

# developing the business and developing people:

the view of small firms

Report on the FSB/SFEDI survey



**Small  
Firms** *Enterprise  
Development  
Initiative*

## **ACKNOWLEDGEMENT**

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Many thanks to Mélanie Ottens and Nigel Hudson for producing this report on behalf of the Federation of Small Businesses (FSB) and Small Firms Enterprise Development Initiative (SFEDI). The authors and both organisations would like to thank all the small business owners and managers whose participation made this research possible. As organisations run by and for small businesses both the FSB and SFEDI are acutely aware that manager's time is a precious commodity. We believe the results of our continuing efforts to use the findings from this research will show it to have been a worthwhile investment.

The authors are also grateful for the suggestions made by members of the SFEDI Research Advisory Group that made an invaluable contribution to the design of the survey questionnaire.

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## **EXECUTIVE SUMMARY**

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This report presents results from a novel survey on learning and development in small businesses. A crucial innovation in this study was to ask about the abilities people had developed, how this was achieved and their preferred methods of learning. The results show that small businesses do develop people but predominantly by informal means that rely heavily on learning from experience. This offers vital insights into learning and development that are missed in surveys that consider only formal training and qualifications.

- Small businesses do develop people but predominantly by informal means that rely heavily on learning from experience.
- About two-thirds of owner-managers thought practice, discovering what works and reviewing what they did had made very important or critical contributions to helping them do their job better.
- The most common routes to employee development were from learning by doing the job (85%) and discussions with their manager (81%), again relatively informal approaches.
- Substantial proportions of owner-managers:
  - believe more effective learning occurs if it is directed at solving problems for the business;
  - thought you could learn a lot from the experience of other small businesses;
  - find time is the biggest constraint on personal development activities;
  - prefer learning-by-doing;
  - would do more self-development if activities were 'bite-size'.
- Help from an advice agency had made, on average, the smallest contribution to improvements in owner-managers ability to do their jobs. Almost three-quarters also thought that agencies promoted training and development programmes that were not relevant or appropriate to their business.
- Methods of development are highly diverse. Thirteen routes to improved performance were identified and each had made a critical contribution to the ability of at least one owner-manager.
- Further work is needed to investigate whether and how informal learning can be extended and enhanced.

## I. INTRODUCTION

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The survey on which this report is based was conducted mainly to help to fill an important gap in the evidence on learning, training and development in small businesses. There is a telling paradox in the previous data. Important, predominantly academic, research has noted the crucial contribution made by informal learning in small businesses. By its very nature, this work has not been well placed to comment on the extent of such learning across small businesses. Since informal learning is almost always unaccredited it barely appears in official Government statistics. Instead these provide abundant data on the extent of qualifications and formal training, but we already know these are of little relevance in the small business context except where they are intrinsic to the business.

The primary challenge for this survey was, therefore, to try to measure the extent of informal learning in small businesses.

## 2. RESEARCH METHODOLOGY

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Due to cost considerations it was decided to conduct a postal survey of a sample of FSB members. The FSB drew a representative sample of 2,000 members, stratified to ensure that this reflected the regional distribution of their members. A questionnaire and freepost reply envelope was mailed out in early November with a request for replies to be returned by 12 December 2001. A small number of completed questionnaires were returned after this date and these have been included in the analysis.

The survey achieved a respectable response rate of 17%, with a total of 341 completed questionnaires returned. However this still leaves substantial scope for non-response bias.

The respondents are not representative of the population of small businesses in the UK. The overwhelming majority (95%) had been in business for five years or more. The sample will not, therefore, reflect the substantial numbers of start-up and new businesses, most of which fail within their first two to three years of operation. The majority, 89%, of the respondents were owner/managers. Almost all (98%) were from independent businesses rather than parts of larger organisations or franchises. Table 1 shows the distribution of size, with the majority being micro businesses with 1 to 5 employees.

*Table 1 Survey respondents: distribution by size of establishment*

| Number of employees | Proportion of establishments |
|---------------------|------------------------------|
| None                | 5.6%                         |
| 1 to 5              | 43.7%                        |
| 6 to 10             | 20.4%                        |
| 11 to 19            | 15.0%                        |
| 20 to 49            | 12.7%                        |
| 50 or more          | 2.7%                         |

The extent to which the respondents represent the population of all small firms in the UK is shown in table 2. The population figures are derived from Small Business Service (2002).

Table 2 Distribution of small firms by size: survey respondents and population

| SURVEY RESPONDENTS  |                              | POPULATION          |                              |
|---------------------|------------------------------|---------------------|------------------------------|
| Number of employees | Proportion of establishments | Number of employees | Proportion of establishments |
| <b>None</b>         | <b>5.8%</b>                  | <b>None</b>         | <b>68.3%</b>                 |
| <b>1 to 5</b>       | <b>44.8%</b>                 | <b>1 to 4</b>       | <b>20.6%</b>                 |
| <b>6 to 10</b>      | <b>20.9%</b>                 | <b>5 to 9</b>       | <b>5.5%</b>                  |
| <b>11 to 19</b>     | <b>15.5%</b>                 | <b>10 to 19</b>     | <b>3.1%</b>                  |
| <b>20 to 49</b>     | <b>13.0%</b>                 | <b>20 to 49</b>     | <b>1.5%</b>                  |

## 2.1 QUESTIONNAIRE

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The questionnaire was composed largely of tick box responses to closed questions, in order to minimise the time burden on businesses. At the end of the questionnaire, however, respondents were asked open questions about future changes, and what Government could do to improve workforce development in small businesses.

The main challenge was to design a questionnaire that could identify all learning, including informal learning, especially amongst owner/managers. Most official surveys so far have tried to measure qualifications and training. Campanelli et al (1994) have already shown that employers often adopt a narrow definition of training, applying it to mean formal courses and especially those leading to qualifications. Such measures were inappropriate for our purposes since we had to find a way of allowing businesses to tell us about any form of learning. A further difficulty is that informal learning goes unrecognised; it is a part of everyday activity and so is not acknowledged as learning. We, therefore, needed a very different approach that was broader than simply training.

The approach adopted sought to reflect the definition of learning advocated by Gibb (1997) and Rae (2000), following Beach (1980). This is based on the idea that learning is identified by modifications to behaviour. The questionnaire started with a series of tasks that owner/managers are likely to undertake in their job. These tasks were very closely modelled on the SFEDI 'National Occupational Standards for Business Development' and were accompanied by brief descriptions. Respondents were asked to indicate whether they had become better at these tasks over the last few years. They were then invited to suggest what they were doing better now, and say how important different activities were in helping them achieve this improvement. Further questions then sought background information on the businesses views on a series of statements (for example, on priorities, learning styles and constraints of personal development) and information on employee development activities. A copy of the questionnaire is included in Appendix I.

The questionnaire was developed through discussion with members of the SFEDI Research Advisory Group, and was piloted with a small number of owner/managers to ensure it could be understood and completed within the time allowed.

## 3. RESULTS

The percentage figures cited in this report are based on the number of respondents to the relevant question, rather than the total number of respondents. For most questions the base number was 322 or more, but was slightly lower, 291 or more, for questions relating to employees, since these could not be completed by a small number of businesses with no employees. Full frequency distributions for all the closed questions in the survey are presented in Appendix 2.

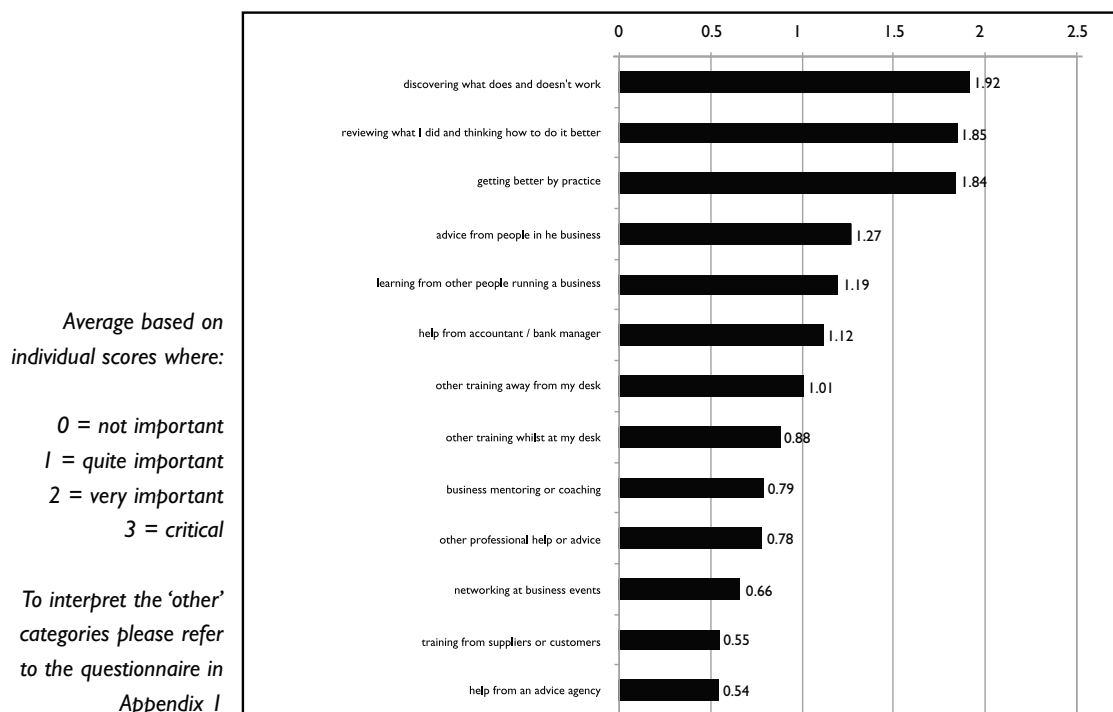
### 3.1 IMPROVING PERFORMANCE

Not surprisingly, all but one of the respondents thought they were now better at some aspect of their job than in the past. The greatest average improvements were reported in getting the most from IT. Over a quarter (28%) reported they were now 'very much better' at this compared to 7% who considered they were 'no better'. Substantial improvement was also recorded in looking after customers. More than one in five (22%) were now 'very much better' whilst just under 7% thought they were no better. The lowest levels of improvement were reported in delegating and managing own time (23% no better), and getting more from people (20% no better).

### 3.2 IMPORTANCE OF LEARNING AND DEVELOPMENT

Learning and development were important to the businesses that responded to the survey. Almost four-fifths (79%) disagreed with the statement that learning and development was not high on the list of priorities for the business. This was reinforced by the extent to which respondents invested time in inducting new employees. Over a third (37%) of businesses spent more than a day introducing new staff to their job and the business. The extent to which different activities contributed to respondent's improvement in their ability to carry out their jobs is represented in Figure 1.

Figure 1 Average importance of different activities for manager improvement



### **3.3 IMPORTANCE OF INFORMAL LEARNING**

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The first three bars in figure 1 show that different types of learning from experience are judged by owner-managers to have made the greatest contribution, on average, to their development over the last few years. Such learning is extensive: about two-thirds of respondents considered these made a very important or critical contribution to helping them do their job better.

Advice from other people within the business, drawing upon the experience of people running other businesses and advice from accountants or bank managers were all more important, on average, than forms of training. Only about a fifth (21%) of owner-managers thought other training at their desk had made a very important or critical contribution to their improved performance. Slightly more, a quarter, reported such an impact from training away from their desk.

Of all the avenues for personal and business development that were identified, the lowest average contribution to improvement came from help from an advice agency. Fewer than one in seven (13%) respondents reported a very important or critical impact from this source. The importance of informal learning was also reflected in the responses to various attitude statements. Of respondents, 87% agreed with the proposition that 'you can learn a lot from the experience of other small businesses'. These and subsequent findings should not be taken to imply that more formal provision is without merit, rather it should be treated as being less important rather than unimportant.

### **3.4 DIVERSITY**

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It should also be noted that some owner/managers regard each of the thirteen options listed in figure 1 to have made a critical contribution to their development. Such variability in effective routes to learning is also reflected in other findings. For example, whilst computer-based learning may be a viable option for most respondents, more than one in five (21%) said they would find this difficult.

### **3.5 LEARNING STYLES AND PREFERENCES**

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A preference for practical development activities is also reflected in the responses to attitude statements. Of respondents, 81% agreed that 'I prefer learning-by-doing' rather than "chalk and talk".

Informal learning may also be better able to meet the constraints on development activities in small businesses. The majority of respondents, 85%, agreed that the biggest constraint on personal development activities was time. Almost as many, 79%, thought they would do more self-development if learning activities were short and 'bite-sized'. Just over a third (35%), however, thought that training and development sessions for themselves or key workers would have to be in the evening or at weekends.



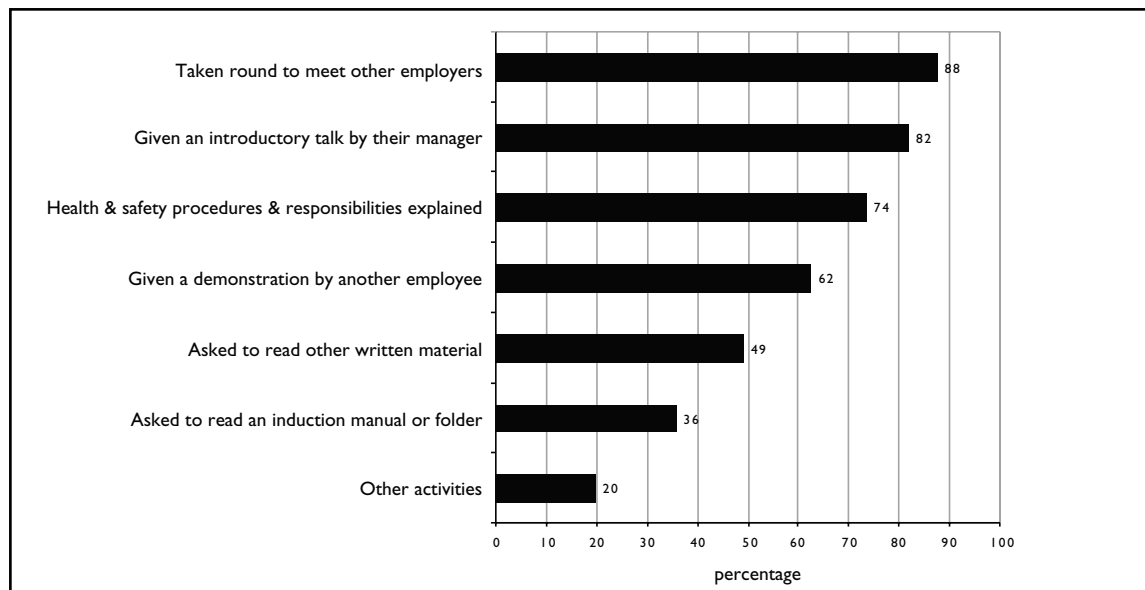
Experiential learning and other informal methods of development are also more likely to be relevant and contextualised. Almost all (93%) respondents thought that more effective learning occurs if it is directed at solving problems for the business. In contrast, most (73%) agreed that agencies promoted training and development programmes that were not relevant or appropriate to their business.

## 3.6 INFORMALITY IN WORKFORCE DEVELOPMENT

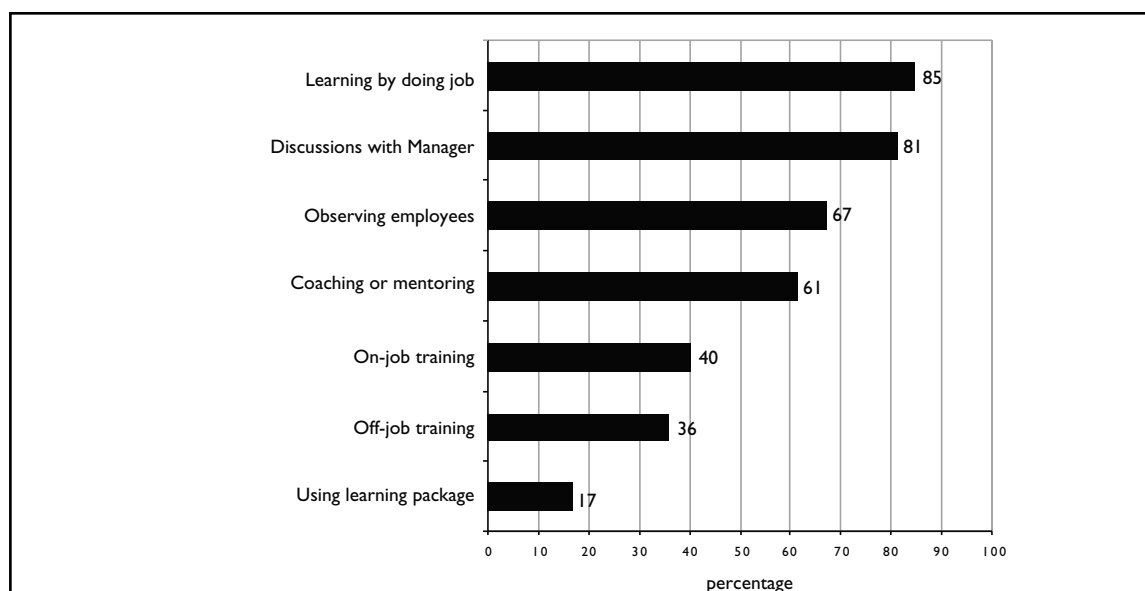
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Less formal approaches were also evident in the mechanisms for inducting and subsequently developing employees, as shown in figures 2 and 3. It is therefore reasonable to conclude, that experiential and other informal ways of learning make the greatest contribution to personal development in small businesses.

*Figure 2 Introductory activities for new employees*



*Figure 3 Activities improving employee performance*



## **3.7 FACTORS ASSOCIATED WITH LEARNING**

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Further analyses were undertaken to assess whether the areas of owner-manager improvement, the activities contributing to improvement, and the responses to attitude statements varied by size, industry sector and the use of formal appraisal systems. The results are reported in Appendix 3.

The use of formal appraisals gave rise to the greatest number (ten, at 5% significance level or less) and most significant levels of association with the thirty-two dependent variables. The majority of these associations were in levels of owner-manager improvement, with those using appraisal systems being significantly more likely to report higher levels of improvement. It is, of course, not possible to determine from the data whether this simply reflects greater awareness of self-improvement rather than real differences in levels of improvement. It is interesting to note that use of appraisal systems appears to be a better indicator of differences amongst small firms than size or industry. This, however, needs to be treated with caution. Our data is limited in quantity and this contributed to our being restricted to carrying out simple chi-squared tests of association using simple two or three category variables.

## **4. CONCLUSIONS AND IMPLICATIONS**

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The perception that most small businesses are not interested in and undertake little training is common among policy makers and education and training providers. This survey, however, provides clear evidence of the importance, and extensive use, of informal learning in small businesses.

Respondents to this survey indicated that the development of their own and their employees' abilities are important to the business. Development occurs primarily by informal means and this relies heavily on learning from experience. Two-thirds of owner-managers thought practice, discovering what works, and reviewing what they did, had made very important or critical contributions to helping them do their job better. This conclusion on their part is important, because their approaches will heavily influence the patterns of learning within the firm. This means that substantial proportions of owner/managers prefer learning-by-doing, and believe that they can learn substantively from the experiences of other small businesses. In addition, they believed that more effective learning occurs if it is directed at solving problems for the business. The most common routes to employee development were from learning by doing the job (85%) and discussions with their manager (81%), again relatively informal approaches.

This research indicates that the method of development is highly diverse. Thirteen routes to improved performance were identified and each had made a critical contribution to the ability of at least one owner/manager. Advice agencies had made, on average, the smallest contribution to improvements in owner-managers ability to do their jobs. Almost three-quarters also thought that agencies promoted training and development programmes that were not relevant or appropriate to their business.

This research is a first step to identify the effect and extent of informal learning and training in small firms, but further work is needed to investigate whether and how informal learning can be extended and enhanced.

## **4.1 POLICY IMPLICATIONS**

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This research has important implications for policy makers. What is clear is that if policy and provision is to support learning and development in small businesses it needs to change. The high occurrence of informal learning in small businesses has implications for policy makers in their approach to these businesses.

In addition, there are issues surrounding the quality of training in small firms. Traditionally small firms are seen not to train their employees; this research is a testimony of the opposite. Small firms do develop their personnel, but most statistical evidence fails to capture the true extent, due to the very nature of informal learning and development. Policy makers need to appreciate the difference between training and learning and reflect this understanding in their practice. Both Government and training providers should be aware and capable of responding flexibly to the almost infinite range of needs and preferences, if they wish to encourage more training and other forms of learning and development in small firms.

## **4.2 FURTHER RESEARCH**

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There are also challenges for researchers. Further work is needed to say whether similar results will emerge from start-up and young businesses. The results also emphasise the importance of distinguishing learning, development and training. Previous research has shown that training is understood by many employers to mean formal courses and often ones that lead to recognised qualifications. Ideally, major official surveys should be adapted to find valid and reliable ways of measuring informal learning and to distinguish this from the more familiar questions about training.

The understanding of diversity of learning and development in small business must also be extended. Do needs and preferences vary in ways related to the nature of the business, business objectives, the background and attitudes of the owner/manager?

There is a need to establish what is being learned and how. What abilities are most effectively developed in which ways? A better understanding of these issues is a prerequisite for improving support to small businesses and enhancing the quality and quantity of informal learning.

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## APPENDIX I

# SURVEY QUESTIONNAIRE

The questionnaire is included in the following eight pages.



## **DEVELOPING BUSINESSES AND DEVELOPING PEOPLE: THE VIEW OF SMALL FIRMS**

What do you learn running a small business? How can small firms develop their people? This questionnaire gives you the chance to say what you think. With your help, we can provide evidence of what is really needed and so improve future support to small firms. We are asking the owner-manager (or other senior manager) to complete the questionnaire – it should only take about five or ten minutes.

The questionnaire has been produced by the Small Firms Enterprise Development Initiative (SFEDI\*) and the Federation of Small Businesses. The results will be used in a report to advise Government departments, Regional Development Agencies, the Learning and Skills Council and similar bodies. To help us produce the report on time, please return your completed questionnaires by Wednesday, 12 December 2001 if at all possible.

Your responses will be completely confidential. They will not be used in any way that will identify you or your business.

We really appreciate your help and the more responses we have the more compelling our presentation of small firms' views will be. However, you are under no obligation to participate in this survey.

If you have any queries or concerns about this research please contact:  
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*\* SFEDI is the officially recognised standards setting body for those starting up, developing or advising small businesses.*

Results from the survey will be published on the SFEDI website at [www.sfedi.co.uk](http://www.sfedi.co.uk). Please supply your name and address below if you would like to receive your own copy directly.

Name: \_\_\_\_\_ Name of business: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

## A. WHAT I HAVE LEARNED

---

I) Below is a list of things you may do in your job. Thinking back over the last few years, how much better are you at doing these today?

*Please tick the box for the most appropriate option for each question*

|   | No better                | A little better          | Quite a bit better       | Very much better         |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>i) Getting more sales</b><br>(e.g. plan improved marketing, sell to customers, explore new markets)                                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>ii) Looking after customers</b><br>(e.g. improving relationships, customer care, solving customers' problems)                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>iii) Set the business direction and controls</b><br>(e.g. providing a vision, carrying out the business plan, monitoring progress) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>iv) Getting premises, equipment, materials</b><br>(e.g. get the right premises, improve the use of equipment, tools & materials)   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>v) Getting the most from IT</b><br>(e.g. develop a business website, choose computers & software, use e-mail)                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>vi) Getting the most from money</b><br>(e.g. get customers to pay more quickly, plan how to improve the finances)                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>vii) Delegating and managing my time</b><br>(e.g. decide what can be delegated and to whom, check my own efficiency)               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>viii) Getting more from people</b><br>(e.g. recruiting, motivating & appraising staff, team building, managing contractors)        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>ix) Ensuring health &amp; safety</b><br>(e.g. control risks to health & safety)  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>x) Reviewing and improving the business</b><br>(e.g. review the business, develop the plans, spot opportunities)                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

xi) Other: please write in .....

If you have answered "No better" to all the questions, go to question 3

2) Thinking of those things that you now do better, how important were the following in helping you do these things better?

*Please tick one box for each question*

|   | Not<br>important         | Quite<br>important       | Very<br>important        | Critical                 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Experience</b>   |                          |                          |                          |                          |
| i) getting better by practice   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ii) discovering what does & doesn't work  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iii) reviewing what I did and thinking how to do it better  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iv) learning from other people running a business   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Training and development</b>   |                          |                          |                          |                          |
| v) business mentoring or coaching   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| vi) training from suppliers or customers  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| vii) other training whilst at my desk   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| viii) other training away from my desk  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Help, advice and Information</b>   |                          |                          |                          |                          |
| ix) advice from people in the business (e.g. staff, Board members)                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| x) help from accountant/ bank manager   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| xi) help from an advice agency (e.g. Business Link, Small Business Gateway, Enterprise Agency or Trust) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| xii) other professional help or advice (e.g. consultant, professional or industry body)                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| xiii) networking at business events   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



## B. YOUR VIEWS

---

3) Please indicate the extent you agree/ disagree with the following:

*Please tick one box for each question*

|   | <i>Strongly<br/>agree</i> | <i>Agree</i>             | <i>Disagree</i>          | <i>Strongly<br/>Disagree</i> |
|---|---------------------------|--------------------------|--------------------------|------------------------------|
| i) learning and development are not high on the list of priorities for this business                        | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| ii) time is the biggest constraint on my personal development activities                                    | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| iii) training and development sessions for myself or key workers must be in the evening or at weekends      | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| iv) you can learn a lot from the experience of other small businesses                                       | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| v) agencies promote training and development programmes that are not relevant or appropriate to my business | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| vi) more effective learning occurs if it is directed at solving problems for the business                   | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| vii) I prefer learning-by-doing rather than "chalk and talk"  | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| viii) I would do more self-development if learning activities were short, 'bite-size'                       | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |
| ix) I would find it difficult to use computer-based learning  | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>     |

## C. SOME BACKGROUND INFORMATION

---

4) What best describes your position in the company? Are you:  
Please tick one box only

the owner/manager ☐

the senior manager, but  
not the owner ☐

other: please specify

5) Is your company best described as  
Please tick one box only

independent ☐

a franchise ☐

part of a larger organisation ☐

6) How would you describe the main activity of the business? Please write in  
(e.g. design consultancy, furniture manufacture, food shop, estate agency)

7) How long has the business been operating?  
Please tick one box only

less than 1 year ☐

1 years but less  
than 2 years ☐

2 years but less  
than 5 years ☐

5 years or more ☐

8) Does the business have a specific budget for training and development activities?

Yes ☐

No ☐

9) Do you have formal systems (e.g. annual review meeting) for assessing employee performance  
and training or development needs?

Yes ☐

No ☐

10) How many people, other than yourself, are employed in the business?  
Please tick one box only

none ☐

1 to 5 ☐

6 to 10 ☐

11 to 19 ☐

20 to 49 ☐

50 or more ☐

If none, go to question 15.

## D. DEVELOPING EMPLOYEES

---

Think of the last person your business recruited.

(If several people joined on the same date choose the first person alphabetically by name [surname, first name]).

11) What was the title of the job they were recruited for? Please write in  
(e.g. manager, maintenance engineer, receptionist)

12) When they started work, which of the following activities, if any, were used to introduce them to their job and the business?

*Please tick all boxes that apply*

i) taken round to meet other employees

☐

ii) given an introductory talk by their manager

☐

iii) given a demonstration by another employee

☐

iv) health & safety procedures and responsibilities explained

☐

v) asked to read an induction manual or folder

☐

vi) asked to read other written material

☐

vii) other: please specify .....

viii) there were no introductory activities

☐

*If no activities, go to question 14*

13) How much time, in total, do you estimate these activities took to complete?

*Please tick one box only*

up to **an hour** ☐ up to **2 hours** & more than an hour ☐

up to **half a day** & more than 2 hours ☐ up to **a day** & more than half a day ☐

**more than a day** ☐

14) Apart from initial induction,

a) what activities, if any, have helped this member of staff improve their performance after they started working for you?, and,

b) which made the greatest contribution to improving performance?

|   | a) Have helped improve performance.<br><i>Tick all that apply</i> | b) Made the greatest contribution<br><i>Tick one box only</i> |
|---|---|---|
| i) learned themselves by doing the job                    | <input type="checkbox"/>  | <input type="checkbox"/>                                      |
| ii) discussions with their manager                        | <input type="checkbox"/>  | <input type="checkbox"/>                                      |
| iii) observing other employees doing similar/related work | <input type="checkbox"/>  | <input type="checkbox"/>                                      |
| iv) coaching or mentoring                                 | <input type="checkbox"/>  | <input type="checkbox"/>                                      |
| v) using a learning package themselves                    | <input type="checkbox"/>  | <input type="checkbox"/>                                      |
| vi) other training at their desk or workstation           | <input type="checkbox"/>  | <input type="checkbox"/>                                      |
| vii) other training away from their desk or workstation   | <input type="checkbox"/>  | <input type="checkbox"/>                                      |
| viii) other: please specify .....                         |   |   |

## **E. FUTURE CHANGES**

---

15) What are the three most important changes that are likely to affect your business in the next twelve months? *Please write in*

|      |
|------|
| i)   |
| ii)  |
| iii) |

If no changes are expected, go to question 18.

16) Will these changes mean you, or other people in the business, have to change what you do or how you do it?

Yes ☐

No ☐

**if No, go to question 18**

17) What will be done to develop people in the business, including yourself, to handle these changes? Please write in:

## **F. WHAT CAN BE DONE TO HELP?**

18) What is the most important step that Government, or its agencies, could take to help improve the development of the people in your business?

**Thank you** for completing the questionnaire.

Please return your completed questionnaire in the envelope provided (no postage required) to:  
SFEDI, P.O. Box 1753, FREEPOST NEA12169, SHEFFIELD S11 8ZZ

**NOTES**

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## APPENDIX 2

# FREQUENCY DISTRIBUTIONS FOR EACH QUESTION

Readers should use the numbering on the following tables to refer back to the questionnaire in appendix 1 to obtain the precise question asked and any preliminary dialogue.

## 1) i) Getting more sales

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 39        | 11.4    | 11.4          | 11.4               |
|       | A little better    | 120       | 35.2    | 35.2          | 46.6               |
|       | Quite a bit better | 130       | 38.1    | 38.1          | 84.8               |
|       | Very much better   | 50        | 14.7    | 14.7          | 99.4               |
|       | Not answered       | 2         | .6      | .6            | 100.0              |
|       | Total              | 341       | 100.0   | 100.0         |                    |

## 1) ii) Looking after customers

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 23        | 6.7     | 6.7           | 6.7                |
|       | A little better    | 104       | 30.5    | 30.5          | 37.2               |
|       | Quite a bit better | 138       | 40.5    | 40.5          | 77.7               |
|       | Very much better   | 75        | 22.0    | 22.0          | 99.7               |
|       | Not answered       | 1         | .3      | .3            | 100.0              |
|       | Total              | 341       | 100.0   | 100.0         |                    |

## 1) iii) Set the business direction and controls

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 49        | 14.4    | 14.4          | 14.4               |
|       | A little better    | 109       | 32.0    | 32.0          | 46.3               |
|       | Quite a bit better | 132       | 38.7    | 38.7          | 85.0               |
|       | Very much better   | 48        | 14.1    | 14.1          | 99.1               |
|       | Not answered       | 3         | .9      | .9            | 100.0              |
|       | Total              | 341       | 100.0   | 100.0         |                    |

## 1) iv) Getting premises, equipment, materials

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 57        | 16.7    | 16.7          | 16.7               |
|       | A little better    | 85        | 24.9    | 24.9          | 41.6               |
|       | Quite a bit better | 123       | 36.1    | 36.1          | 77.7               |
|       | Very much better   | 68        | 19.9    | 19.9          | 97.7               |
|       | Not answered       | 8         | 2.3     | 2.3           | 100.0              |
|       | Total              | 341       | 100.0   | 100.0         |                    |



## 1) v) Getting the most from IT

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 25        | 7.3     | 7.3           | 7.3                |
|       | A little better    | 87        | 25.5    | 25.5          | 32.8               |
|       | Quite a bit better | 133       | 39.0    | 39.0          | 71.8               |
|       | Very much better   | 94        | 27.6    | 27.6          | 99.4               |
|       | Not answered       | 2         | .6      | .6            | 100.0              |
| Total |                    | 341       | 100.0   | 100.0         |                    |

## 1) vi) Getting the most from money

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 62        | 18.2    | 18.2          | 18.2               |
|       | A little better    | 121       | 35.5    | 35.5          | 53.7               |
|       | Quite a bit better | 104       | 30.5    | 30.5          | 84.2               |
|       | Very much better   | 51        | 15.0    | 15.0          | 99.1               |
|       | Not answered       | 3         | .9      | .9            | 100.0              |
| Total |                    | 341       | 100.0   | 100.0         |                    |

## 1) vii) Delegating and managing my time

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 78        | 22.9    | 22.9          | 22.9               |
|       | A little better    | 124       | 36.4    | 36.4          | 59.2               |
|       | Quite a bit better | 105       | 30.8    | 30.8          | 90.0               |
|       | Very much better   | 28        | 8.2     | 8.2           | 98.2               |
|       | Not answered       | 6         | 1.8     | 1.8           | 100.0              |
| Total |                    | 341       | 100.0   | 100.0         |                    |

## 1) viii) Getting more from people

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 65        | 19.1    | 19.1          | 19.1               |
|       | A little better    | 137       | 40.2    | 40.2          | 59.2               |
|       | Quite a bit better | 110       | 32.3    | 32.3          | 91.5               |
|       | Very much better   | 22        | 6.5     | 6.5           | 97.9               |
|       | Not answered       | 7         | 2.1     | 2.1           | 100.0              |
| Total |                    | 341       | 100.0   | 100.0         |                    |

## 1) ix) Ensuring health & safety

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 57        | 16.7    | 16.7          | 16.7               |
|       | A little better    | 118       | 34.6    | 34.6          | 51.3               |
|       | Quite a bit better | 118       | 34.6    | 34.6          | 85.9               |
|       | Very much better   | 43        | 12.6    | 12.6          | 98.5               |
|       | Not answered       | 5         | 1.5     | 1.5           | 100.0              |
|       | Total              | 341       | 100.0   | 100.0         |                    |

## 1) x) Reviewing and improving the business

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 42        | 12.3    | 12.3          | 12.3               |
|       | A little better    | 118       | 34.6    | 34.6          | 46.9               |
|       | Quite a bit better | 133       | 39.0    | 39.0          | 85.9               |
|       | Very much better   | 43        | 12.6    | 12.6          | 98.5               |
|       | Not answered       | 5         | 1.5     | 1.5           | 100.0              |
|       | Total              | 341       | 100.0   | 100.0         |                    |

## 1) xi) Other

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | No better          | 5         | 1.5     | 1.5           | 1.5                |
|       | Quite a bit better | 4         | 1.2     | 1.2           | 2.6                |
|       | Very much better   | 2         | .6      | .6            | 3.2                |
|       | Not answered       | 330       | 96.8    | 96.8          | 100.0              |
|       | Total              | 341       | 100.0   | 100.0         |                    |

## 2) i) Getting better by practice

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 7         | 2.1     | 2.1           | 2.1                |
|       | Quite important | 109       | 32.0    | 32.0          | 34.0               |
|       | Very important  | 174       | 51.0    | 51.0          | 85.0               |
|       | Critical        | 44        | 12.9    | 12.9          | 97.9               |
|       | Not answered    | 7         | 2.1     | 2.1           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) ii) Discovering what does & doesn't work

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 2         | .6      | .6            | .6                 |
|       | Quite important | 104       | 30.5    | 30.5          | 31.1               |
|       | Very important  | 168       | 49.3    | 49.3          | 80.4               |
|       | Critical        | 62        | 18.2    | 18.2          | 98.5               |
|       | Not answered    | 5         | 1.5     | 1.5           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) iii) Reviewing what I did and thinking about how to do it better

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 4         | 1.2     | 1.2           | 1.2                |
|       | Quite important | 96        | 28.2    | 28.2          | 29.3               |
|       | Very important  | 173       | 50.7    | 50.7          | 80.1               |
|       | Critical        | 64        | 18.8    | 18.8          | 98.8               |
|       | Not answered    | 4         | 1.2     | 1.2           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) iv) Learning from other people running a business

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 65        | 19.1    | 19.1          | 19.1               |
|       | Quite important | 154       | 45.2    | 45.2          | 64.2               |
|       | Very important  | 97        | 28.4    | 28.4          | 92.7               |
|       | Critical        | 19        | 5.6     | 5.6           | 98.2               |
|       | Not answered    | 6         | 1.8     | 1.8           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) v) Business mentoring or coaching

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 142       | 41.6    | 41.6          | 41.6               |
|       | Quite important | 111       | 32.6    | 32.6          | 74.2               |
|       | Very important  | 63        | 18.5    | 18.5          | 92.7               |
|       | Critical        | 14        | 4.1     | 4.1           | 96.8               |
|       | Not answered    | 11        | 3.2     | 3.2           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) vi) Training from suppliers or customers

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 157       | 46.0    | 46.0          | 46.0               |
|       | Quite important | 122       | 35.8    | 35.8          | 81.8               |
|       | Very important  | 45        | 13.2    | 13.2          | 95.0               |
|       | Critical        | 4         | 1.2     | 1.2           | 96.2               |
|       | Not answered    | 13        | 3.8     | 3.8           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) vii) Other training whilst at my desk

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 117       | 34.3    | 34.3          | 34.3               |
|       | Quite important | 137       | 40.2    | 40.2          | 74.5               |
|       | Very important  | 67        | 19.6    | 19.6          | 94.1               |
|       | Critical        | 4         | 1.2     | 1.2           | 95.3               |
|       | Not answered    | 16        | 4.7     | 4.7           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) viii) Other training away from my desk

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 106       | 31.1    | 31.1          | 31.1               |
|       | Quite important | 137       | 40.2    | 40.2          | 71.3               |
|       | Very important  | 72        | 21.1    | 21.1          | 92.4               |
|       | Critical        | 14        | 4.1     | 4.1           | 96.5               |
|       | Not answered    | 12        | 3.5     | 3.5           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) ix) Advice from people in the business

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 63        | 18.5    | 18.5          | 18.5               |
|       | Quite important | 141       | 41.3    | 41.3          | 59.8               |
|       | Very important  | 98        | 28.7    | 28.7          | 88.6               |
|       | Critical        | 27        | 7.9     | 7.9           | 96.5               |
|       | Not answered    | 12        | 3.5     | 3.5           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) x) Help from accountant/bank manager

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 101       | 29.6    | 29.6          | 29.6               |
|       | Quite important | 114       | 33.4    | 33.4          | 63.0               |
|       | Very important  | 83        | 24.3    | 24.3          | 87.4               |
|       | Critical        | 33        | 9.7     | 9.7           | 97.1               |
|       | Not answered    | 10        | 2.9     | 2.9           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) xi) Help from an advice agency

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 188       | 55.1    | 55.1          | 55.1               |
|       | Quite important | 98        | 28.7    | 28.7          | 83.9               |
|       | Very important  | 40        | 11.7    | 11.7          | 95.6               |
|       | Critical        | 5         | 1.5     | 1.5           | 97.1               |
|       | Not answered    | 10        | 2.9     | 2.9           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) xii) Other professional help or advice

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 127       | 37.2    | 37.2          | 37.2               |
|       | Quite important | 135       | 39.6    | 39.6          | 76.8               |
|       | Very important  | 57        | 16.7    | 16.7          | 93.5               |
|       | Critical        | 13        | 3.8     | 3.8           | 97.4               |
|       | Not answered    | 9         | 2.6     | 2.6           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 2) xiii) Networking at business events

|       |                 | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------------|-----------|---------|---------------|--------------------|
| Valid | Not important   | 142       | 41.6    | 41.6          | 41.6               |
|       | Quite important | 130       | 38.1    | 38.1          | 79.8               |
|       | Very important  | 46        | 13.5    | 13.5          | 93.3               |
|       | Critical        | 10        | 2.9     | 2.9           | 96.2               |
|       | Not answered    | 13        | 3.8     | 3.8           | 100.0              |
|       | Total           | 341       | 100.0   | 100.0         |                    |

## 3) i) Learning and development not high priority for the business

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 7         | 2.1     | 2.1           | 2.1                |
| Agree                | 57        | 16.7    | 16.7          | 18.8               |
| Disagree             | 163       | 47.8    | 47.8          | 66.6               |
| Strongly disagree    | 104       | 30.5    | 30.5          | 97.1               |
| Not answered         | 10        | 2.9     | 2.9           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) ii) Time the biggest constraint on personal development

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 118       | 34.6    | 34.6          | 34.6               |
| Agree                | 166       | 48.7    | 48.7          | 83.3               |
| Disagree             | 46        | 13.5    | 13.5          | 96.8               |
| Strongly disagree    | 3         | .9      | .9            | 97.7               |
| Not answered         | 8         | 2.3     | 2.3           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) iii) Training and development sessions must be in evenings or at weekends

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 23        | 6.7     | 6.7           | 6.7                |
| Agree                | 92        | 27.0    | 27.0          | 33.7               |
| Disagree             | 189       | 55.4    | 55.4          | 89.1               |
| Strongly disagree    | 25        | 7.3     | 7.3           | 96.5               |
| Not answered         | 12        | 3.5     | 3.5           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) iv) You can learn a lot from the experience of other small businesses

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 45        | 13.2    | 13.2          | 13.2               |
| Agree                | 240       | 70.4    | 70.4          | 83.6               |
| Disagree             | 40        | 11.7    | 11.7          | 95.3               |
| Strongly disagree    | 4         | 1.2     | 1.2           | 96.5               |
| Not answered         | 12        | 3.5     | 3.5           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) v) Agencies promote programmes that are not relevant/appropriate to my business

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 64        | 18.8    | 18.8          | 18.8               |
| Agree                | 174       | 51.0    | 51.0          | 69.8               |
| Disagree             | 79        | 23.2    | 23.2          | 93.0               |
| Strongly disagree    | 7         | 2.1     | 2.1           | 95.0               |
| Not answered         | 17        | 5.0     | 5.0           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) vi) More effective learning occurs if it is directed at solving business problems

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 68        | 19.9    | 19.9          | 19.9               |
| Agree                | 237       | 69.5    | 69.5          | 89.4               |
| Disagree             | 22        | 6.5     | 6.5           | 95.9               |
| Strongly disagree    | 1         | .3      | .3            | 96.2               |
| Not answered         | 13        | 3.8     | 3.8           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) vii) I prefer learning -by-doing rather than 'chalk and talk'

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 73        | 21.4    | 21.4          | 21.4               |
| Agree                | 188       | 55.1    | 55.1          | 76.5               |
| Disagree             | 63        | 18.5    | 18.5          | 95.0               |
| Not answered         | 17        | 5.0     | 5.0           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) viii) I would do more self -development if activities were short, 'bite -size'

|                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Valid Strongly agree | 51        | 15.0    | 15.0          | 15.0               |
| Agree                | 203       | 59.5    | 59.5          | 74.5               |
| Disagree             | 66        | 19.4    | 19.4          | 93.8               |
| Strongly disagree    | 2         | .6      | .6            | 94.4               |
| Not answered         | 19        | 5.6     | 5.6           | 100.0              |
| Total                | 341       | 100.0   | 100.0         |                    |

## 3) ix) I would find it difficult to use computer -based learning

|       |                   | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Strongly agree    | 18        | 5.3     | 5.3           | 5.3                |
|       | Agree             | 52        | 15.2    | 15.2          | 20.5               |
|       | Disagree          | 164       | 48.1    | 48.1          | 68.6               |
|       | Strongly disagree | 98        | 28.7    | 28.7          | 97.4               |
|       | Not answered      | 9         | 2.6     | 2.6           | 100.0              |
|       | Total             | 341       | 100.0   | 100.0         |                    |

## 4) What best describes your position in the company?

|       |                            | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------------------|-----------|---------|---------------|--------------------|
| Valid | The owner/manager          | 299       | 87.7    | 87.7          | 87.7               |
|       | Senior (not owner) manager | 12        | 3.5     | 3.5           | 91.2               |
|       | Other                      | 24        | 7.0     | 7.0           | 98.2               |
|       | Not answered               | 6         | 1.8     | 1.8           | 100.0              |
|       | Total                      | 341       | 100.0   | 100.0         |                    |

## 5) Is your company best described as ...?

|       |                               | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------------------|-----------|---------|---------------|--------------------|
| Valid | Independent                   | 331       | 97.1    | 97.1          | 97.1               |
|       | Part of a larger organisation | 5         | 1.5     | 1.5           | 98.5               |
|       | A franchise                   | 2         | .6      | .6            | 99.1               |
|       | Not answered                  | 3         | .9      | .9            | 100.0              |
|       | Total                         | 341       | 100.0   | 100.0         |                    |

## 6) Industry (derived from information on main business activity)

|       |                                       | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------------------------------------|-----------|---------|---------------|--------------------|
| Valid | Agriculture &                         | 3         | .9      | .9            | .9                 |
|       | Manufacturing                         | 73        | 21.4    | 21.4          | 22.3               |
|       | Construction                          | 22        | 6.5     | 6.5           | 28.7               |
|       | Transport & communications            | 12        | 3.5     | 3.5           | 32.3               |
|       | Banking, finance/ins., business serv. | 137       | 40.2    | 40.2          | 72.4               |
|       | Public admin., education & health     | 15        | 4.4     | 4.4           | 76.8               |
|       | Other services                        | 13        | 3.8     | 3.8           | 80.6               |
|       | Wholesale & retail                    | 53        | 15.5    | 15.5          | 96.2               |
|       | Hotels & catering                     | 8         | 2.3     | 2.3           | 98.5               |
|       | Not answered/uncodeable               | 5         | 1.5     | 1.5           | 100.0              |
|       | Total                                 | 341       | 100.0   | 100.0         |                    |



## 7) How long has the business been operating?

|       |                      | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------------|-----------|---------|---------------|--------------------|
| Valid | less than 1 year     | 1         | .3      | .3            | .3                 |
|       | 1 year, less than 2  | 2         | .6      | .6            | .9                 |
|       | 2 years, less than 5 | 13        | 3.8     | 3.8           | 4.7                |
|       | 5 years or more      | 323       | 94.7    | 94.7          | 99.4               |
|       | Not answered         | 2         | .6      | .6            | 100.0              |
|       | Total                | 341       | 100.0   | 100.0         |                    |

## 8) Does the business have a specific budget for training and development?

|       |              | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------|-----------|---------|---------------|--------------------|
| Valid | No           | 287       | 84.2    | 84.2          | 84.2               |
|       | Yes          | 51        | 15.0    | 15.0          | 99.1               |
|       | Not answered | 3         | .9      | .9            | 100.0              |
|       | Total        | 341       | 100.0   | 100.0         |                    |

## 9) Do you have formal systems for assessing employee performance, etc.?

|       |              | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------|-----------|---------|---------------|--------------------|
| Valid | No           | 182       | 53.4    | 53.4          | 53.4               |
|       | Yes          | 153       | 44.9    | 44.9          | 98.2               |
|       | Not answered | 6         | 1.8     | 1.8           | 100.0              |
|       | Total        | 341       | 100.0   | 100.0         |                    |

## 10) How many people, other than yourself, are employed in the business?

|       |              | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------|-----------|---------|---------------|--------------------|
| Valid | None         | 19        | 5.6     | 5.6           | 5.6                |
|       | 1 to 5       | 148       | 43.4    | 43.4          | 49.0               |
|       | 6 to 10      | 69        | 20.2    | 20.2          | 69.2               |
|       | 11 to 19     | 51        | 15.0    | 15.0          | 84.2               |
|       | 20 to 49     | 43        | 12.6    | 12.6          | 96.8               |
|       | 50 or more   | 9         | 2.6     | 2.6           | 99.4               |
|       | Not answered | 2         | .6      | .6            | 100.0              |
|       | Total        | 341       | 100.0   | 100.0         |                    |

## 11) Occupation of last person recruited (derived from description of job)

|                                | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------------|-----------|---------|---------------|--------------------|
| Valid Manager                  | 40        | 11.7    | 11.7          | 11.7               |
| Professional                   | 37        | 10.9    | 10.9          | 22.6               |
| Assoc. Prof. & Technical       | 28        | 8.2     | 8.2           | 30.8               |
| Admin. & Secretarial           | 66        | 19.4    | 19.4          | 50.1               |
| Skilled Trades                 | 31        | 9.1     | 9.1           | 59.2               |
| Personal Service               | 5         | 1.5     | 1.5           | 60.7               |
| Sales & Customer Service       | 33        | 9.7     | 9.7           | 70.4               |
| Process, Plant & M/c Operative | 24        | 7.0     | 7.0           | 77.4               |
| Elementary                     | 31        | 9.1     | 9.1           | 86.5               |
| Not applicable/not answered    | 46        | 13.5    | 13.5          | 100.0              |
| Total                          | 341       | 100.0   | 100.0         |                    |

## 12) i) Taken round to meet other employees

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 38        | 11.1    | 11.1          | 11.1               |
| Yes                         | 265       | 77.7    | 77.7          | 88.9               |
| Not answered/not applicable | 38        | 11.1    | 11.1          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## 12) ii) Given an introductory talk by their manager

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 55        | 16.1    | 16.1          | 16.1               |
| Yes                         | 249       | 73.0    | 73.0          | 89.1               |
| Not answered/not applicable | 37        | 10.9    | 10.9          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## 12) iii) Given a demonstration by another employee

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 114       | 33.4    | 33.4          | 33.4               |
| Yes                         | 189       | 55.4    | 55.4          | 88.9               |
| Not answered/not applicable | 38        | 11.1    | 11.1          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## 12) iv) Health & safety procedures and responsibilities explained

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 80        | 23.5    | 23.5          | 23.5               |
| Yes                         | 224       | 65.7    | 65.7          | 89.1               |
| Not answered/not applicable | 37        | 10.9    | 10.9          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## 12) v) Asked to read an induction manual or folder

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 195       | 57.2    | 57.2          | 57.2               |
| Yes                         | 109       | 32.0    | 32.0          | 89.1               |
| Not answered/not applicable | 37        | 10.9    | 10.9          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## 12) vi) Asked to read other written material

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 154       | 45.2    | 45.2          | 45.2               |
| Yes                         | 150       | 44.0    | 44.0          | 89.1               |
| Not answered/not applicable | 37        | 10.9    | 10.9          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## 12) vii) Other introductory activities

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 244       | 71.6    | 71.6          | 71.6               |
| Yes                         | 60        | 17.6    | 17.6          | 89.1               |
| Not answered/not applicable | 37        | 10.9    | 10.9          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## 12) viii) No introductory activities

|                               | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------------|-----------|---------|---------------|--------------------|
| Valid No induction activities | 11        | 3.2     | 3.2           | 3.2                |
| Induction activities          | 293       | 85.9    | 85.9          | 89.1               |
| Not applicable                | 37        | 10.9    | 10.9          | 100.0              |
| Total                         | 341       | 100.0   | 100.0         |                    |

**13) How much time, in total, did introductory activities take?**

|       |                  | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------------|-----------|---------|---------------|--------------------|
| Valid | Up to an hour    | 39        | 11.4    | 11.4          | 11.4               |
|       | Up to 2 hours    | 57        | 16.7    | 16.7          | 28.2               |
|       | Up to half a day | 54        | 15.8    | 15.8          | 44.0               |
|       | Up to a day      | 34        | 10.0    | 10.0          | 54.0               |
|       | More than a day  | 107       | 31.4    | 31.4          | 85.3               |
|       | Not applicable   | 50        | 14.7    | 14.7          | 100.0              |
|       | Total            | 341       | 100.0   | 100.0         |                    |

**14) a) i) Learned themselves by doing the job**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 45        | 13.2    | 13.2          | 13.2               |
|       | Yes            | 261       | 76.5    | 76.5          | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) a) ii) Discussions with their manager**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 58        | 17.0    | 17.0          | 17.0               |
|       | Yes            | 248       | 72.7    | 72.7          | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) a) iii) Observing other employees doing similar/related work**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 101       | 29.6    | 29.6          | 29.6               |
|       | Yes            | 205       | 60.1    | 60.1          | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) a) iv) Coaching or mentoring**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 118       | 34.6    | 34.6          | 34.6               |
|       | Yes            | 188       | 55.1    | 55.1          | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) a) v) Using a learning package themselves**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 255       | 74.8    | 74.8          | 74.8               |
|       | Yes            | 51        | 15.0    | 15.0          | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) a) vi) Other training at their desk or work station**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 183       | 53.7    | 53.7          | 53.7               |
|       | Yes            | 123       | 36.1    | 36.1          | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) a) vii) Other training away from their desk or work station**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 194       | 56.9    | 56.9          | 56.9               |
|       | Yes            | 112       | 32.8    | 32.8          | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) a) viii) Other activity**

|       |                | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | No             | 289       | 84.8    | 84.8          | 84.8               |
|       | Yes            | 17        | 5.0     | 5.0           | 89.7               |
|       | Not applicable | 35        | 10.3    | 10.3          | 100.0              |
|       | Total          | 341       | 100.0   | 100.0         |                    |

**14) b) Greatest contribution to improving performance**

|                                | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------------|-----------|---------|---------------|--------------------|
| Valid none selected            | 18        | 5.3     | 5.3           | 5.3                |
| learned by doing job           | 86        | 25.2    | 25.2          | 30.5               |
| discussions with their manager | 37        | 10.9    | 10.9          | 41.3               |
| observing other employees      | 44        | 12.9    | 12.9          | 54.3               |
| coaching or mentoring          | 41        | 12.0    | 12.0          | 66.3               |
| using a learning package       | 3         | .9      | .9            | 67.2               |
| other training at desk         | 5         | 1.5     | 1.5           | 68.6               |
| other training away from desk  | 10        | 2.9     | 2.9           | 71.6               |
| other                          | 3         | .9      | .9            | 72.4               |
| not coded - multicoded         | 86        | 25.2    | 25.2          | 97.7               |
| Not applicable                 | 8         | 2.3     | 2.3           | 100.0              |
| Total                          | 341       | 100.0   | 100.0         |                    |

**16) Will (future changes at Q.15) mean changes to what you do or how you do it?**

|                             | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------------------|-----------|---------|---------------|--------------------|
| Valid No                    | 59        | 17.3    | 17.3          | 17.3               |
| Yes                         | 203       | 59.5    | 59.5          | 76.8               |
| Not answered/not applicable | 79        | 23.2    | 23.2          | 100.0              |
| Total                       | 341       | 100.0   | 100.0         |                    |

## APPENDIX 3

# ANALYSES OF DIFFERENCES BY SIZE, SECTOR AND PRESENCE OF FORMAL APPRAISAL SYSTEMS

| variable   | appraisal system | size  | sector |
|--|------------------|-------|--------|
| Getting more sales                                   |                  |       |        |
| Looking after customers                              |                  |       |        |
| Set the business direction & controls                | 0.000            | 0.000 |        |
| Getting premises, equipment, materials               |                  |       | 0.039  |
| Getting the most from IT                             |                  |       |        |
| Getting the most from money                          | 0.000            | 0.026 |        |
| Delegating and managing my time                      | 0.000            |       |        |
| Getting more from people                             | 0.000            | 0.015 |        |
| Ensuring health and safety                           | 0.001            | 0.011 | 0.012  |
| Reviewing and improving the business                 | 0.000            | 0.046 |        |
| Getting better by practice                           |                  |       |        |
| Discovering what does & doesn't work                 |                  |       |        |
| Reviewing what I did & thinking about, etc.          |                  |       | 0.010  |
| Learning from other people running a business        |                  |       |        |
| Business mentoring or coaching                       |                  |       |        |
| Training from suppliers or customers                 |                  |       | 0.049  |
| Other training whilst at my desk                     |                  |       |        |
| Other training away from my desk                     | 0.025            |       |        |
| Advice from people in the business                   |                  |       |        |
| Help from accountant/ bank manager                   |                  |       | 0.025  |
| Help from an advice agency                           |                  | 0.028 |        |
| Other professional help or advice                    |                  |       |        |
| Networking at business events                        |                  |       | 0.000  |
| Learning & development not a high priority           | 0.026            |       |        |
| Time the biggest constraint on personal dev't        |                  |       |        |
| Training & dev't sessions in evening/ weekend        | 0.002            | 0.031 |        |
| Learn a lot from experience of other businesses      |                  |       | 0.025  |
| Agencies promote programmes not relevant etc.        | 0.003            |       |        |
| More effective learning by solving problems          |                  |       |        |
| I prefer learning-by-doing to 'chalk and talk'       |                  |       |        |
| I would do more self-dev't if activities 'bite-size' |                  |       |        |
| I would find it difficult to use computer-based, etc |                  |       |        |



The table reports results that are significant at the 5% level or more using a chi-square test. All other results are omitted from the table.

Non-respondents to each question are omitted from the analysis.

Figures in italics should be treated with caution as expected values were below the minimum required in some cells.

Size is a dichotomised variable based on number of employees, 0 to 10 and 11 or more.

Sector is a three category variable where the sectors are: agriculture, manufacturing & construction; distribution, transport & hospitality; business & financial services, education & health.

The size, sector and appraisal variable are themselves associated. Manufacturing, etc. has the lowest proportion of micro businesses and these businesses are less likely to have appraisal systems. The business and other service sector establishments are most likely to have appraisal systems.

**NOTES**

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# ABOUT THE FSB

The Federation of Small Businesses (FSB) is the UK's largest lobby organisation representing the self-employed and owners of small businesses. Founded in 1974, it now has over 185,000 members across all industries, trades and services. It is a non-party political lobby group that exists to promote and protect the interests of all those who own and manage their own businesses.

FSB members together employ 1.25 million people and turnover £10 billion a year.



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