	13
R42	Architects practice	5
R46	Manufacturers of smart card readers	6
R47	Private health clinic	6
R52	Signmaking and engraving	10
R53	Solarium	21
R54	Golf club	17
R55	Dispensing/retail pharmacies	29

**Notes**

1. \*The responses from R99 were not used in Phase 1 postal survey returns as this organization was out of the target population employee number range. R23 was used in Phase 1 postal survey returns as, at the time, the number of employees was not known.
2. Employee numbers are those given by the respondents at the time of the interviews
3. Several respondents are out of the survey target population (employing between 10 and 50 people). See the comments in Chapter 5 about the TEC's out-of-date data base.
3. R1, R19 and R29 became Cases 2, 3 and 1 respectively.

**PREPARATORY SURVEY 1996: PHASE 2 INTERVIEWS TOPIC GUIDE**  
**(APPENDIX 19)**

1. What form does your business planning take?
2. Your customers - who are they and what do they look like (profile)?
3. Your market -where is it?
4. Your competitors - who are they?
5. What is your competitive edge?
6. What is the primary focus in your company - growth, stability, survival etc?
7. Where do you see your company going over the next 1 - 5 years?
8. What specific help would you like in relation to business planning?
9. How does training & development feature in your business planning?
10. Do you have a budget for T & D and what is it?
11. What do you feel is the most effective way of training and developing your people?
12. How does that relate T & D to the achievement of business goals?
13. What have you done yourself to ensure that the T & D of your people happens in line with the achievement of business goals?
14. What specific help would you like in aligning the T & D of your people with the achievement of business goals?
15. CEWTEC's mission statement is: "To build a prosperous local economy by developing business and people". How do you rate the effectiveness of the TEC in the context of this mission?

**PREPARATORY SURVEY 1996 PHASE 2: FORMAL BUSINESS PLANNING**

**(APPENDIX 20)**

**R99** formal business plan in place covering marketing, finance etc. MD actively involved in the development of the plan. MD said he had employed expertise over the years to ensure that effective planning took place;

**R3** had a written-down business plan with a one-year focus and three-year projections. Interviewee was the operations manager who has business planning and advisory experience and had been brought into the company as a 'change agent';

**R5** formal business plan in place. This company is a Volvo franchise and as such very much subjected to the business planning influences of a larger organization;

**R6** formal, written business plan - a yearly financial budget; a 3-year plan; and a 5-year plan. Used outside consultants to do market forecasting. This respondent is an autonomous part of a large Danish company;

**R9** had been in business for just 13 months and the start-up business plan was still being worked to;

**R19** had a formal 3-year plan in place which was reviewed periodically. This company is a registered charity and, as such, is also funded from the local authority;

**R23** there was a formal business plan for the department as a whole (department of the Metropolitan Borough of Wirral);

**R27** the owners (one was an accountant and another a former CEO of Pepsi Cola) maintained a written business plan, although the respondent (the matron who ran the business) had not seen it;

**R46** the start-up business plan was still in operation;

**R52** the respondent used an outside business consultant to help with the formal written business plan.

**PREPARATORY SURVEY 1996 PHASE 2: INFORMAL BUSINESS PLANNING**  
**(APPENDIX 21)**

**R1** "day to day procedures are approved under ISO 9002. This is not a formal plan - it is dealt with on a month-by-month basis";

**R8** planning done in owner's head, knows what she wants but "is not in a position to do a business plan because of where the clients have to come from" - the owner was referring to the Social Services and the impact of being subject to compulsory competitive tendering (CCT);

**R14** had no formal plan but did financial planning;

**R18** "zilch" planning done "the owner looks at figures and then asks questions" (the words of the administrator, not the owner);

**R22** "too dependent on external forces to put things down in writing";

**R26** "no formal business planning because have never had the need to do any, but things may be changing now";

**R28** "in the head - take each day as it comes. Not necessary to have a formal plan. Our aim is to keep as many people employed as possible whilst making a comfortable living";

**R29** "there is a planning procedure around work schedules - a fluid system that plans according to individual client contract needs";

**R42** "no formal plan apart from financial planning. Marketing is ad hoc. Monthly work records are kept and informal meetings take place";

**R47** "plan not written down as it evolves from peoples' needs. Planning is more for manufacturing where products are made";

**R53** "no formal plan, nothing written down. Make extensive use of planning tools - spreadsheets and a good accounting system";

**R54** "no rigid structure, no written down plan. Financial planning done in form of budget allocated on an annual basis";

**R55** "no formal plan - in head. Very fluid, it changes from day to day".

**PREPARATORY SURVEY 1996 PHASE 2: RESPONDENTS' THOUGHTS ABOUT  
COMPETITIVE EDGE (APPENDIX 22)**

<b><u>Description of Competitive Edge:</u></b>	<b><u>Number of Citations:</u></b>
Standards	6
Closeness to customer	6
Quality	4
Service	4
Friendliness	4
Design	3
Professional integrity	3
Price	3
Responsiveness to customer	2
Experience/industry knowledge	2
Reputation/word of mouth	1
Our people	1
Doing that bit extra	1
Technology	1
Innovation	1
The largest in the North West	1
Focus on client needs and giving a quality experience	1
Don't think I have one	1

N.B. Some respondents claimed more than one of the above features as contributing to their overall competitive edge. The number of citations above do not, therefore, correspond with the number of respondents used in the survey (23).



**PREPARATORY SURVEY 1996 PHASE 2: RESPONDENTS' THOUGHTS ABOUT  
FUTURE FOCUS (APPENDIX 23)**

<b><u>Description of Future Focus:</u></b>	<b><u>Number of Citations:</u></b>
Upgrading sites/plant/equipment/IT etc	7
Develop internally	5
Expansion through larger workforce	5
Diversification of product/service line	4
Growth through more profit	3
Upgrading markets	3
Consolidate/stabilize/retain current position	2
Set up or increase trade nationally	2
Set up or increase trade overseas	2
Work towards a comfortable retirement	2
Alliance with established enterprise	1

N.B. Some respondents mentioned a combination of the above as providing an overall focus for the future. The number of citations above do not, therefore, tally with the number of respondents used in the survey (23).

**PREPARATORY SURVEY 1996 PHASE 2: CHANGE ISSUES (APPENDIX 24)**

- R99:** Wanted more opportunity to tender for work;
- R1:** Lack of trained resource (due to absence of industry training programmes) was holding back the potential to explore markets and pursue growth in a more controlled manner;
- R3:** Needed to introduce IT training;
- R5:** Wanted to get training and development plans under software management and wanted to introduce an appraisal scheme linked to performance;
- R6:** The company's need to build on its competitive edge was perceived as being thwarted by a lack of specialist industry training;
- R8:** CCT and the many dependencies this creates made business planning "impossible";
- R9:** Needed to raise capital to fund purchase of specialist machinery that would allow the company to trade in Europe. They had the expertise, but were missing out on the opportunity to capitalize on this asset;
- R14:** Had a need to formally consolidate procedures and update systems to PC;
- R18:** An owner who was not sufficiently focused on developing his business;
- R19:** Transition from government agency to a private enterprise created the need for the development of a new infrastructure, of which funding and profile were associated issues;
- R22:** The management of information in the context of staff education and development;
- R23:** Being "shackled" by CCT;
- R26:** Having someone trained and experienced in both trade and management skills as a successor to the business so that the owner could retire and see the business continue;
- R27:** The development of the matron/business manager's business skills;
- R28:** The dilemma presented by a strong desire to stay informal and protect the family business ethos whilst keeping up with the times;
- R29:** A company at a cross roads, wanting to expand its overseas business and upgrade its image;
- R42:** Wanted to broaden and diversify its services without too much increase in staffing. There was also a need for more formalized management skills;
- R46:** MD looked on the business as a source of income pending retirement but the product had enormous growth potential. This presented an enormous dilemma in the context of business focus and planning;
- R47:** Conflict between wanting to pursue growth through proactive marketing and the need to retain professional credibility and respectability (in the industry context);
- R52:** Wanted to be more proactive in marketing. Felt that setting a standard for training was important but did not know how to go about it;
- R53:** How to manage the logistics of proposed growth and emergent strategy;
- R54:** Wanting to make the transition towards a more commercially-aware enterprise, but not knowing how far to go and how to recognize when they have got there;
- R55:** The changing role of the counter staff and how that effects training and development programmes for the industry in general.

**TIMELINE OF RESEARCH EVENTS AND CONTACTS IN CASE 1 (APPENDIX 25)**

<b><u>Date</u></b>	<b><u>Event/contact</u></b>
14.2.96	Return of completed preparatory survey (Phase 1) postal questionnaire.
16.4.96	Preparatory survey (Phase 2) semi-structured interview conducted on site with technical manager.
25.6.96	Telephone call to technical manager to secure access for case-study research in Case 1. Letter sent to thank technical manager for allowing access, to confirm arrangements for collaboration to include aspects of confidentiality and mutuality, and to outline project aims/objectives and proposed research methods etc.
8.8.96	Letter to technical manager with further information about the research project and to confirm starting date for case-study work.
29.10.96	Site visit for semi-structured interview with MD and technical manager.
1.12.96	Site visit for semi-structured interview with financial manager; unstructured interview with MD; visit de-brief with technical manager.
24.1.97	Site visit for unstructured interview with MD and technical manager; semi-structured interview with purchasing & design manager; unstructured interview with apprentice; visit de-brief with technical manager.
21.3.97	Site visit for unstructured interview and semi-structured structured interview with MD and technical manager respectively.
8.5.97	Telephone call to technical manager to check on a scheduled visit the next day. It was postponed until 29.5.97.
29.5.97	Site visit for unstructured and semi-structured interviews with MD and technical manager; unstructured interview with the analytical manager.
4.8.97	Telephone call to technical manager to schedule next visit and discuss content.
11.9.97	Telephone call from technical manager to re-arrange today's scheduled visit for later in the month.
25.9.97	Telephone call from technical manager to once again re-arrange today's scheduled visit. He has visitors from Belgium today.
17.10.97	Site visit for unstructured and semi-structured interviews with technical manager. Tour of factory and office to view building extension and new machines.
1.12.97	'Keeping-in-touch' telephone call to technical manager.
22.1.98	Telephone call to technical manager to check on next day's scheduled visit. Cancelled due to alterations to premises in full throes, dust everywhere, nowhere to sit. Informed that management structure being re-arranged.
9.2.98	Telephone call to technical manager. Premises still in a mess, unable to make an appointment for further field visit at the moment.
2.4.98	Site visit for unstructured interview; observations of new product design; delivery of structured formality questionnaire with technical manager. This was the casework 'exit' visit.

- 3.4.98 Letter to technical manager, thanking him and his colleagues for all their help and confirming agreement for a follow-up visit in 12 months time.
- 20.4.99 Attempted telephone contact with technical manager to arrange a follow-up visit. Telephone number unobtainable. No trace in directory enquiries.
- 22.4.99 Made a visit to site, different company trading there now. Lady in reception explained that Case 1 went into receivership at the end of 1998. It happened very suddenly and she does not know what happened to the owners.



### **3. Induction Process**

*How are individuals trained upon:*

a) *Initial recruitment to the organization?*

It is a prerequisite they will do a three month probationary period which gives a new starter three months to strut his stuff and to see if he wants to strut it here. There is an induction process, which covers a little of the company history, H&S etc.

b) *Change of role or duties?*

There is no formal transition between welding and milling, for example. This reinforces our philosophy about primary and secondary work functions.

FORMALITY RATING:                    0 1 2 3 4 5 6 **7** 8 9 10

Without documentation.

### **4. Performance Appraisal/Review**

*How is individual performance is appraised/reviewed?*

Performance appraisal is by error, being pulled up for doing something wrong. I don't believe in individual performance appraisal. Each person has a role within an overall company performance. The appraisal of collective contribution is more important than individual appraisal, who is to say that one person has contributed more than another has. Contribution is more meaningfully appraised by default.

FORMALITY RATING:                    0 1 2 **3** 4 5 6 7 8 9 10

### **5. Succession Planning**

*To ensure continuity of skills levels within the company in place to meet future needs?*

If we keep the salary right, we keep the guys. Trying to retain the workforce is down to industry wage structures. Examples of where we have recognized specific organization needs and planned for them to be plugged are a new role for a further non-shop floor person to assist the purchasing & design manager; and a role geared to project management to be filled by a student on a two-year secondment from John Moore's University.

*To ensure that individuals have a structured career/development path?*

Happens by evolution against a background of continual chaos.

FORMALITY RATING:                    0 1 2 3 4 5 6 **7** 8 9 10

No documentation.



## **6. Reward and Recognition Systems**

*Monetary reward (pay structures/bonuses/PRP)?*

Pay structures are reviewed annually according to industry norms.

*Other ways of recognizing performance/achievement?*

You are allowed to stay! We have other ways of recognizing people. There is no formal policy though, but a crate of beer every now and then goes a long way in this direction. There is no company sick pay scheme or pension scheme, but as a subliminal perk it is very unlikely we would stop someone's pay if they were off sick.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10

## **7. Employee Involvement Systems**

*Suggestion schemes, problem-solving teams, levels of involvement in decision making etc?*

There are high levels of involvement, but not formal. We don't make a bespoke product. We don't have a formal policy, but if not inhibiting their inputs is viewed as a policy, then it is a policy. I need their feedback, they are the experts. For example, formality of the skill in the job leads to feedback to me about the design, which in turn leads to formal changes to design.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10

## **8. Job Rotation/enhancement/enlargement**

This is down to the primary and secondary functions described earlier. Not sure if the secondary functions are enhanced though. The process is not formalized.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10

## **9. Communication Systems**

*How is information disseminated throughout the organization?*

With difficulty! Usually via informal verbal briefings as and when necessary, over a tea break for example. Globally it is done this way, what orders we have on, how long etc. Day to day work in progress is communicated via job cards.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10



#### **14. Overall Formality Rating for the Organization**

*What is the current overall formality rating for the organization and what causes you to make this assessment?*

OVERALL FORMALITY RATING: 0 1 2 **3** 4 5 6 7 8 9 10

You need a number, I haven't taken the time out to look. Belittles the formality in the company - there are good things, but informal structure.

*What was the level of formality say 6-12 months ago and what causes you to make this assessment?*

OVERALL FORMALITY RATING: 0 1 2 3 4 **5** 6 7 8 9 10

Internal changes and growth have caused a less structured regime of doing things.

*If there has been movement in the level of formality of the organization, what has been the driving force for this shift?*

Events happened. We haven't sat down and gazed into a crystal ball, we have been in it and finding our way out of problems rather than anticipating problems and planning for them.

*How has any shift in level of formality affected the organization? What have been the benefits and the pitfalls, for example?*

As a benefit, we have deviated from formality to control - I don't believe the two are equitable. I believe that more control will ease formality but not the reverse.

#### **15. Summary Questions**

1. *How would you describe your policy/approach to management training and development?*

Comfortable and suits our style. But if you hold us up against other companies then I would think abysmally. I believe it is their sadness and our strength.

2. *How would you describe your policy/approach to workforce training and development?*

By necessity, if something had to take precedent. We wouldn't stop people developing, but we are too busy making something.

3. *What is it about your overall 'model' of training and development that:*

a) *Attracts your organization to national HRD initiatives?*

Necessity, for example no internal resource available.

b) *Makes your organization reject national HRD organizations?*

Formality. The formality of a training structure can inhibit the education process. We do not achieve skill by formality. National HRD programmes do not produce skilled workers, they are a number crunching process. And inextricably linked to national HRD programmes is the fact that consideration for the person is not there.

**TIMELINE OF RESEARCH EVENTS AND CONTACTS IN CASE 2**  
**(APPENDIX 27)**

<b><u>Date</u></b>	<b><u>Event/contact</u></b>
7.2.96	Return of completed preparatory survey (Phase 1) postal questionnaire.
30.4.96	Preparatory survey (Phase 2) semi-structured interview conducted on site with sales & marketing director.
25.6.96	Telephone call to sales & marketing director to request access for case-study research in Case 2. Agreed in principle. Letter sent to thank him for allowing access in principle, to confirm arrangements for collaboration to include aspects of confidentiality and mutuality, and to outline project aims/objectives and proposed research methods etc.
25.7.96	Follow-up letter sent to sales & marketing director as no confirmation of access yet.
1.8.96	Phone call from sales & marketing director agreeing access.
8.8.96	Letter to sales & marketing director with further information about the research project and to confirm starting date for case-study work.
30.10.96	Site visit for semi-structured interview with sales & marketing director.
3.12.96	Telephone call from sales & marketing director postponing following day's visit until 9.1.97 as very busy in the pre Christmas period.
9.1.97	Aborted site visit as sales & marketing director was unexpectedly called away on business.
13.1.97	Telephone call from sales & marketing director apologizing for not being there on 9 January. Rearranged for 30.1.97.
Jan. 97	Telephone call from sales & marketing director cancelling visit on 30.1.97 due to a family bereavement. Rearranged for 27.2.97.
27.2.97	Site visit for semi-structured interviews with sales & marketing director and 4 head office employees.
30.5.97	Site visit for semi-structured interview with sales & marketing director.
4.8.97	'Keeping-in-touch' phone call to sales & marketing director to discuss site activities and to make appointment for next visit.
11.9.97	Site visit for semi-structured interview with sales & marketing director.
5.11.97	Fax to sales & marketing director with a copy of interview questions for apprentice on 7.11.97.
7.11.97	Site visit for structured interview with modern apprentice and unstructured interview with sales & marketing director.
13.11.97	Letter to sales & marketing director with some notes about how to construct a performance plan linked to business objectives (as requested by him during visit of 7 November).
8.1.98	'Keeping-in-touch' phone call to sales & marketing director to discuss site activities and to schedule next visit.
15.1.98	Telephone call from sales & marketing director asking for help in devising a "simple appraisal form."

- 6.2.98 Site visit for unstructured interviews with the MD and sales & marketing director. Requirements for design of appraisal form discussed jointly.
- 10.2.98 Fax to sales & marketing director with a draft copy of the appraisal form designed by the researcher.
- 9.4.98 Site visit for semi-structured interview with the sales & marketing director, and delivery of the structured formality questionnaire. This was the casework 'exit' visit.
- 14.4.98 Letter to sales & marketing director thanking him and his colleagues for all their help and confirming agreement for a follow-up visit in 12 months time.
- 17.5.99 Site visit for 12 months follow-up semi-structured interview with the sales & marketing director. Left copy of IIP questionnaire.
- 17.6.99 Letter to sales & marketing director thanking him for completing and returning the IIP questionnaire.



**CASE 2: QUESTIONS AND RESPONSES IN THE STRUCTURED INTERVIEW WITH THE  
MODERN APPRENTICE ON 7.11.97  
(APPENDIX 28)**

**1. GENERAL ISSUES**

**1.1 *When did you start your Modern Apprenticeship (MA)?***

George was not sure about this, but thinks that it was approximately 12 to 14 months ago.

**1.2 *What is the anticipated finish date?***

No specific date set, "it's just a case of this is what you have to achieve".

**1.3 *What elements are you covering?***

Fibre Optics; PC Networking; and Telecommunications.

**1.4 *What happened at the outset of your MA? For example, whose idea was it to become a candidate? Was the initial process clear for you or was it confusing?***

It was George's idea to obtain a certificate in relation to his skills. The sales and marketing director wanted George to do an MA. The sales & marketing director made him aware of the MA. It took a year to get George on the programme, because a) George was half way through another programme that he abandoned, and b) the sales & marketing director had problems trying to find a suitable college for George to attend.

**1.5 *What do you like most about doing your MA and why?***

Likes most aspects of the MA so "it is difficult to say", but was very clear that he wants "the certificate at the end to say that you can do something". When asked why, George said that "just in case, it's peace of mind, you can prove to people what you can do."

**1.6 *If you could change one thing about your MA, what would it be and why?***

"You go to college once a week and are with people who are there full time. You have to go to work as well and find time to do the homework." There are eight day-release MAs in a class of 30 students in the morning on George's course.

**1.7 *On a scale of 1 to 5 (1 being 'poor', and 5 being 'excellent'), how would you rate your overall progress so far, and what makes you say this?***

Telecoms is not started yet. Doing PCs at the moment, and knew nothing about PCs so it is hard. Would rate 2 to 3. In work would rate 4. Overall George is pleased with progress.

**2. COLLEGE DAY RELEASE ISSUES**

**2.1 *What does a typical college day entail? What sort of thing do you learn? How does a college day make you feel?***

This depends on the type of day. A bad day would be when he had to learn too many unfamiliar things, where his peers appear to know it all - to be able to answer all the questions. A good day is "when the learning comes easy."

**2.2 *When talking with fellow MA candidates, what sort of things are you discussing and hearing about your MA programme in general?***

Doesn't discuss the MA with his mates. "There are four of us in the class who are just dead good mates and we don't talk about college or work."



**2.3 What are your thoughts about the methods and standards of tuition and materials?**

George attends St Helens college which he thinks is "good". He defined good as meaning clear, helpful materials and good facilities such as electronics measuring equipment, adding that not many colleges can run fibre optics courses due to a lack of specialized equipment. He believes that the next nearest to St Helens is in Wolverhampton.

**2.4 To what extent does the taught part of the MA stretch and interest you? For example, what do you find the most and the least challenging/interesting aspects of the taught programme and why?**

The challenge is down to the PCs. George said he is not very interested in PCs - he doesn't like them, and they don't like him. He finds work the most interesting, because it's hands-on and he is working with someone.

**2.5 How is progress being monitored and fed back to you? How supportive is this process?**

Through a portfolio. He is given various things to collect and do to put in his portfolio. However, twelve months on, no one has looked at his portfolio yet. When asked if he had fed this back to anyone, George said that "we had a group discussion at college where the tutor got a bit of a slating. But he took it well and said he will try to do better in the future." The tutor has agreed to look at all portfolios next week.

**2.6 What else would you like to see happening?**

"Evaluation of portfolio is the main thing. If we could get this sorted it would be better."

**3. PRACTICAL APPLICATION BACK AT WORK**

**3.1 What form does on-the-job training/coaching take?**

"Depends. If it is a reasonably straightforward job, I go out on my own and if I get into difficulties, I ring in to work. If the job is difficult then I observe. You learn from your mistakes." George went on to explain that feedback depends upon whom you are with. Two are good at it, but the impression was given that feedback constituted a 'well done' every now and then rather than specific and constructive feedback on both good and poor performance. Asked George how important he felt feedback was. He said that "you need to know where you stand."

**3.2 What is the most helpful thing(s) to your development on the job?**

Being shown how to do something (with emphasis on the shown).

**3.3 What is the least helpful?**

"When out on my own and I can't figure it out, I ring up for help and so and so is in a meeting. Sometimes I have to travel long distances, I'm going to Nottingham today, and sometimes I keep looking at the problem and eventually find the solution. But sometimes I have to leave it and come back the next day." When asked if the client was generally understanding, George said yes. Also asked if he kept a log of how he had solved particular problems. He said that he does not keep a written record of the problem-solving steps and that no one has encouraged him to do so.

**3.4 What else would you like to see happening?**

"Not sure - it's okay in work."

**3.5 How is your progress monitored and fed back to you? How supportive is this process?**

"At work you have more of an idea about how you are getting on, but it is in your own mind. At college you do know how you are doing - it's more clear cut in college."

#### **4. YOUR PORTFOLIO OF EVIDENCE**

##### **4.1 *What sort of things do you collect and do to evidence your achievements and competence?***

*"You get a list of criteria of what you need to have".* George then cited an example of what would be needed to evidence competence in formatting a disc. *"You would have to have someone watch you or write an essay."* When asked what was the more usual way, George said that it was to *"write it down"*, and went on to justify this by saying that, *"If you are the inspector, then you just want a piece of paper. As the tutor, if you have got a class of 30 students you can't see them all, so you get them to write it down."* When asked if it would be possible for all 30 to copy each other without actually being able to do the piece of work, George said yes it would be possible for this to happen.

##### **4.2 *What do you think about the process (portfolio building and evidence collection) and its effectiveness?***

When asked about evidence collection on the job, George said that he can collect photos of work he has done. I asked how that proves his competence to do something. He said he could also have a witness statement to go with it, supplied by Case 2 not the client; George did not like to ask the client.

##### **4.3 *Who looks at your portfolio of evidence and how frequently? What sort of support and encouragement are you given?***

*"Good, but long winded. You have got to keep on top of a portfolio."* Some unnecessary aspects, the time it takes makes him feel he would rather take an exam. George does get guidance from the college (but no feedback as yet). He says he is just collecting items to satisfy the certificate and couldn't think of another use for his portfolio. The tutor looks at his portfolio, but not often enough. But he has promised to make a start next week. No one in Case 2 has asked to look at his portfolio. George doesn't think that they would understand it and he gave the impression that he thinks it is nothing to do with them.

#### **5. ANY OTHER ISSUES**

##### **5.1 *What other comments would you like to make about any aspects of your MA programme?***

Nothing really, but would recommend an MA to other people. George sees the MA as being *"not a lot different from day release"*, the main difference being the exam with the City and Guilds approach. When asked which approach he preferred - the exam or the portfolio/course work approach - George said *"the course work but it's getting yourself motivated to do it. You need a bit more nouse to do it as it's easy not to bother to do it. No one gets on your back if you don't do it."*

---

**RESULTS OF FORMALITY QUESTIONNAIRE IN CASE 2 (APPENDIX 29)**

---

**1. Training and Development**

*Strategic planning for training and development (linked to business goals/development etc)?*

Hasn't really in the past - in a formal way in a training plan, for example. More of an ad hoc arrangement.

*Training Budget?*

No.

*Needs Analysis?*

One will be forthcoming as a result of the recent appraisal interviews.

*Design and delivery of training and development programmes and activities?*

Ad hoc, as the need arises.

*Evaluation?*

Ad hoc.

FORMALITY RATING:

0 1 2 **3** 4 5 6 7 8 9 10  
(informal) (formal)

---

**2. Selection Process**

*How are individuals recruited/selected for particular roles?*

New Employees

This is reasonably formal - advertisement, application, interview process then a decision.

Rating 8.

Job Movers

Doesn't happen a great deal, more of a discussion - we sit down in an informal way.

Rating 6.

FORMALITY RATING:

0 1 2 3 4 5 6 **7** 8 9 10

---

**3. Induction Process**

*How are individuals trained upon:*

a) *Initial recruitment to the organization?*

There is an induction procedure based on a checklist, H&S for example. More a case of ticking boxes, it could be improved upon - for understanding, for example.

b) *Change of role or duties?*

This is not necessary as people would tend to be familiar with other jobs as we are a small company.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

#### **4. Performance Appraisal/Review**

*How is individual performance is appraised/reviewed?*

The MD interviews everyone personally, using the form you prepared.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

#### **5. Succession Planning**

*To ensure continuity of skills levels within the company in place to meet future needs?*

Informal, but there are plans to address the skills gaps in CCTV for example.

*To ensure that individuals have a structured career/development path?*

Yes, we are looking at our procedures, to sort out this out from the appraisals.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

#### **6. Reward and Recognition Systems**

*Monetary reward (pay structures/bonuses/PRP)?*

There is a grading pay structure for engineers and admin people. Branch managers get a bonus based upon the overall performance of their branch. Rating 7.

*Other ways of recognizing performance/achievement?*

Letters from customers are copied to people involved, posted on notice boards etc. Grades are assessed on an ongoing basis. Rating 4.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

#### **7. Employee Involvement Systems**

*Suggestion schemes, problem-solving teams, levels of involvement in decision making etc?*

Informal, more on discussion basis.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

#### **8. Job Rotation/enhancement/enlargement**

Only as the business needs rather than to satisfy employees, because we need this to be done.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

## **9. Communication Systems**

*How is information disseminated throughout the organization?*

No news letters or monthly meetings etc. There may be the occasional meeting with the engineers or admin people as the need arises, when things go wrong for example. It's the Chinese whispers thing, we tell some people and forget to tell others.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

## **10. Knowledge Management**

*How is new 'knowledge' within the organization recognized, captured and understood?*

Not on a formal basis. The training issues for the Wednesday night sessions on the engineering side are designed for people to pass on their knowledge to others, but we need to set that up to include all the branches.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

## **11. Leadership Style**

*Describe the predominant leadership style. Is it autocratic, democratic, consultative, developmental etc?*

Capricious, on occasions autocratic. Becoming more democratic, we are asking people to come up with solutions and how to do things. We used to say do it that way. We are now coming out of our ivory towers.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

## **12. Power and Influence**

*Where does the decision-making power of the organization lie?*

Ultimately, with the MD. In the past decisions were always made at the top of the pyramid, but now people are making more decisions of their own - but it is a cultural thing and it will take time.

*What is the nature of power and influencing in the organization?*

*Position power? Expert power? Coercive power (fear of reprisal)? Reward power?*

Position power, probably. But if we are to get the best out of people we need to extend our consultative style more.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

## **13. Structure of the Organization**

*What is the structure of the organization?*

I have a document which describes this. Generally, a formal structure set out in the employee handbook.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10



#### **14. Overall Formality Rating for the Organization**

*What is the current overall formality rating for the organization and what causes you to make this assessment?*

OVERALL FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

There is a history of the company running on an informal basis, which most small businesses are. As we grow there is a possible need for more formality - in job descriptions, roles and responsibilities, for example.

*What was the level of formality say 6-12 months ago and what causes you to make this assessment?*

OVERALL FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

Contracts of employment and employee handbooks have been introduced.

*If there has been movement in the level of formality of the organization, what has been the driving force for this shift?*

*How has any shift in level of formality affected the organization? What have been the benefits and the pitfalls, for example?*

Benefits are that people understand more of the procedures - disciplinary, appearance, holidays etc. They also understand better what is expected of them. Pitfalls, well one or two people have read the employee handbook to the letter of the law and used it against us.

#### **15. Summary Questions**

1. *How would you describe your policy/approach to management training and development?*

Occasional. Improved slightly over the last twelve months, used to put people into a management role and say get on with it. Now we offer a bit more guidance.

2. *How would you describe your policy/approach to workforce training and development?*

Potentially getting better through the appraisals etc. We place more emphasis on workforce training than management training and development, probably because the MD and I are engineers and we know that it is about getting out there and doing the job.

3. *What is it about your overall 'model' of training and development that:*

*a) Attracts your organization to national HRD initiatives?*

If they gave some form of assistance in achieving our own HRD objectives - whatever they may be. They must be geared up to helping us achieve our objectives and not the other way around.

*b) Makes your organization reject national HRD organizations?*

If there is little benefit to the company. For example, no local facilities to send people on or to.



**TWO MODERN APPRENTICESHIP DELIVERY MODELS (APPENDIX 30)**

	<b>MODEL 1: Direct contract Supplier-driven Central co-ordination</b>	<b>MODEL 2: Subcontract Customer-driven Delegated responsibility</b>
<b>FUNDING</b>	<p>College holds direct contract with TEC(s) in a range of Modern Apprenticeships</p> <p>College is paid on either number of entrants or outcomes</p> <p>TEC markets and recruits for the scheme in partnership with local employers and the college, including from within the college itself</p> <p>College agrees the curriculum it will offer in the contract</p>	<p>College holds subcontract with ITO</p> <p>College is paid for training and assessment services provided</p> <p>ITO markets and recruits for the scheme</p> <p>College provides the required training and assessment in partnership with the ITO, which co-ordinates the review using its own logbooks and paperwork</p>
<b>CURRICULUM</b>	<p>College incorporates modern apprentices into existing programmes</p> <p>College provides training and assessment materials</p> <p>College provides assessment both on the job and in the college</p> <p>College provides training and assessment in key skills</p> <p>Curriculum is determined by existing provision</p>	<p>College provides a Modern Apprenticeship programme on a block or day-release basis</p> <p>Training materials designed and provided by the college</p> <p>Assessment of college training undertaken by the college</p> <p>Training provided is underpinning knowledge and simulation of skills not offered on-site, as well as key skills</p>
<b>ORGANISATION</b>	<p>College centrally co-ordinates Modern Apprenticeships</p> <p>College liaises with its departments to place modern apprentices</p> <p>College provides review support; assessment carried out by departments offering training</p>	<p>Responsibility left to specialist department to negotiate, plan, organise and deliver programme</p> <p>Contractual and funding matters dealt with by the college's finance department</p>

### **TIMELINE OF RESEARCH EVENTS AND CONTACTS IN CASE 3 (APPENDIX 31)**

<b><u>Date</u></b>	<b><u>Event/contact</u></b>
3.2.96	Return of completed preparatory survey (Phase 1) postal questionnaire.
3.5.96	Preparatory survey (Phase 2) semi-structured interview conducted on site with development officer (DO) - as the previous 2 development managers were called.
6.6.96	Telephone call to DO to request access for case-study research in Case 3. Agreed in principle, but advised the researcher to write to the chairman of the MC. Letter sent to chairman as suggested.
25.6.96	Telephone call to DO. He is leaving Case 3, confirmed that the chairman is happy to allow access for research and suggested contact with him over telephone to arrange a meeting.
18.7.96	After several phone calls, managed to speak with chairman who suggested a meeting with him and his vice-chairman.
15.8.96	Met with chairman and vice-chairman at vice-chairman's business premises to discuss proposed programme of work and terms of collaboration. Access formally granted.
30.9.96	Telephoned chairman to arrange date to commence research. New DO has been appointed, he is aware of research and is keen to collaborate. Arranged tentative date of 1.11.96 to visit Case 3 to talk to both chairman and new DO.
1.11.96	Site visit for semi-structured interview with new DO and chairman to discuss research programme, terms of collaboration and a suitable starting point, which was deemed to be interviewing the staff to find out how they saw their roles.
9.12.96	Site visit for semi-structured interviews with the secretary, a field officer and a project officer, and de-brief with DO to discuss their roles and responsibilities.
16.1.97	Site visit for semi-structured interview with DO to discuss how he saw his role and responsibilities.
16.1.97	Copy of Skills for Small Businesses leaflet faxed to DO.
4.3.97	Site visit for semi-structured interview with DO to discuss contents of researcher's report for the MC and to attend the MC meeting in the evening. The DO is leaving at the end of the month.
21.3.97	Written report produced for the chairman (archive reference WA4/97).
17.4.97	Meeting with chairman and vice-chairman to discuss researcher's report of 21.3.97.
27.5.97	Phone call to chairman to discuss the appointment of the new DO - the present DM. She started today. The chairman said she has <i>"lots of life and should be good for the organization."</i> He asked the researcher to allow some time before making contact to allow her to settle in to her role.
7.7.97	Phoned the new DO, who says the role is no longer a development officer, but a development manager (DM). Arranged date for first meeting.
23.7.97	Site visit for semi-structured interview with DM.
3.9.97	Site visit for semi-structured interview with DM and unstructured interview with a field

- officer who is going to Hong Kong on an exchange visit.
- 29.9.97 Site visit for unstructured interviews with DM, 1 field officer, a temporary staff member and the secretary.
- 6.11.97 Site visit for unstructured interview with DM.
- 16.12.97 Site visit for teambuilding session with DM and 4 members of staff using Belbin's team roles questionnaire as an intervention tool. The researcher then joined the group for Christmas lunch at a nearby restaurant.
- 13.1.98 Phone call to DM to arrange next site visit. Case 3 has been successful in becoming a supplier to the New Deal voluntary sector and environmental task force options.
- 30.1.98 Site visit for unstructured interview with DM.
- 19.3.98 Site visit for unstructured interview with DM.
- 17.4.98 Letter to DM together with questionnaires for further teambuilding session planned for end of the month.
- 1.6.98 Site visit to facilitate teambuilding session with the new increased team (now 12 people). Also delivered the formality 'exit' questionnaire with the DM.
- 6.11.98 'Keeping-in-touch' phone call to DM.
- 9.12.97 Further 'keeping-in-touch' phone call to DM to catch up on news and arrange to meet for Christmas lunch.
- 12.1.99 Site visit for semi-structured interview with DM arranged at her request.
- 27.4.99 Phone call to DM to arrange date for formal 12-months-on visit and to discuss IIP questionnaire.
- 27.4.99 IIP questionnaire sent to DM.
- 11.5.99 Formal 12-months-on site visit for semi-structured interview.
- From 1.7.99 The researcher has continued working the DM and her team in a series of personal and team to date... development sessions.

**CASE 3: EMPLOYEE INTERVIEWS TOPIC GUIDE (9.12.96)**

**(APPENDIX 32)**

1. What do you see as the main purpose of your job? Try to think of this broadly in terms of what your job should deliver to (Case 3), rather than a list of the tasks and duties you perform.
2. What do you believe should be key outcomes of your job?
3. What knowledge and skills do you believe you should have to be able to do your job?
4. What are the most important behaviours that help you to do your job? For example, how significant is teamworking?
5. What do you expect of others to help you to do your job?
6. What aspect(s) of your job do you enjoy the most?
7. What aspects of your job do you enjoy the least?
8. What is a typical day at work like?
9. What training & development have you received?
10. What training & development would you like?

**CASE 3: REPORT TO CHAIRMAN ON 21.3.97 (APPENDIX 33)**

**SWOT ANALYSIS OF (CASE 3's) HRD CAPABILITY**

**Strengths**

(Case 3) is an organization that exists to bring about development of young people and improved quality of life in the community. Its processes and culture are, therefore, inherently supportive towards organizational development and improvement.

Being a primarily not-for-profit organization allows (Case 3) to concentrate on delivering what it is there to deliver, i.e. to provide quality structured learning opportunities for young people to move forward with peer group support;

(Case 3) is a small, resourceful and non-bureaucratic organization with many years of experience in Youth & Community Service;

Roles in (Case 3) are seen as having a high profile within similar/associated public sector departments, with the role of the Development Officer in particular seen as a good grounding for career progression;

The many life and personal management skills needed to fulfill the roles in (Case 3) offer fine development opportunities for employees;

These last two points taken together offer (Case 3) a sound base to attract high-calibre staff;

(Case 3) enjoys a committed and caring workforce and a long-serving and dedicated Management Committee;

The quality of teamwork in (Case 3) is good. Teamwork is seen by all employees as essential and is perceived as a core value of the organization;

There are already some informal and formal HRD practices in place in (Case 3): the processes surrounding the Project Review Sheet and the bi-monthly supervisory meetings, for example.

**Weaknesses**

Whilst (Case 3) aims to help young people learn and develop, it does not maximize the learning opportunities that can be brought about by the organizational learning 'model' it uses (i.e. learning through experience of working with problems and people via a real project). Whilst progression of the community project is structured, learning from the project processes (for both the staff and volunteers) appears not to be fully facilitated through effective intervention. Movement from observation to intervention and reflection in a more deliberate manner would be useful;

Some of the present structures and systems in (Case 3) might be a bit 'loose' to move forward in a cohesive way;

There is no performance feedback mechanism;

(Case 3) is a service provider. There is no way of measuring the quality of the service it provides - measurement is quantitative only. This relates to both the previous and next points;

Roles and responsibilities of the staff are unclear and are not understood. People seem to know what to do on a daily basis, but they are unsure if this is what is really expected of them by the organization;

The work of the Management Committee is not understood by the staff and there is a perception that the Management Committee does not fully understand the work of the staff;

Time and money resources for development needs can be problematic.

### **Opportunities**

The impending loss of two employees could be an opportunity to rethink and reorganize;

Use the output from this phase of the research to consider (Case 3) in terms of what kind of organization it is, what it wants to be and how it is going to get there. Perhaps an opportunity for (Case 3) to move forward with a programme of organizational development aligned to its stated business needs?;

Exploit the inherent strengths, nature and qualities of (Case 3), understand and tackle areas of vulnerability, and work towards the promotion of (Case 3) as an industry leader in terms of the quality of the structured learning opportunities it provides.

### **Threats**

Funding available for training and development of staff can be limiting and potentially undermine desired/planned development activities. This is a good reason for ensuring that people know how to look for creative ways of satisfying training and development needs;

Although also an opportunity for new thinking, the impending loss of two employees could result in a loss of momentum (of HRD activities) and staff morale;

Being primarily a not-for-profit organization could make (Case 3) ambivalent towards wanting to understand how it can measure of success in other ways (e.g. quality of service);

There have been some morale-lowering issues which have perhaps not been afforded a proper 'airing'.



### **RECOMMENDATIONS FOR A WAY FORWARD**

The following recommendations are offered as a way forward to develop the staff and the organization. I do not presume that my thoughts constitute *the* way forward - they are offered for your consideration. I do, however, restate that these recommendations were developed with (DO2's) input and approval. If you feel that the recommendations are suitable for the needs of (Case 3), then, if required, I would be pleased to support the process.

#### ***Recommendation 1:***

Build upon (Case 3) staff's practical understanding of team-working, learning-to-learn and feedback skills with some theoretical input. This would allow them to more readily be able to identify and progress personal learning and development opportunities for the volunteers. Some formal training/facilitated workshop might be useful here. The staff should then also be in a position to help the volunteers acquire such skills.

#### ***Recommendation 2:***

Develop Personal Development Plans (PDPs) with (Case 3) staff with a view to introducing PDPs to the volunteers. This would help to understand and quantify the development of individual volunteers.

#### ***Recommendation 3:***

Introduce Learning Logs as a way of (Case 3) staff understanding and monitoring their own development. This practice could also be extended to the volunteers in due course.

#### ***Recommendation 4:***

The Management Committee and the staff sit down together and try to clarify and understand each others' roles in line with business objectives.

#### ***Recommendation 5:***

Develop a mechanism for measuring and monitoring the quality of service delivered and received at all customer interfaces.

#### ***Recommendation 6:***

Consider the viability of setting up a resource centre at the office which volunteers could use as a base for library, crafts, mentoring and discussion facilities etc. This would emphasize the philosophy that the volunteers are seen as part of the business. It would also present an opportunity for the volunteers to gain an insight into business administration issues and skills.



### **3. Induction Process**

*How are individuals trained upon:*

a) *Initial recruitment to the organization?*

This was a missed opportunity on the back of the selection process referred to in the previous section. There is a kind of set process for induction, to include health & safety, for example, but it is not documented. New recruits shadow the different jobs in the organization for familiarization and they are shown how to fill in time sheets and expense forms etc.

b) *Change of role or duties?*

Very informal. For example, role and implications are discussed and documented as well as training and development needs being discussed.

FORMALITY RATING:                    0 | 1 | 2 | **3** | 4 | 5 | 6 | 7 | 8 | 9 | 10

### **4. Performance Appraisal/Review**

*How is individual performance is appraised/reviewed?*

This is a developing system. It begins with an action plan to include task lists and expectations of both parties. The PDP, which is not yet up and running, will manage the ongoing reviews against performance and the effect of training & development needs and activities.

FORMALITY RATING:                    0 | 1 | 2 | 3 | 4 | **5** | 6 | 7 | 8 | 9 | 10

### **5. Succession Planning**

*To ensure continuity of skills levels within the company in place to meet future needs?*

This only happens when enforced, for example as a New Deal supplier, (Case 3) are being forced to carry out some informal analysis in this direction.

*To ensure that individuals have a structured career/development path?*

Very informal. There is an understanding, but nothing is written down. The jobs in (Case 3) are considered as development jobs anyway, and two years' experience will stand someone in good stead for work in, say, Youth or Community Services.

FORMALITY RATING:                    0 | 1 | **2** | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10

## **6. Reward and Recognition Systems**

*Monetary reward (pay structures/bonuses/PRP)?*

Salary only, no bonus. There is not a formal salary structure anyway. Expenses are paid per mile.

*Other ways of recognizing performance/achievement?*

Mostly jollies and ensuring that the nicer parts of the job are distributed around. For example, exchange trips to Germany and Hong Kong. Also time off in lieu is offered as recognition of extra input.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10

## **7. Employee Involvement Systems**

*Suggestion schemes, problem-solving teams, levels of involvement in decision making etc?*

All employees have full involvement in all appropriate issues, excluding financial and MC issues.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10

## **8. Job Rotation/enhancement/enlargement**

Yes, this happens. We try to give all employees exposure to all jobs, also of similar organizations, such as Fairbridge and Raleigh. Also employees are encouraged to attend external meetings - on Youth Services committees, for example.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10

## **9. Communication Systems**

*How is information disseminated throughout the organization?*

By a mixture of ways. Verbal, written, messages, meetings and reports.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10

## **10. Knowledge Management**

*How is new 'knowledge' within the organization recognized, captured and understood?*

We are in the process of setting up two data bases to capture this type of information, for example, about new contracts. The process of capturing organizational learning, such as the teambuilding event carried out today, is not formal. Training is reviewed through informal discussions - over a cup of coffee, for example.

FORMALITY RATING:                    0 1 2 3 4 5 6 7 8 9 10



**11. Leadership Style**

*Describe the predominant leadership style. Is it autocratic, democratic, consultative, developmental etc?*

All of it. It's horses for courses, what it needs to be at the time. For example, leadership in MC meetings or evening functions would be formal. But in the tearoom, it would be informal.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

**12. Power and Influence**

*Where does the decision-making power of the organization lie?*

With the MC and myself. Other staff members have decision-making power in a diluted way - by ratification from myself.

*What is the nature of power and influencing in the organization?*

*Position power? Expert power? Coercive power (fear of reprisal)? Reward power?*

Position power, expert power, yes. Coercive power, no - only from the MC. There is very little reward power, except maybe giving time off in lieu.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

**13. Structure of the Organization**

*What is the structure of the organization?*

Debatable and evolving.

FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

**14. Overall Formality Rating for the Organization**

*What is the current overall formality rating for the organization and what causes you to make this assessment?*

OVERALL FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

Because we are not hung up on policy and procedures, we err on the side of not having formal policies and procedures. We are a people-based organization, they tend to shy away from formality as it is not congruent with the way we work. There is a fallacy that formality and inflexibility are one in the same. They are not. I often have this debate with (the chairman). More formality does not have to mean less flexibility.

*What was the level of formality say 6-12 months ago and what causes you to make this assessment?*

OVERALL FORMALITY RATING: 0 1 2 3 4 5 6 7 8 9 10

When I started here it was particularly difficult to identify any policy or procedures, it was difficult to see, with very little data. As a result, I have to relearn what others had to learn previously.

*If there has been movement in the level of formality of the organization, what has been the driving force for this shift?*

The recognition that (Case 3) and the Voluntary Sector needs to stop stagnating and become more business focused and oriented. This means that procedures have to be put into place. We would not have got new contracts without more formal procedures.

*How has any shift in level of formality affected the organization? What have been the benefits and the pitfalls, for example?*

It has given (Case 3) more street cred without getting hung up on it. The young volunteers do not wish to be effected by lots of formality. They need to be formally steered down a path without realizing that this is happening.

---

## **15. Summary Questions**

1. *How would you describe your policy/approach to management training and development?*

There is a want to put it in place, but it's a matter of resource. In principle, we do it, but how is a matter for discussion.

2. *How would you describe your policy/approach to workforce training and development?*

Necessary and forward thinking. We believe in looking after our workforce and our individual employees at the same time. It partly compensates for low wages and uncertain conditions of employment.

3. *What is it about your overall 'model' of training and development that:*

*a) Attracts your organization to national HRD initiatives?*

NVQs because they are vocationally based. But NVQs are only useful if you have a good training supplier and that is pot luck. NVQs allow an individual to record experience in a structured way. IIP - I would like to go along this route but consultancy is prohibitively expensive. IIP would allow us to put the good practices into place.

*b) Makes your organization reject national HRD organizations?*

Awareness of poor quality training suppliers - it's a bit unknown, and pot luck. Money, costs, specifically IIP consultants are expensive.



**COMPARISON OF FORMALITY RATINGS IN THE THREE CASES (APPENDIX 35)**

**FORMALITY VARIABLE BY VARIABLE:**

<u>Variable</u>	<u>Rating</u>		
	<i>Case 1</i>	<i>Case 2</i>	<i>Case 3</i>
Training and Development (1)	1	3	4
Selection Process (2)	8	7	6
Induction Process (3)	7	7	3
Performance Appraisal/Review (4)	3	8	5
Succession Planning (5)	7	5	2
Reward and Recognition Systems (6)	1	6	2
Employee Involvement Systems (7)	9	2	4
Job Rotation/enhancement/enlargement (8)	4	0	6
Communication Systems (9)	2	2	6
Knowledge Management (10)	6	3	5
Leadership Style (11)	1	5	4
Power and Influence (12)	1	6	6
Organization Structure (13)	7	9	7

**OVERALL SUMMARY OF FORMALITY:**

Current Formality Rating	3	4	4
Formality Rating 12 months ago	5	3	2

**ANALYSIS OF SIMILARITIES IN COMPARED RATINGS**

<b>*Similarity in...</b>	<b>All Cases</b>	<b>Cases 1 &amp; 2</b>	<b>Cases 1 &amp; 3</b>	<b>Cases 2 &amp; 3</b>
Incidences	3	3	4	4
Variables	1(L/M) 2 (M/H), 13 (H)	3 (H) 5 (M/H) 9 (L)	4 (M/H) 6 (L) 8 (M) 10 (M)	7 (L/M) 10 (L/M) 11 (M) 12 (M)

**\*Similarity means, a difference in rating of 2 or less across all bands (low, moderate and high)**

L M and H in brackets after variables indicate 'Low', 'Moderate' or 'High' formality respectively

**ANNEX 4**

**JOURNAL ARTICLES AND CONFERENCE PAPERS**

## **JOURNAL ARTICLES AND CONFERENCE PAPERS**

The following journal articles and conference papers have resulted from the research.

### **Journal Articles:**

Hill Rosemary and Stewart Jim (1999), "Human Resource Development in Small Organizations", in Human Resource Development International, Volume 2, Number 2, pp. 103-123.

Hill Rosemary and Stewart Jim (1999), "Investors in People in Small Organizations: learning to stay the course?", in Journal of European Industrial Training, Volume 23, Number 26, pp. 286-299.

### **Conference Papers:**

Hill Rosemary (2000), "Why HRD in SMEs may have become a neglected field of Study", in Economic and Social Research Council (ESRC) Seminar Series, Human Resource Development: The Emerging Theoretical Agenda and Empirical Research, Session 2 – HRD in SMEs: A Neglected Field of Study, 8 December, 2000, organized by the Nottingham Trent University.

Hill Rosemary and Stewart Jim (1999), "Human Resource Development in Small Organizations", in Annual Conference of Irish Academy of Management, University of Limerick, 9-10 September, 1999.

Hill Rosemary and Stewart Jim (1999), "The IIP Hurdle Race in SMEs: learning to stay the course?", in conference on Beyond the Badge, University of Central Lancashire, Preston, 20 January, 1999.