

## EDITORIAL

### Learning in SMEs

Heather Short

*Faculty of Business and Law, University of Portsmouth, Portsmouth, UK*

This Special Issue of Human Resource Development International (HRDI) is devoted to Learning in Small and Medium Enterprises (SMEs). Having set up a stream for this vital, but often ignored, area at the University Forum for Human Resource Development (UFHRD) Conference in 2017, I was delighted when then HRDI Editor, Professor Carole Elliott, asked me if I would guest-edit this Special Issue – and even more delighted when Professor David Gray (University of Greenwich) accepted my invitation to be my co-guest-editor. David and I agreed that this would continue the work which we started with our Human Resource Development Quarterly editorial (Short and Gray 2018) which called for more research into Learning in SMEs – and wider dissemination of such research. Unfortunately, David's illness and subsequent untimely death curtailed much of his work on this Special Issue, but his guiding hand in the early days was invaluable and therefore this Special Issue is dedicated to his memory, as is the Learning in SMEs stream at UFHRD, which was made into a standing stream in his honour this year. Consequently, although I have written this editorial, I frequently use the word 'we' to indicate that I believe this editorial is written very much as David intended.

### Learning

The title of this Special Issue is very important, with the word 'Learning' having been deliberately chosen to reflect the language actually *used* in SMEs. The term 'Human Resource Development (HRD)' may have emerged in academia in the USA and UK in the 1980's (Cho and Zachmeier 2015) but mention it in an SME and it is likely to be met with blank stares (Sambrook and Stewart 2005). The terms 'learning' and 'training' are more commonly used, although Kitching (2007) differentiates between '*what employers do (provide training)*' and '*What employees do (learn)*'. We were keen that this Special Issue should encompass the view of employees as far as possible as so much research and literature in the SME arena only considers the employers' perspectives (Higgins, Mirza, and Drozynska 2013; Susomrith and Coetzer 2015) and therefore we agreed that learning would be the key word throughout. This decision was reinforced by Stabile and Ritchie's (2013) discussion of training as a one-dimensional, often low-level, task concerning a specific skill or behaviour while learning is a multi-dimensional approach which seeks to develop an individual and/or to solve a problem which may result in a persistent change in behaviour and increased skill levels, perhaps through physical transformation in the brain or self-directed development. Although many definitions of learning exist, the one we used is that it is a '*responsive, rhetorical and argumentative process that has its origins in relationships with others*' (Holman, Pavlica, and Thorpe 1997, 143). This acknowledges the socially interactive aspects of learning while allowing it to be contextual, both of which are very important when considering SMEs. It also draws on Kolb's Theory of Experiential Learning, considering

social constructionist and activity theory perspectives, particularly social, historical and cultural aspects of self, thinking and action, and Kolb's view of learning as '*the process whereby knowledge is created through the transformation of experience*' (1984, 38).

## SMEs

It is also important to note the complexity of the term 'SME' as even the definition of this varies between countries. The definition used in Europe and some other countries is given in [Table 1](#). However, elsewhere, including in the USA, the definition is even broader (USA Census Bureau 2012), encompassing organizations with up to 500 employees, which further adds to this complexity. These very broad definitions indicate that SMEs should not be regarded as a homogenous group. Factors such as the skills and infrastructure necessary to develop and support suitable learning environments will probably be very different in a micro-SME, with less than ten employees, to such requirements in a mid-sized (European) SME, with between 100–150 employees, and different again in a Medium Enterprise with nearly 250 employees (Attwell 2003; CIPD 2015) – and especially so in a USA SME with potentially 499 employees! However, it is important to consider not just an SME's size, but other issues which could influence such an organization's approach to learning such as its sector/industry, its maturity as an organization and whether or not it has a Human Resources (HR) manager/department. Also important are the owner-manager's vision for the business and his/her desire for it to grow, both of which are likely to change as time progresses and as the SME grows and moves through different organizational stages (Chartered Institute for Personnel and Development (CIPD) 2015; Innes and Wiesner 2012; Saunders, Gray, and Goregaokar 2014). Consequently, this Special Issue examines Learning in SMEs in context, noting such features as the organization's size, structure and maturity.

## Coverage of learning in SMEs

Having established the parameters for this Special Issue, we looked back over all previous issues of *HRDI* and were disappointed to find only 20 articles which appeared to specifically examine SMEs, with no such inclusions before 2001 or after 2015 and most of the relevant articles being published between 2006 (a bumper year with five such offerings!) and 2010. This comparative lack of reported research into learning in SMEs is not limited to *HRDI*, but extends across relevant academic journals (Nolan and Garavan 2016; Short and Gray 2018). Consequently we re-examined *why* this issue should focus on SMEs, especially as, during the time of this dearth of journal literature about SMEs, there has been an increase in organizational learning (Higgins and Aspinall 2011; Laperrière and Spence 2015). We were unsurprised to learn that SMEs still play a vital part in economies throughout the world. They comprise approximately 99% of all businesses, provide over

**Table 1.** European definitions of medium-sized, small and micro SMEs (EC, 2014).

Company category	Employees	Turnover or Balance sheet total	
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 2 m

50% of employment and can generate around 50% of national turnover (European Commission 2019; Federation of Small Businesses 2019; USA Census Bureau 2012).

### Large organizations versus SMEs

One interpretation of this lack of reported research into learning in SMEs could be that this is due to there being little such learning. Having previously established that this is not the case (Short and Gray 2018), we reminded ourselves of why learning in SMEs is so under-reported . . . An easy conclusion to reach is that large organizations may appear to be more attractive to researchers; certainly they are generally easier to identify, often have more information in the public domain and are probably easier to persuade to allow research to take place (Egan, Yang, and Bartlett 2004; Watkins and Marsick 1993). Although it is true that SMEs *'generally have different circumstances and competences from those of larger companies'* (Jansson et al. 2017, 70), researching in them can give very rich results (Short and Greener 2014) as this Special Issue aims to show. Those differences lead to different approaches to learning being used in SMEs; scaled-down versions of large organizations' methods are unlikely to be a good fit for an enterprise where informal and social learning dominate (Anderson and Boocock 2002; Hill 2004). Consequently using the, often quantitative, methods employed when researching HRD in large organizations to research learning in SMEs is unlikely to unearth many insights (Rigg and Trehan 2002; Nolan and Garavan 2016); researchers need to investigate very carefully the most suitable methods for researching learning in SMEs before undertaking such research (Nolan and Garavan 2011, 2016).

### Hidden learning in SMEs

The necessity of using suitable language when researching in SMEs has already been discussed above, but there is a further complexity as, due to their lack of homogeneity, individual SMEs often have their own language and customs (Devins and Gold 2002) which can hinder any research into their behaviour. Additionally, the perceived lack of learning in SMEs may also arise from the inherent nature of SMEs which may *hide* such learning as much learning in SMEs is socially situated (Devins and Gold 2002) and appears to take place as part of their everyday, operational business. This led Wenger (1998, 8), while researching SMEs as Communities of Practice, to observe that *'learning is an integral part of our everyday lives'*. SMEs are also typically seen as informal organizations (Roy 2009) which is reflected in their learning, although employees often seem to consider that *'only formal training is "real" training'* (Coetzer and Perry 2008, 649). Consequently, the ubiquity and on-going nature of learning in SMEs can result in it being overlooked (Geldenhuis and Cilliers 2012; Higgins and Aspinall 2011; Van Woerkom and Poell 2010).

### Overview of this special issue

A conclusion to this could be that researching Learning in SMEs is not for the faint-hearted and therefore we were delighted to see a significant response to our Call for Papers which has resulted in the six excellent papers herein. These not only cover a variety of topics, use various methodologies and are sited in different industries and

geographic areas ranging from China (Mustafa, Elliott, and Zhou 2019) to Thailand (Lawless et al. 2019), Hungary (Csillag et al. 2019), the Republic of Ireland (Nolan and Garavan 2019) and Scotland (Cunningham and McGuire 2019), but they also consider some little explored aspects of owner-managers (e.g. Coetzer, Wallo, and Kock 2019), as well as the perspectives of employees.

Although, as already observed, much SME research has primarily considered the perspective of the owner-manager, little of this has involved the owner-manager as *facilitating* employee learning; happily Coetzer et al.'s *The Owner-Manager's Role as a Facilitator of Informal Learning in Small Businesses* addresses this gap through their narrative review of previous literature. Concentrating on small SMEs (with 10–49 employees), this explores how owner-managers can enable their employees' learning, drawing upon situated learning theory. The resultant conceptual framework, which considers both direct and indirect interventions and the resultant outcomes for both individual employees and the organization as a whole, usefully sets the scene for more research in this area.

There is little published research into Learning in SMEs in Hungary and so Csillag et al. (2019) *What makes small beautiful? Learning and development in small firms* is a much-needed exploration of this. Also focussing on small SMEs (with 10–49 employees), this adopts a qualitative approach through the use of semi-structured interviews with owner-managers in a variety of industries. This found that not only were the SMEs innovative in their approach to learning, but also that more *formal* learning was undertaken than existing literature suggests, although this was combined with informal approaches. Significantly this research echoed Coetzer et al.'s (2019) assertion that owner-managers should not be seen as inhibiting their employees' learning, rather that they could be viewed as teachers or active encouragers of such learning, for example through the use of external networks.

Nolan and Garavan (2019) continue this exploration of the use of networks, both internal and external, by owner-managers to facilitate learning in their organizations in their paper *External and internal networks and access to HRD resources in small professional service firms*. Their case-study research in three small professional service firms in the Republic of Ireland is rooted in resource dependency and network theories. It includes a review of organizational documentation, some observations and semi-structured interviews, initially with the three owner-managers and seventeen employees and then nine follow-up ones. The inclusion of employees in the research appears to have added greatly to the research, finding that the use of networks allowed the learning to be both flexible and dynamic and again employed a mixture of formal and informal learning while allowing the needs of both the organization and its employees to be met. The issue of formal versus informal learning is further explored in Mustafa et al. (2019) *Succession in Chinese family-SMEs: a gendered analysis of successor learning and development*. Drawing on a theoretical basis rooted in social roles and situated learning, qualitative semi-structured interviews in two family-run SMEs in China explore the gendering of successor learning and development. Through such interviews with combinations of male/female successors and male/female non-successors and case-study evidence, a strong preference for informal learning becomes apparent. Additionally, both socialization and experience, and relational learning and development emerge as important successor learning and development strategies which are influenced by the gender biases of both founder/owners and family members.

Cunningham and McGuire (2019) *Business support and training in minority-ethnic, family-run firms: the case of SMEs in Scotland* also explores family-run SMEs, this time minority-ethnic ones in Scotland, comprising three micro ones, two small and one medium business. The qualitative approach includes six interviews with senior figures, all family members, from such SMEs and eight interviews with representatives from organizations which provide training and support to minority-ethnic businesses. Yet again the issues of formality/informality and the need for socialization in their learning emerges with the SMEs showing little enthusiasm for the generalised, formal courses offered to them and the training providers exhibiting scant understanding of the SMEs' learning and support requirements which are contextualized in their social surroundings. Finally, Lawless et al. (2019) *Talk about Talent; Underlying Philosophies on Talent in Thai SMEs* investigates the rarely explored area of talent management in SMEs, as well as being one of the few studies to focus on learning in SMEs in Thailand. It achieves this through qualitative interviews with fifteen key decision-makers from three award-winning SMEs, drawing upon Lave and Wenger (1991) Communities of Practice theory. It then uses discursive analysis to reveal issues such as the tension between family expectations and beliefs that talents are promotable, again highlighting the importance of family in many SMEs.

### In conclusion

Several commonalities emerge from these articles. Firstly, there are the inconsistencies found in the preferences for informal and formal learning which may, partly at least, be explained by SMEs' lack of homogeneity. Additionally, the social requirements of SME learning are apparent, not just in the family-run businesses, but also, for example, through the use of networks. The appropriateness of qualitative research in the context of SME learning is apparent throughout this Special Issue through the richness of the data and the subsequent depth of the findings. Although the articles are predominantly focussed on small SMEs, hopefully this will encourage more research into SMEs of all sizes. I optimistically anticipate that this Special Issue will lead to a growth both in research into Learning in SMEs and in its subsequent reporting in academic journals; David and I aimed to make this Special Issue inspire much more such research and so I look forward to reading more about Learning in SMEs in 'normal' issues of HRDI!

Finally, I would like to thank all the authors and referees who have contributed to this Special Issue and particularly former Editor Carole Elliott, current Editor Jessica Li, Associate Editor Rajashi Ghosh and Managing Editor Debbie Hrubec for all their help and support in preparing it. I hope that David would have been as proud of this Special Issue as I am.

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