The practice of employee learning in SME workplaces:
A micro view from the life-cycle perspective
Abstract

Purpose: This study explores how employees in small and medium-sized enterprises (SMEs) practise and view workplace learning at three different life-cycle stages.

Design/methodology/approach: It is a qualitative study using a sample of 30 Hong Kong SMEs classified into inception, high-growth or maturity stage, from which firms in each stage were randomly selected and interviewed until data saturation was reached. Snowball sampling was adopted during interviews and data were examined through thematic analysis.

Findings: Consistent themes (patterns) from 134 semi-structured interviews are identified, addressing both similarities and differences in the nature of the practice of workplace learning in SMEs between life-cycle stages.

Research limitations/implications: More similar comparative studies in other parts of the world, including quantitative surveys on larger samples, with either SMEs or multinational corporations (MNCs), are encouraged to enrich the current findings.

Practical implications: If organisational growth is a priority, SME owner/managers should support employees’ work and learning in a timely fashion. As the study finds, individual learning and inter-organisational learning are considered “a must to have” for employees, regardless of which stage the firm is at. When an SME enters high-growth, however, more opportunities for group learning are particularly beneficial. For mature SMEs, it is essential for learning to move towards systemisation and include a professional development component to meet employees’ career expectations, not just their work demands.

Originality/value: The results advance the body of knowledge in SME learning from the life-cycle perspective. As one of the first studies in bridging these areas, it brings new implications to academic researchers and SME practitioners.

Keywords: employee learning, HRD, learning levels, organisational life cycle, SMEs, workplace learning

Article Classification: Research paper

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Introduction

In competitive markets, organisations strive to deploy their available resources and capabilities effectively to promote growth, including employees as knowledge workers (Ruzzier et al., 2006) and the development of strategic human capital (Liu et al., 2014). Human resource development (HRD) has been discussed as a corporate-wide solution that helps form a competitive organisation, but small and medium-sized enterprises (SMEs) are seen to cope with competition differently due to their resource constraints and management priorities (Matthews, 2007; Della Corte et al., 2013).

Logically, as a firm grows, its resources and capabilities develop, and so the practice of workplace learning should also advance in terms of structure and delivery. However, for SMEs which often rely on informal learning (e.g. Mazzarol, 2003; Ellinger and Cseh, 2007; Saru, 2007; Marsick, 2009), their learning practices – whether they develop with growth or not – are still under-researched. Among very few previous studies, Rutherford et al.’s (2003), Jones’s (2004), and Kotey and Sheridan’s (2004) may be the closest references, which compare human resource management (HRM) practices (including training) in SMEs between growth stages. Rutherford et al. (2003) discuss how SMEs’ training, compensation and recruitment problems vary over four stages (no-growth, low-growth, moderate-growth and high-growth). Jones (2004) points to studying the differences in managers’ qualifications and training provisions (methods, fields and providers) across low, moderate and high-growth SMEs. Kotey and Sheridan (2004) consider how HRM practices (recruitment, training methods, performance appraisal, and HRM documentation) of small firms change with firm size (classified as micro, small or medium firms). These three studies establish a connection between HRM and SME growth through quantitative means. While the training side of the firm had been taken into consideration, the learning side of the employee is not yet explored and deeper insights have not been accessed using qualitative research methods.

Therefore, this study aims at comparing employees’ learning practices in various stages of SME development through in-depth interviews to understand the nature of their workplace learning. The training-learning dynamic interacts in any workplace. The significance of the study is that workplace learning strategies – if SME owner/managers support them appropriately – contribute to future firm growth, competitiveness, and sustainability (Gubbins and Garavan, 2009; Smith, 2012), and SMEs play a key role in most economies given their high percentage of business presence (Gasiorowski-Denis, 2015).
HRD and learning from the SME perspective

How do SME employees learn in the workplace? Is the HRD function present in the structure of SMEs? In the literature, much of what is known empirically about HRD comes from the studies of large organisations (e.g. Neupert et al., 2005; Shen and Darby, 2006; Zheng et al., 2007; McGraw and Peretz, 2011; McGraw, 2014). However, SMEs face similar environmental factors as their large counterparts, and they also have to strive for survival and growth by continuous learning – regardless of their ways of practice – where the bottom line is that employee development is what it takes to stay in the business, not only to stay competitive (Brinkerhoff and Apking, 2001; Doyle, 2003). The contemporary view of employees is that they are valued assets in a firm; no matter what roles they are taking at work, they are contributing their own share of knowledge, job skills and performance into organisational productivity, like the mechanics of building blocks, every employee counts (Drucker, 1999b; Lee, 2003). In such organisational contexts, productive knowledge, normally of explicit and/or tacit types, is acquired and shared through HRD efforts (Brown et al., 1993; Raelin, 2000).

The nature of HRD in SMEs has long been regarded as ad-hoc and informal without much of a pre-defined system (Birdthistle, 2006; NCVER, 2009). In other words, SMEs do not put themselves in long-term, proactive, or formal job/staff planning, but often concentrate on short-term, reactive, or incentive-based solutions (Bartram, 2005). These typical characteristics are attributed to SMEs’ relatively simpler organisational structure, fewer internal resources (people, time, and/or funds), and stronger desperation for “task efficiency” or “a quick fix” in action (Hoque and Bacon, 2006).

SMEs appreciate informal HRD activities that are simply centred on employees who learn and develop while working. That is why action learning (Clarke et al., 2006) or work-integrated learning (Panagiotakopoulos, 2011) has been popular in SMEs, and it is not uncommon that SMEs do not even have dedicated HRD personnel (Boyadjieva and Petkova, 2005). Recent research claims that SMEs show a strong preference to informal HRD/learning as it helps to cultivate innovative activities in the workplace (Saunders et al., 2014; Sheehan et al., 2014). Using a variety of innovation is SMEs’ survival strategy in business (Baregheh et al., 2012), including their practice for “open innovation” to boost flexibility and sustainability (Wynarczyk, 2013).

As indicated, informal and incidental learning are common in SME workplaces. Although informal and incidental learning is seen as formal learning’s “poor cousin” because
of its causality by nature and weaker assessment mechanisms in the learning process (Golding et al., 2009), it is far more economical, practical, relevant and timely to tackle job issues, and meets the learner’s needs directly (Ellinger, 2005; Ellinger and Cseh, 2007; Marsick, 2009). As Matlay (2000, p. 207) points out, “it appears that in micro- and small businesses most work-based learning is incidental and it occurs sporadically throughout routine daily tasks.” In other words, informal and incidental learning is learner-centred and geared very much towards the dimension of experience (hands-on), reflection (understanding) and result (performance) in the learner, which makes it naturally preferable in SMEs where systematic learning solutions are rare (Marsick and Watkins, 2001; NCVER, 2009). In addition, workplace learning is regarded as a matter of fit and function in SMEs between their available resources and organisational purposes for improving firm productivity and competitiveness (The Conference Board of Canada, 2009). One result is that learning practices in SMEs are highly varied (CIPD, 2008).

It is evident, however, that the formulation of informal learning is becoming more strategic, being related to company objectives, structure/systems/processes, and members’ KSAs (knowledge, skills and abilities) (Marsick, 2006). As such, Marsick (2006) connects the model of informal and incidental learning with single and double-loop learning developed by Argyris and Schön (1978, 1996) to discuss strategic learning and the nature of organisational learning in the workplace. Although Marsick’s (2006) discussion is not specific to SMEs, it has implications for SMEs since these firms are using informal and incidental learning in a strategic manner that is often situational, contextual, and bounded to their business survival objectives (The Conference Board of Canada, 2009). In this context, Jones and Macpherson (2006) study the dynamics of organisational learning in SMEs using Crossan et al.’s (1999) framework and propose four levels of learning that SMEs are involved in their workplaces – individual, group, organisational and inter-organisational. The current research takes these learning levels as a guide.

**Organisational life cycle (OLC)**

SMEs are serious about strategic renewal to safeguard their market niche and long-term growth by learning and responding flexibly to their business environments (Graham and Nafukho, 2007; Coetzer and Perry, 2008). The external environment (such as their industry sector and the scale of their business networks) and the internal environment (such as their in-house systems, support resources, and learning climate) are among the changing factors that give rise to an inquiry about how these impact on the practice of employee learning. In this
context, the organisational life cycle (OLC) is the term that characterises how a firm may evolve and what specific requirements or problems should come along at each stage so that the firm can position itself better through strategic formulation. The concept therefore provides relevant insights for this study.

According to the OLC theory, organisations experience progressive changes in, for example, firm size, structures, resources, functional processes and management priorities as they develop over time (e.g. Greiner, 1972, 1998; Smith et al., 1985; Gupta and Chin, 1993), including SMEs (e.g. Churchill and Lewis, 1983; Kazanjian, 1988; Mitra and Pingali, 1999; Shim et al., 2000). However, there are a variety of OLC models which are either theoretical or empirical in nature (Phelps et al., 2007). The literature has only been in existence for some sixty years, but it comes with many different descriptions of OLC models ranging from 3 to 10 stages (Rutherford et al., 2003), or between linear (stages) and non-linear (states) (Phelps et al., 2007). Even so, this study argues that it is still the case that firms will experience changing external and internal factors in the course of development, regardless of how many stages (or states) of a model may be proposed.

That being said, using representative stages has been adopted in previous studies (e.g., Smith et al., 1985; Dodge and Robbins, 1992; Moy and Luk, 2003; Rutherford et al., 2003; Masurel and van Montfort, 2006). This study takes the same approach to examine the employee learning characteristics in SMEs across three generic stages (inception, high-growth, and maturity) developed and empirically tested by Smith et al. (1985) and Born (2000).

**Setting the scene**

The purpose of this study is to explore and compare how SME employees practise and view learning at work between inception, high-growth and maturity of the firm. A relevant conceptual framework and research questions are developed as follows:

**The conceptual framework**

The study borrows the four learning levels of SMEs as specified by Jones and Macpherson (2006) and the three life-cycle stages as suggested by Smith et al. (1985). It is predicted that the levels of learning and the choices of learning practices can vary in SMEs at different life-cycle stages due to different stage characteristics/constraints such as organisational resources, management priorities, operational structure and technical support in the firm (e.g. Smith et al., 1985; Kazanjian, 1988; Moy and Luk, 2003). Little is known about this connection. Figure 1 illustrates the context of the conceptual framework.
Research questions of the study

Specifically the study seeks to understand what learning practices SME employees select for self development at certain point in time (a life-cycle stage), why it is the case, and how these practices, if continuously used, evolve over time. Three research questions (RQs) were therefore crafted:

RQ-1. What characterises employees’ practice of learning in SMEs at different life-cycle stages?

The nature of employee learning is studied across the OLC.

RQ-2. Why do employees’ learning practices occur at different life-cycle stages?

The question examines the workplace conditions (such as management issues, business problems, strategic objectives, resource allocations, and employee expectations) faced by SMEs at different life-cycle stages. The answers link the OLC theory to explain the characteristics of employee learning in SMEs that may be in common across stages, or that may just be typical for a particular stage.

RQ-3. How does SME learning develop as the firm grows through the life-cycle stages?

Based on the OLC theory, a firm should develop and become more structured in its operations as it moves from high-growth and beyond (Smith et al., 1985; Kazanjian, 1988). As such, the practice of employee learning may also move to be more formalized as an SME develops. The question hopes to shed light on the dynamic scenario of SME learning in connection with organisational life cycle.

Methodology

The methodology uses a multiple cases/holistic design through semi-structured interviews (Yin, 2003; Gray, 2014). The study used a single, holistic unit of analysis (workplace learning practices) and replicated the findings over multiple cases (SMEs within each life-cycle stage) for comparison until common patterns could be found. In an SME, interviewing with employees continued through snowball sampling until data saturation was reached (before moving to the next SME) (Patton, 2002; Teddlie and Yu, 2007). As the study involved three different life-cycle stages, this iterative sampling approach was repeated at each stage.

Sample frame

The study consisted of two distinct phases. Phase I classified a sample of SMEs into three different life-cycle stages (inception, high-growth, or maturity), and then Phase II
explored employees’ learning practices at each stage. The target population was a non-probability quota sample of SMEs in Hong Kong. SMEs are defined as “those manufacturing businesses in Hong Kong employing fewer than 100 people, or non-manufacturing businesses with fewer than 50” (Hong Kong Yearbook, 2010, p. 106). The sample was identified based on a condition that the researchers knew a full-time employee working in each firm. To help the representativeness, the distribution (quota) of SMEs in the sample was carefully checked to ensure that it resembled the actual distribution of SMEs in Hong Kong in terms of the percentage for each sector.

Thirty suitable SMEs were initially identified (out of nearly 100 contacts), and more firms could be added if the number of firms classified into each stage was not comparable. The sample size was deemed appropriate under theoretical sampling in Phase I and snowballing design in Phase II (Mason, 2002). In an SME, all the employees – managerial or non-managerial – could be the informants of this study.

Procedure and instruments

Phase I determined the life-cycle stage for each SME in the sample by using a self-declaring OLC questionnaire which was built upon Smith et al.’s (1985) life-cycle stage descriptions and similarly adopted by Born (2000). It was pilot-tested in five SMEs before use for this study. The questionnaire had nine questions covering Smith et al.’s (1985) OLC factors which are (1) organisational structure, (2) decision making structure, (3) centralisation of authority, (4) communication style, (5) formalisation of reward system, (6) adherence to the reward system, (7) use of formal operating budgets, (8) planning, and (9) major decision making. Each choice of answer is associated with a numeric point (1, 2 or 3) for statistical analysis. The last (tenth) question is a self-select or counter-check question to ask the respondents to choose which life-cycle stage that they think their SME should be at. This question becomes necessary in case the analysis failed to identify three distinct stages from the data set.

Phase II conducted semi-structured interviews with SME employees about their workplace learning practices. Each interview lasted for 75 minutes in a one-on-one setting. All the interviews followed the same question schedule but appropriate probing questions were posed to supplement it. English was used, and dialogues were audio-recorded. An interviewee would refer the next interviewee for subsequent interviews within the firm until the researcher found the data consistent (i.e. repeating information/responses were detected). This snowball sampling approach can improve the reliability of findings about the learning practices in the firm since it is out of the researcher’s subjective preference for a certain
outcome. The approach was repeated in as many other SMEs as needed at each life-cycle stage until data saturation was confirmed (repeating data). The interview questions were piloted for improvements by ten SME employees before use to ensure that the scope of inquiry was satisfied. Table 1 provides the list of the major interview questions:

[Insert Table 1 here]

Results

In Phase I, a k-means cluster analysis was conducted to partition the responses of all the nine OLC questions from the 30 SMEs. Three distinct clusters resulted from the data set. The researchers then computed the frequencies of those answers for Q.10, which asked the respondents to claim their current life-cycle stage. It was confirmed that the output from Q.10 was the same as that of the k-means cluster analysis, drawing a conclusion that 11 SMEs were at inception, 10 SMEs at high-growth, and 9 SMEs at maturity. As the number of SMEs was comparable between stages, no additional SMEs were required in the sample.

In Phase II, four SMEs at inception (labelled as i1, i4, i7 and i9), four SMEs at high-growth (hg2, hg4, hg5 and hg10), and four SMEs at maturity (m1, m6, m8 and m9) were first randomly selected for semi-structured interviews. The total number of employees from these SMEs at inception, high-growth and maturity was 54, 114 and 164 respectively. As the data patterns appeared stable after interviewing them at each life-cycle stage, the researchers decided to end the whole interview exercise. In total, 134 interviews (22 at inception, 50 at high-growth, and 62 at maturity) were recorded.

Thematic analysis: In search of consistent themes from interviews

The researchers studied the raw interview data repeatedly and completed the coding process using thematic analysis (Braun and Clarke, 2006). Through an iterative effort, the data were categorised into arrays of emerging themes, from which similar kinds were synthesised carefully into consistent patterns for reporting. The labels of these themes (as shown in bold below) were developed by the researchers to best symbolise the meanings of the learning practices. As a result, the characteristics of employee learning in SMEs between life-cycle stages emerged. Below discusses the consistent themes that correspond to the respective research question of the study, along with representative quotes from interviews to aid understanding:
RQ-1. What characterises employees’ practice of learning in SMEs at different life-cycle stages?

Three themes are commonly applied to all SMEs (regardless of where the firm stands on the OLC) while two themes are unique to SMEs at high-growth and one at maturity.

In common (similarities) to all SMEs

Self-initiated. Many SME employees reported that they have to find learning opportunities by themselves in the workplace. Their firms do not consider delivering much training and development. If employees do not act proactively for learning, no learning will happen. An employee from i4 said:

“My learning practices are triggered from my work. I study what my work requires me to perform, and I go from there for knowledge that I need. My company will not tell me what I need in learning. I rely on self-learning from any available documentation on the job. Internet and colleagues are other learning sources.”

Non-structured. There are usually no ready learning programmes, but employees create their own kinds depending on what they can gain access to in the workplace. Learning practices tend to be ad-hoc, individual, interpersonal, and of no boundary. It was interesting to note that inter-organisational learning (such as from friends in other sectors, former colleagues in other SMEs, business partners, etc.) is actively performed across life-cycle stages. For example, an employee from i9 shared:

“The first practice in my mind is asking around my colleagues until I have my answer. I read and I talk in the workplace, which basically form most of my learning practices. If the learning scope involves work with business partners or customers, I simply talk to them, too. Here we like to leverage resources from everybody…if a contact, a friend is believed to be helpful outside of the company, we will approach the person for the learning we need.”

Job-related. Most learning practices relate to the work. Employees learn what their jobs exactly require in terms of knowledge through what the job can offer by means of learning resources. Personal development (e.g., soft skills) is found to be rare. An assistant manager from m9 said:

“My priority is my work, and I have to make sure that I can do it well by understanding the ins and outs. I pick up what I need to learn in order to fulfil that. I have not thought about other learning such as soft skills advancement
because I have something else more critical to learn at work.”

SMEs at high-growth

**Team-driven.** There is an indication that more workplace learning takes place in the team context to leverage staff resources (knowledge and skills) and save time. Human capital remains a core asset of learning in this fast-paced environment, but learning is still not prepared and is often done as and when it is needed. While individual learning is strong, group learning is growing. More experiential sharing and group discussions among teammates are encouraged by their managers, who also lead the team learning experiences to tackle their project issues. The learning process may involve clients or business associates from other companies. A manager in hg5 said:

> “Each of us handles multiple projects at a time. We are busy enough not to learn at work, but it is not possible at all because this will risk a project to fail. Each team member must be productive and supportive at the same time. We must help each other to solve problems quickly, and so we had better learn together in one go.”

An employee in hg10 pointed out:

> “My team has regular meetings to share work progress and importantly to share problems and know-how for learning together. Our team leader or even our boss is there as well that makes such learning serious and valuable. We also work with clients as another channel of learning. The team practice is a great addition to my learning alone in this company.”

**Peer-affected.** Interviewees claimed that their learning burdens mostly come from the job demands where teamwork plays a part. Engaging in teamwork creates concerns about how productive oneself would be to the team (peers). Learning is not as important as delivery (individual contribution) in the team environment. Team members always feel their own pressure on individual performance, and have to “make” extra time (including after work) to catch up on learning in whatever ways they can as quickly as possible. For example, an employee from hg2 shared:

> “My workload is increasing so much in recent years since the property business is booming so well, as you know. Our boss is good at catching business at the right time. We receive more clients, more projects to serve. My job responsibility grows while I also feel my knowledge drops. I have to consider and maintain my competencies to work well with peers. I face learning
pressure but my company does not worry much. To be able to work in team, I cannot burden my colleagues without my share of contribution. In other words, it is everyone’s responsibility to keep learning to survive.”

SMEs at maturity

”More is fewer”. While most employees reported that their organisations are offering a choice of learning opportunities in the workplace, they find it difficult to take advantage of them due to their busy work life and time pressure. More learning choices can be redundant to them, as they still have to limit their learning practices to some quick approaches such as self-study, asking close/senior colleagues on the job, and/or learning from acquaintances in their business networks. For example, an employee in m1 said:

“I have to focus on work performance to make sure that it is good. My job security is based on it, frankly speaking. If I need learning, it must be done quickly, effectively and usefully. I don’t have time to attend training, although I do receive some emails for it from our HR.”

RQ-2. Why do employees’ learning practices occur at different life-cycle stages?

(A) Organisation-related factors

Three consistent themes drew the researchers’ attention, regardless of which life-cycle stage an SME belongs to.

Tight resources. SMEs voice a lack of resources to explain why they cannot adopt many learning practices. Lack of human resources and money are perpetual business challenges, which can never be easily accommodated. For example, the owner/manager in i4 said:

“There is a trade-off scenario in our company. If we gain something, we must let go something. As we have to put more resources in business which is our first priority, employee learning is set to be simple in approach.”

Efficiency and effectiveness. This is one of their core beliefs. SMEs expect fast results in developing employees, including new employees. Moreover, they focus very much on job-related knowledge and skills, which will contribute directly to their current business. Their workplace learning agenda seems to be mostly on short-term targets. For example, a manager in hg4 commented:

“When I was hired by the company, my boss treasured my experience and clientele for the same kind of job. Occasionally I ask him questions about my work, but I am not sure if it is considered as training – maybe just a quick
learning moment for know-how that I need at that time. Now I am involved in recruitment. We keep the same mindset and look for people with ready contributions. Even though some junior employees need development, we trust that they can learn from peers around them. It is faster, direct and relevant for work, which is what they want, too.”

**Competition.** This is a driving force – a force needing more varieties of learning practices in the workplace to help employees be competitive. However, their learning is affected by tight resources in the organisation, and their practices (despite given more choices) still commonly go to individual learning, group discussions, on-the-job training, and/or seeking quick help from relevant people. For example, a supervisor in m8 revealed:

"Our company has a variety of training and learning programmes. However, my manager does not allow many of us to attend because we are always short of people at work. In my case, I am the key person on the job and can only seek learning through self-reading, internet, or asking people around. I recall I failed to complete several workshops, as I left early when my company called me with something urgent. Other colleagues have similar situations."

(B) Employee-related factors

The study found that employees’ factors for workplace learning are rooted in its functionality. Three themes are commonly applied to all SMEs (regardless of where the firm stands on the OLC) while one theme is unique to SMEs at high-growth and one at maturity.

**In common (similarities) to all SMEs**

**Needs at work.** Most employees reported that they practise learning at work when there is a need. Workplace learning is highly appreciated in their view because it builds their confidence and job satisfaction. Although the choice of practices is limited, what they are doing are most practical and critical to fill their needs on the job. A programmer in i1 said:

"My job requires work experience to excel. I deal with software and new technology that keep changing. I work with other software houses to serve a single customer. If I have any uncertainty in my work, I must ask and learn from others until I do it right; otherwise, my work will affect the overall system for that customer. I feel workplace learning is important in my profession, so I always read and ask my colleagues for their experience to solve my needs."

**Just-in-time.** Many SME employees value quicker results from their learning practices. They see it very important because of the mixed job roles they play which are tedious and the time to complete multiple tasks which is short. A sales manager in i9 shared a typical example:
“I am in the sales team. However, I am also involved in production and even accounting work. My company has a number of hi-tech products. I think learning a particular one is already difficult since it is highly complicated equipment. Well, I need to sell more than one of them and be familiar with each so that I can explain to clients. I have to monitor the production of those accessories that go with each equipment I am selling. I also prepare monthly financial reports to the accounting team. Recently, my boss asked me to propose new products for some new markets in Hong Kong. Is it actually business development? Not sales! What I want to say is that along the way, I am very much challenged by new learning. I choose the quickest ways to learn. I need to learn fast. I need to cut short of my learning curve because of too many tasks to do at a single point in time.”

"Simple is nice”. Many employees are aware of the learning varieties, but they feel that their limited learning practices work pretty well to them. In their training and learning, colleagues are always “keener to teach” each other in the workplace – even though they know they are busy! Other practices may be “good-to-have”, but their current ones are effective. For example, an administrator in hg5 commented:

“I enjoy working in a small firm. The learning culture is great, and our bonding is close. Although we do not have rich resources in training and development like a big firm, I am able to learn what I need. No problem. Many colleagues are helpful, and many are my mentors."

**SMEs at high-growth**

**Networking.** SME employees at high-growth added that their learning practices at the group level such as work teams, group discussions and team coaching can foster closer relationships among colleagues. People become more outspoken and supportive at work. Networking grows beyond the office with business partners, customers and sometimes other business contacts. The situation will fill the organisation with more market intelligence, discovery and innovation, which is important at their stage due to competition. An employee in hg4 said:

“I find my company supportive because I feel I am not alone. Yes, I have my heavy workload, my own responsibility, but our team synergy is great. Many of us always discuss problems and solutions together, even over lunch and dinner. The atmosphere makes me more proactive and creative for my work, and I enjoy working with stakeholders inside and outside the company.”
SMEs at maturity

**Personal development.** A good number of SME employees at maturity shared that they are open for more learning opportunities which can develop their transferrable competencies such as soft skills and professional qualifications. This may be linked with the stage of their organisation. While the employees are satisfied with their current practices (simple is nice), they start considering their career advancement more seriously from the stable (or static in their opinion) workplace. It is a dilemma! For example, a manager in m8 pointed out:

“I start realising the fact that it is not easy for me to change a job or advance my career. My knowledge and business know-how are all about this company. I just have the working experience with it, not a competitive edge for the market. Look at the fresh graduates nowadays, who come with transferrable competencies and soft skills. These serve as a critical foundation for personal success. I welcome my company to support a variety of learning opportunities beyond job scope.”

**RQ-3. How does SME learning develop as the firm grows through the life-cycle stages?**

The study identified the following consistent themes across life-cycle stages. The pattern suggests that SME learning advances to a certain extent from inception, to high-growth, to maturity, but the progress is not fully developed.

**SMEs at inception**

**“Passive” resources.** Many employees claimed that the delivery of learning practices is all managed by themselves from seeking to learning. The support from their organisation is just the environment of available resources (e.g., people, documentation, and facilities) for them. This environment is “passive”; in other words, if an employee does not make use of it for their own learning, no learning is actually delivered. An employee in i7 said:

“I have to work with my learning needs and find the practices that can meet them within my company resources. Asking is important, not only on the subject matter but also where I can find it for further learning.”

**SMEs at high-growth**

**Strategic team learning.** SMEs at this stage support relatively more learning practices at the group level. Their approach is around leveraging people’s capabilities and innovation for the strategic benefits of their business. More managers act as team trainers in delivery. A senior manager in hg2 shared:
“Our market is fast, our competitors are smart, and we have to act fast and do right at the same time to capture the opportunities. Learning in the team setting serves well in that purpose. People are involved, knowing what the company is doing. Information is shared and abilities are leveraged, making our strategy formulation easier and faster. We learn from each other. We correct each other. Experienced staff is always a big plus in such activities, leading the business while guiding the juniors with hands-on.”

SMEs at maturity

Semi-systematic. SMEs at this stage are trying to systematise HR practices, but most practices are at an immature status. For example, they have dedicated personnel in training and development (often a part-time role or the staff’s secondary responsibility though), and employee learning is “practically” recognised and recorded in a system for formal appraisal use. It is seen that organisational support is framed to exist, but it is very much administrative. A systematic (or strategic) roadmap of offering a variety of learning programmes for developing different employees is weak or missing. A sales supervisor in m6 commented:

“We have a training and development person in back office. We also have an intranet for appraisal use, leave application or sharing office information. That person sometimes sends out email announcements about our in-house training. I think it is not enough... If I need learning at work, I still rely on my colleagues around by asking them, or I study some relevant materials myself. My point is that if training is discussed in my appraisal, my company should offer more training workshops that can be official, more different topics for our development, and they need to drive T&D more thoroughly.”

Discussion

The consistent themes (patterns) emerged from this study provide a more complete and micro view of employee learning during SME development that the literature has not discussed. Both similarities and differences of the themes identified contribute to a new paradigm of inquiry and/or evidence between SME learning and the OLC. Learning practices at the individual and inter-organisational levels are commonly observed in SMEs at inception, high-growth and maturity. Group learning stands out in high-growth SMEs while the organisational level of learning is increasingly noticeable in mature SMEs. Figure 2 synthesises the interview results on the basis of the conceptual framework.

[Insert Figure 2 here]
In addition, the overall findings lead to the following discussion that characterises the practice of employee learning in SMEs:

**Employees’ perceptions of the importance of learning practices**

The study finds that SME employees perceive the importance of learning practices (that are available to them) in terms of how well the practices can help their work and themselves. In other words, no matter what levels of learning practices (individual, group, organisational, and/or inter-organisational) may be available in the workplace, SME employees will still prioritise learning practices and make choices among them. Their learning practices are always individually driven or on the self-learning mode (even in the work team environment), importantly job-related, and readily available to save time.

These empirical observations about having different perceptions on the learning practices by SME employees can be supported by Illeris’s (2004) model of workplace learning, which stresses the close interaction between employees’ learning processes and their workplace conditions. Illeris (2004) believes that the outcomes (good or bad) of learning practices at work rely on the individual’s characteristics (e.g., personality, education, and work experience), the work situation (e.g., job types, workload, peer support, and career prospect), and the organisational culture. These factors are the change agents in the workplace that affect employees’ perceptions of the importance of learning practices to themselves at a given point in time – individually and practically. Illeris’s (2004) model of workplace learning is echoed by other studies that also point out the different employee perceptions on the learning practices’ effectiveness within the learning process (Fuller and Unwin, 2005), the changing work environment (Paloniemi, 2006), the workplace viewed as a learning environment or not (Coetzer, 2007), and the employees’ personal traits (Beitler and Mitlacher, 2007).

Therefore, as shown in our study, SME employees will judge/perceive the importance of learning practices individually, based on their personal needs, regardless of which life-cycle stage the firm is at. This study confirms new evidence that different life-cycle stages do not affect the high importance of individual learning in all SMEs.

**SMEs’ uses of learning practices**

SMEs have a varied nature in the use of learning practices – including within the same learning level. This holds true whether the SMEs are at the same life-cycle stage or they are at different stages. SMEs’ approaches to workplace learning are selective to necessarily align with their own business situations, available resources and time.
These findings support the literature. For example, workplace learning in SMEs can take many forms such as action learning, problem solving, coaching and mentoring, performance feedback, social interaction, networking, self-directed study, personal trial and error, and observation (e.g., Gibb, 1993; Marsick and Watkins, 2001; Conlon, 2004; Eraut, 2004; Clarke et al., 2006; Ellinger and Cseh, 2007). Their learning practices are so varied due to the diversity of the SME sector, the nature of business, the management style, and the organisational differences in terms of resources, capabilities and the learning culture (Mazzarol, 2003; Saru, 2007; CIPD, 2008). Moreover, SMEs seek shorter-term yet effective solutions in operating their business, including developing their employees (Birdthistle, 2006). It is quite normal that SMEs do not practise workplace learning in a systematic manner (Bartram, 2005; Coetzee, 2006).

What is new from this study is that inter-organisational learning is significantly popular (apart from individual learning) in SMEs across life-cycle stages. In addition, SMEs at high-growth appear to use more group learning than SMEs at other stages, while the organisational level of learning remains weak (if available) in all SMEs across stages. However, there is evidence to suggest that the organisational level of learning increases its importance and structure from inception, to high-growth, to maturity.

For inter-organisational learning, Matlay (2004) states that SMEs like to leverage business networks for learning purpose. Jones and Macpherson (2006) extend the 4I framework of organisational learning (Crossan et al., 1999) into a 5I framework by adding the inter-organisational level of learning for SMEs. Jones and Macpherson (2006) point out that given SMEs’ limited internal resources, these organisations are found to leverage external sources – such as other SMEs, government, suppliers, and customers – to facilitate their learning for strategic renewal and growth. The 5I framework claims that networking is a common practice in SMEs, which is their philosophy of doing business and learning in the marketplace.

The organisational life cycle (OLC) theory characterises that SMEs at high-growth will particularly leverage the power of team resources and capabilities in the workplace due to business demands and time pressure. The theory also justifies the scenario that SMEs do not easily consider the organisational level of learning until they can do it with enough capacity (e.g., resources, capabilities, infrastructure, and support) during firm development (e.g. Smith et al., 1985; Shim et al., 2000; Phelps et al., 2007).

This study shows that SMEs often face resource constraints, even when reaching the stage of maturity. Their organisational level of learning develops very slowly. Two common
explanations were heard from interviewees. First, SMEs use learning practices in a selective manner, which is subject to their firm capacity as well as how useful/effective they think the learning practices are to them for the business. This may explain why informal learning is most welcomed by SMEs since it is highly job-related, problem-based, and can take place easily at the “personal” level (i.e., with less resource commitments). Second, SMEs are forced to be sensitive to the environmental triggers (external or internal) for their survival. They normally go by a “just-in-time” or “just enough” learning philosophy, as their business strategies are very much about seeking growth or survival from the short-term perspectives, making employee learning sensibly more ad-hoc and unstructured.

Conclusions

SME employees perceive the importance of learning practices differently in the workplace. Their choices are strongly linked to how effective the practice will be for work or how convenient it is for them to practise at work. Likewise, SMEs opt to use learning practices differently due to their resource constraints, different workplace conditions, and varied business nature. As the study has identified, the dynamics of organisational life cycle will affect the practice and structure of workplace learning. The differential aspects of a relationship between SME learning and life-cycle stages provide a micro view of what is precisely important to employee learning as the firm grows. Both similarities and differences in the findings matter, and are associated with the long run well-being of an SME. The results advance the body of knowledge in SME learning from the life-cycle perspective. As one of the first studies in bridging these areas, it brings new implications to SME practitioners and academic researchers.

Practical implications

If growth is a priority, SME owner/managers should support employees’ work and learning in a timely fashion. The study provides the following practical implications:

1. The most common practices in SMEs fall into the individual level of workplace learning, regardless of which life-cycle stage the firm is at. As a SME owner/manager, he/she should drive more personal space in the workplace for employees to promote individual learning opportunities at all times.

2. SMEs at high-growth perform more practices at the group level of workplace learning than SMEs at other stages, as directed by business needs. At this stage, SME owner/managers need to facilitate a team culture and lead more group learning opportunities.
3. Employees undertake fewer learning practices at the organisational level because their workplaces do not have this level of learning or the organisational support is not sufficiently mature for its delivery. Given this weakness, SME owner/managers can still convert employee learning into a strength by developing/maximising what learning practices are always effective and preferred by their employees – such as individual learning. Focus on what is feasible yet powerful to benefit the firm. For SMEs at maturity, it is wise to include some sort of professional development programmes for employees to keep their morale at work and extend their future employability prospects.

4. SMEs favour the inter-organisational level of workplace learning due to work requirements and direct benefits, regardless of life-cycles stages. They are always open to leverage outside learning resources, for example, from customers, vendors and business partners. As a SME owner/manager, he/she should encourage employees to participate in more business-related activities that build networking at work or for work. Such exposure can facilitate learning from relevant channels.

**Limitations and future research**

Finally, limitations of the study and suggestions for future research are considered. First, the current findings are qualitative from a modest sample size. Quantitative surveys on larger samples of SMEs are encouraged to enrich the results. Second, the study is about Hong Kong SMEs. It will be important to examine SMEs in other locations because different cultural dimensions may bring in different perspectives about workplace learning. Third, in addition to SMEs, similar studies should be conducted in large organisations such as multinational corporations (MNCs) to compare the results for fuller understanding about the practice of employee learning across the OLC.
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Table 1. List of major interview questions

**RQ-1. What characterises employees’ practice of learning in SMEs at different life-cycle stages?**

1.1. How do you usually learn at work?
1.2. What are the learning approaches that your organisation is offering to the employees?

**RQ-2. Why do employees’ learning practices occur at different life-cycle stages?**

(A) Organisation-related factors:
2.1. Why does your organisation offer only those learning approaches that you have mentioned?
2.2. Why do you think your organisation cannot provide more approaches to workplace learning?
2.3. How has workplace learning practices changed (for better/worse) over the last two years in your organisation? Why has this happened?

(B) Employee-related factors:
2.4. How effective have these learning practices been? Are they helpful to your work?
2.5. How would your organisation do things differently in order to develop you or other employees better?
2.6. Why do you opt for only some approaches for your learning given the fact that there are more alternatives within your organisation?
2.7. What other learning practices do you expect at the moment?

**RQ-3. How does SME learning develop as the firm grows through the life-cycle stages?**

3.1. Would you describe how your approaches to learning are currently delivered?
3.2. Can you describe the procedures of how you request learning from your organisation?
3.3. What would you say in terms of management support when you need training for work? How would your organisation respond to that, and why?
3.4. What would you say in terms of organisational structure for delivering workplace learning in your organisation? Can you describe your in-house resources (facilities/personnel) for workplace learning?
3.5. Can you share how often your organisation promotes the practice of workplace learning?
3.6. What would you do when you need training in the workplace, but your organisation cannot offer?
Figure 1. Before research (conceptual framework) – the practice of employee learning in SME workplaces, adapted from Jones and Macpherson (2006) and Smith et al. (1985)
**Figure 2.** After research (results) – the micro view of employee learning in SMEs at different life-cycle stages (similarities and differences)