

A large, semi-transparent orange-tinted image of a woman's face, looking slightly to the right, serves as a background for the top half of the page. The image is partially obscured by a vertical orange bar on the left and a word cloud of terms related to the report's theme.

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tax lessons

How small business learnt about the goods and services tax

Lessons for vocational education and training

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Executive summary

Introduction

This report presents the findings of a research project on learning in and for small business. The recent experiences of small businesses' implementation of the goods and service tax (GST) and its associated business activity statement (BAS) were used to understand how small businesses can best develop the capacities to respond to new tasks and challenges. As the key means of determining how small businesses accomplished this task, case studies were developed. Semi-structured interviews were undertaken with thirty small businesses across two states. The small businesses represented a diversity of locations, sizes and specialties.

When considering how to understand the ways learning for small business might proceed, it was concluded that their recent experience of learning to implement the goods and service tax provided a unique opportunity to understand learning processes in small businesses for a number of reasons:

- ✧ This initiative required small business workers to develop an understanding of the new taxation system and the procedures required for its implementation.
- ✧ The initiative had to be adopted by all but the smallest of businesses. This provided a useful opportunity to understand how the different requirements of small business situations shaped how learning proceeded.
- ✧ All rich learning requires a great deal of effort and it has widely been reported that many small business operators and employees struggled to implement this initiative. Hence, the newness of the task and the requirements to be successful with its implementation were proposed as providing rich accounts of how learning proceeds in small businesses.
- ✧ A focus on a uniform task provides an opportunity to understand how the different requirements of small businesses shape their approaches to learning.

Finding an effective means for learning in small business constitutes a worthwhile, yet challenging project, and it remains central to government priorities. Those who work in small business seem to find the existing vocational education system less likely to meet their needs than those who work in larger enterprises. In addition, small business workers are less likely to have funds expended on their skill development by their employer than those who work in larger enterprises. However, small businesses in Australia, like their larger counterparts, need the capacity to respond to the changing demands and requirements of the workplace. It follows then that there are important economic as well as equity objectives to be secured in enhancing learning for small business.

Small businesses need to develop their capacities to be effective in competitive economic environments. Moreover, they are key sources of employment and economic activity in Australia, and their fortunes have a particular impact on the communities in which they are situated. Like larger enterprises, small businesses need to be able to adjust to changing demands for their goods and services.

Small business and vocational education and training

Recent research in Australia has shown that small businesses' participation in structured vocational education and training (VET) remains limited. Courses, particularly those currently taught through the national VET frameworks, have largely failed to attract the interest and participation of small business. It would appear that there is a mismatch between current VET policy and small business needs. In particular taught courses are considered to be:

- ✧ focussed on the needs of large enterprises
- ✧ based on national curriculum prescriptions rather than those relevant to small businesses
- ✧ delivered in ways often inconsistent with small enterprise needs
- ✧ based on market principles that fail to cater for small businesses.

Learning in and for small business

The research confirmed that small business operators learn mainly from other small businesses, networks, community groups, local affiliations, local experts and family members. Small business operators want advice and information that is based on familiarity with the enterprise and an understanding of the potential of the small business. Furthermore, the advice should be timely and pertinent and come from someone the small business operator trusts.

The central message of the research project is that, while short courses which develop specific kinds of skills are valuable and useful for small business operators, the VET sector needs to move beyond offering nationally accredited courses and adopt an approach that is facilitative and involves working collaboratively with small business to meet their learning needs.

The findings of the research suggest that, to promote small business learning, there is a need to acknowledge, support and enhance the contributions of local support agencies for small business learning, and encourage small business workers and operators to engage in interactions with other small businesses, local expertise and networks. A focus on facilitation and support through existing local associations and organisations can support learning in and for small businesses when it is immediate, opportune and accessible.

Localised support

The effectiveness of localised support was based in its capacity to:

- ✧ assist in contextualising the task requirements (for example, making sense of the task in terms of the readiness, capacities and requirements of small business)
- ✧ provide a basis for learning to understand what the task means for the particular small business
- ✧ provide timely and accessible support for development, improvement and refining the capacity to achieve new tasks
- ✧ assist in securing opportunities to share information.

Localised support was sourced in diverse ways; for example, through interactions with other small businesses; networks (local business networks, professional associations community groups and regional development authorities); local affiliations (friendships and community groups); local experts; and family members.

The key qualities of localised support related to their capacity to understand what had to be learnt and its relevance to the enterprise and is characterised by:

- ✧ familiarity with the enterprise or understanding the kinds of issues that the enterprises will confront
- ✧ understanding the small business' capacities, readiness and potential
- ✧ sources of timely and pertinent advice
- ✧ trusted relationships.

Ultimately, small business operators themselves need to be proactive in engaging and interacting with others to seek advice, access support and also to contribute to local networks of support.

A model of small business learning

A model of small business learning, constructed through feedback from small business operators, has been developed in this project and is designed to illuminate the learning process and highlight how forms of localised support and active engagement by the enterprise are central to learning. The model, once developed, was validated by small business operators. It comprises the following key elements.

- ✧ individuals' motivations for task engagement and learning
- ✧ individuals' perceptions of the task
- ✧ engagement (energy directed towards the task)
- ✧ four-phase process of learning comprising:
 - ◆ goal formation, or defining what had to be learnt
 - ◆ initial attempts at approximation of the task
 - ◆ improvement through practice
 - ◆ achieving a capacity for independent practice or maturing capacities
- ✧ a shift from a reliance on assistance from outside the workplace to an increasing reliance on capacities within the workplace
- ✧ sources of assistance for learning, comprising internal and external localised networks; that is, other small businesses, experts, courses, government support, industry associations.

Policy implications

This study has highlighted a number of implications for VET policy-makers and include the following:

- ✧ There is a need to move beyond viewing VET only in terms of taught nationally accredited courses. Other kinds of learning experiences and learning spaces, such as those identified in this study, need to be granted legitimacy as contributions and foundations for rich vocational learning.
- ✧ Market-based provisions and content focussed on large enterprises are failing to meet small business needs. Instead, a more facilitative approach compatible with and understanding small business needs is required.
- ✧ Support for and facilitation of learning for small business is likely to be required, as taught VET provisions alone are not entirely adequate. The focus on assisting learning experiences at the local level warrants a facilitative approach, one which is considerate and sensitive to the needs of the small business (for example, readiness, goals for learning, appropriateness).
- ✧ A role remains for short courses that develop the specific kinds of skills that small businesses need to achieve their workplace goals.

- ✧ To overcome the bias against small business in a market-based VET system, some provision of incentives for VET providers who address the needs of small business is warranted.
- ✧ A key role for government should be in building local partnerships that support learning in small business. These might be:
 - ◆ local sharing through building networks around local affiliations (for example, regional development groups)
 - ◆ supporting, developing, and building on existing networks
 - ◆ local VET providers offering provision for the development of specific skills in existing groups (industry, interest groups).

The importance of engaging in mutual support and information exchanges should be promoted and encouraged. The small businesses most at risk were isolated and unable or unwilling to engage with appropriate sources of guidance and support. Small business agencies should promote interactions proactively to ensure that worthwhile learning opportunities occur as part of the small business's everyday activities.

Introduction

This chapter presents an overview of the research project funded by the National Research and Evaluation Committee on learning in and for small business. The recent experiences of small businesses' implementation of the goods and service tax (GST) and enactment of the business activity statement (BAS) were used to understand how small businesses can best develop the capacities to respond to new tasks and novel challenges. The project sought to address the question: *How should arrangements for learning in and for small business be best organised?* This introductory chapter outlines the aims of this study, and provides a brief overview of what is known from the existing literature about learning in small business, the method adopted in this study, its findings and some recommendations for practice and policy.

Learning in and for small business

Finding an effective means for learning in small business constitutes a worthwhile, yet challenging project, and it remains central to governmental priorities (for example, ANTA 1998). Those who work in small business seem to find the existing vocational education system less likely to meet their needs than those who work in larger enterprises. In addition, small business workers are less likely to have funds expended on their skill development by their employer than those who work in larger enterprises. However, small businesses in Australia, like their larger counterparts, need the capacity to respond to the changing demands and requirements of the workplace. It follows then that there are important economic as well as equity objectives to be secured in enhancing learning for small business.

Recent research in Australia has shown that small businesses' participation in structured vocational education and training (VET) remains limited (Billett & Cooper 1997; Gibb 1997). It seems that taught courses, particularly those provided by national VET frameworks, are unlikely to attract small business for three key reasons. Firstly, the provision of external vocational courses has often been found to be inappropriate, inaccessible or unavailable (Coopers & Lybrand 1994, 1995; Kempnich, Butler & Billett 1999). Secondly, much of the learning applicable to work needs to be derived from participation in everyday work activities (Field 1997). This learning is realised through engagement in the thinking and acting required to complete everyday work activities. Also, direct interactions with co-workers and less direct interactions, such as observing and listening in the workplace, are important sources of knowledge. Thirdly, in many instances, there has to be access to expertise to assist and support the learning. The contributions of everyday activities at work need to be augmented by the guidance of more expert workers in the workplace (Billett, McCann & Scott 1998), or through access to local sources of expertise (Hooper 1998, cited in Kempnich, Butler & Billett 1999).

For many small business workers then, the workplace will necessarily be a key location for maintaining and developing further their vocational knowledge. Therefore, identifying how small business operators and workers can best learn in and through their work activities represents a significant and worthwhile goal for vocational education policy and practice (Gibb 1998). This goal includes considerations of how the learning needs of small businesses can be best identified and understood, how alternative approaches to learning for small business can be implemented and

tailored in cost-effective ways, and how these approaches can be evaluated. It seems that considerations for practice are likely to include:

- ✧ making the learning experiences pertinent to the enterprise's business activities and stage of development
- ✧ locating sources of expert support
- ✧ assisting with the development of arrangements to facilitate the learning of the knowledge required by small business workers and proprietors.

It is proposed here that the use of everyday workplace activities, localised support and available expertise, in combination, may well provide the bases for the learning necessary to maintain and sustain their enterprise effectively.

Purposes and overview

The overall purpose of the project is to understand how small businesses learnt about implementing a new initiative (the goods and services tax and the business activity statement) and from this to identify effective approach(es) for small business learning, and subsequently validate these approaches with other small businesses.

The key purpose of the project is to identify and refine approaches for facilitating effective learning for small business. This is likely to require considering alternatives to current provision through the national vocational education system and small business agencies, as these appear to have failed to attract wide participation or sponsorship by small business. As foreshadowed, the provisions for learning in and for small business remain problematic. Small businesses' needs are often specific in terms of their requirements, focus and readiness to participate in learning arrangements. Taught courses seem unable to meet many of these needs. For instance, VET providers are often unable to individualise, tailor and localise their provisions for small business.

The project aimed to develop schemes for understanding learning new tasks in small businesses and to propose a model of how learning for small business occurs. It was anticipated that there would be no single or uniformly viable approach. While this expectation was fulfilled, strong similarities in patterns of the contributions to and processes of learning were identified. These patterns of similarity are used here to propose a model of small business learning. In a second round of data-gathering this model received support from small business, particularly for its capacity to adapt to a range of small business learning tasks.

In undertaking the research the researchers were guided by the key question:

- ✧ How should arrangements for learning in and for small business be best organised?

The sub-questions for the project are as follows:

- ✧ How did small businesses learn about and develop the capacity to implement the new goods and services taxation system?
- ✧ What were the kinds of variations in approaches taken by small business in response to this initiative and in what ways were particular approaches seen to be effective?
- ✧ What did they learn and what was most difficult to learn?
- ✧ What models of learning for small business can be identified from these experiences?
- ✧ How can these models for learning be applied, implemented and supported in small businesses and communities more generally?

Key propositions guiding the study

As discussed more fully in the following chapter, small business learning is already well considered in the existing literature. For this project, some key propositions have been identified and used to guide the practical inquiry. These are elaborated in the next chapter and presented here in overview.

- ✧ Assisting learning in and for small business is a worthwhile project with important economic and social goals, because small business operators' and workers' participation in existing VET provisions is markedly lower than those in larger enterprises.
- ✧ Taught courses, particularly those currently provided through the nation's VET frameworks, have been and are likely to remain unable to address small business needs because their:
 - ◆ Focus is perceived to be on the needs of large enterprises and industry.
 - ◆ Adherence to governmental prescriptions is often irrelevant to small business.
 - ◆ Modes of instruction are often seen to be at odds with small enterprise requirements and needs.
 - ◆ Market-based provisions have been shown to be antithetical to the needs of small business.
- ✧ However, small businesses need to develop further their capacities to be sustained in increasingly competitive economic environments.
- ✧ Workplace tasks and experiences may provide a platform for examining learning in small business, since the characteristics of these experiences are consistent with the kinds of needs identified for small business workers to further develop their work capacities. These kinds of learning experiences have been shown to have potential in a range of workplace situations. However, workplace experiences alone may be insufficient, particularly when learning 'hard to learn knowledge' or when appropriate expertise is lacking in the workplace. Combinations of support from local networks, consultants, professional bodies and other small business operatives may be required to augment workplace experiences.
- ✧ Therefore, it is necessary to understand further how learning can best proceed in small businesses and in what ways combinations of local support (for example, interactions) outside these small businesses can contribute to development of small business workers' and owners' capacities to perform effectively. The literature suggests that these interactions are likely to be associated with the availability, accessibility and pertinence to small business of:
 - ◆ local networks
 - ◆ mentoring
 - ◆ external (diagnostic) advice.

The project focussed on the likely efficacy of these contributions.

Procedures

As discussed more fully in the methodology presented in appendix A, the procedures used in this research project comprised four distinct phases:

- ✧ Phase one: Small business learning about and implementing the goods and services tax
- ✧ Phase two: Identifying and delineating a model for learning in small business
- ✧ Phase three: Appraising a model of learning in small business
- ✧ Phase four: Reporting and dissemination.

Phase one: Small business learning about and implementing the goods and services tax

The goal for the first phase was to identify how small business workers and operators learnt about the goods and services tax and managed the process of its implementation and the generation of business activity statements. This phase comprised identifying, selecting and gaining the interest and consent

of an appropriate range of small businesses. A sample of 30 small businesses was selected and interviewed in order to gather the data required for preparing case studies about how they had learnt to implement the tax. This sample comprised enterprises of different sizes (that is, micro businesses to those with 20 employees), different locations (metropolitan and non-metropolitan), and diverse specialisations (that is, a range of goods and services). The main source of data was extended interviews with these small businesses. In the interviews, data were elicited about:

- ✧ the enterprise's preparation and readiness
- ✧ the effectiveness of sources of advice and support
- ✧ the enterprise's response to foreseen and unforeseen problems
- ✧ speculations, with hindsight, on how best the enterprise learning should have proceeded
- ✧ the kinds of learning that transpired and the degree by which they are applicable to other small business tasks.

Grounded data-gathering techniques (following Glaser & Strauss 1967) were employed to elicit actual accounts of learning the capacities to understand about and implement the goods and services tax. From these interviews, detailed case studies for each of the 30 enterprises were developed as key sources of data. These were sent to the small businesses for verification.

Phase two: Identifying and delineating a model of learning in small business

Phase two comprised the analysis of the case study data and its use in formulating a number of schemes for small business learning. The case study data were analysed to categorise the ways small business learnt to implement this initiative and to explore the relationships between kinds of learning experiences (including activities, support, problems) and outcomes (that is, what was learnt and its likely future application). Through processes of categorisation, there was an identification of:

- ✧ an overall (or general) means by which small business workers and operatives learnt how to implement this material (for example, access to expertise associated with the new tax system)
- ✧ particular contributions (for example, having to do it, local tax accountant)
- ✧ links between particular contributions to learning and particular learning outcomes (for example, local support assisting with shortcuts through the process).

The culmination of phase two was the development of a model of learning encapsulating the way small business learnt to implement the goods and services tax.

Phase three: Appraising a model of learning in and for small business

The third phase of the project consisted of an evaluation of the learning model through interactions with a number of small businesses of different kinds and sizes undertaken in both metropolitan and non-metropolitan settings. The key goal here was to determine whether the proposed model has applicability beyond the goods and services tax. In total, 15 small business operators from New South Wales and Queensland participated in this second round of interviews. They were selected to accommodate the needs for differences in size, specialisation and location. The appraisal or trialling phase involved scenario-testing in which small business workers and proprietors were asked to consider the usefulness of the model for:

- ✧ explaining how they learnt the goods and services tax
- ✧ its applicability for explaining current workplace problems and tasks.

This process was undertaken by getting the small business proprietor or worker to identify recent learning experiences. Having articulated the problem, the interviewees were presented with the model and asked to evaluate its relative effectiveness in terms of the current problem and the way in which they learnt to implement the goods and services tax.

In the final element of the phase three interviews participants were invited to offer suggestions about how the model could be refined or altered to reflect more appropriately their recent experience of learning. These suggestions were adopted and have contributed to the formulation of a refined model. (This is shown in figure 2 on page 55.)

Phase four: Reporting and dissemination

The final phase of reporting and disseminating the project's findings and processes, which include the 30 case studies, the key findings and analysis of the data and the learning model, will occur once the project has concluded. Papers will be prepared for conferences and journals and the findings will be disseminated to appropriate agencies.

Findings

As is reported in detail later in this report, the project's empirical work found the following.

- ✧ Small businesses had different starting points for their learning, different levels of readiness to engage in that learning and different bases of interest in what had to be learnt. That is, the capacities to engage in and learn the 'same' task were quite diverse. This complicates the idea that any uniform educational solution can be adopted to address learning in small businesses.
- ✧ The scope of the learning task was quite different across the small businesses (for example, from some minor changes required by the book-keeper through to the restructuring of the administrative practices within the small business). The learning processes were also diverse in scope and focus in completing the 'same' task. Furthermore, the interest of the small business operators was seen as central to how they engaged in the task of learning to implement the goods and services tax.
- ✧ However, despite this diversity, there were some identifiable common patterns of responses which assisted in the development of a model of learning (see figure 2) in and for small business.
 - ◆ There was a phased, incremental and sometimes iterative movement from a reliance on external sources of advice and support to the development of a capacity within the enterprise.
 - ◆ At different stages of learning, particular contributions were used to assist, guide and support that learning.
 - ◆ The overall progress of learning was from (a) defining what had to be learnt (*goals for learning*) (b) initial attempts and implementations (*initial approximations*) (c) through *practice* and (d) developing the capacity for independent practice (*independent practice*).
 - ◆ The degree by which the small business operators elected to engage with the task shaped the kinds of learning that occurred. This engagement was seen to be determined by their interest in the learning task.
 - ◆ Localised support featured as the most significant source of advice and support throughout the learning process, with the qualities of pertinence of the advice and support, trust in the source of advice and an understanding of the particular enterprises' needs, as being most salient.

Implications and recommendations

The key implications and recommendations advanced in more detail in the final chapter of this report aim to address the important social and economic disadvantage of small business workers' low level of participation in vocational education. In overview, it is proposed that this disadvantage may be redressed through:

- ✧ acknowledging, supporting and finding ways to enhance the contributions of the localised support for small business learning
- ✧ finding ways of encouraging small business workers and operators to engage in interactions with other small businesses, localised expertise, affiliations and associations which can provide advice and support that is trusted, pertinent and effective.

It is recommended that such measures require:

- ✧ some reshaping of conceptions of vocational education provisions away from a reliance on taught courses to a consideration of other teaching practices and learning opportunities
- ✧ a focus on strategic facilitation and support through existing networks and localised associations and organisations, as well as through vocational education institutions and small business development agencies
- ✧ support through vocational education institutions in ways which seek to assist and facilitate learning, including, but not restricted to offering short courses.

The recommendations for policy and practice that follow propose the need for VET policy and practice to be more invitational to small business; the need for specific policy and practices to enhance learning in and for small business at the local level; and actions required by small businesses to engage in learning activities and contribute to localised networks.

VET policy and practice to be more attractive to small business

To make VET more attractive to small business, the following solutions are proposed:

- ✧ extending and refining what comprises VET beyond taught courses, to include experiential and guided approaches to learning
- ✧ shifting the focus from market-based provision and large enterprise orientation to approaches which best address small business requirements, including policy initiatives to provide support and facilitation
- ✧ offering taught (accredited programs) and even short courses, focussing on small business needs and particularly those focussed on developing specific skills which have direct applicability to workplace tasks
- ✧ providing incentives for VET providers to cater more for the needs of small businesses.

Specific policy and practices need to enhance learning in and for small business

These measures include:

- ✧ the organisation of localised support to assist small businesses to learn new practices (for example, travelling trainers)
- ✧ co-opting existing local networks (for example, social, professional, recreational) to assist the level of localised support
- ✧ encouraging localised support by external agencies (for example, VET providers)
- ✧ encouraging small businesses to interact with others and participate in networks (forming and contributing to local networks)
- ✧ promoting local partnerships and networks as useful and legitimate learning spaces
- ✧ making taught courses more appropriate.

However, beyond what can be undertaken on their behalf, there is much to be done by small businesses.

Actions required by small businesses

There is a need for small businesses to be proactive, reflective and critical in addressing their learning needs. It is proposed that the following are the kinds of activities that small business operators and workers could undertake to assist them to learn the requirements of new tasks.

- ✧ securing the kinds of advice and support appropriate to their needs
- ✧ checking the validity of that information with other sources

- ✧ engaging with support agencies
- ✧ participating in skill-building activities (that is, structured courses)
- ✧ developing networks of support and advice, participating in and contributing to those networks which, over time, demonstrate a capacity for being useful
- ✧ recognising that learning is an ongoing activity essential for the business's survival
- ✧ participating in and contributing to localised support for small business learning.

As is elaborated in the following chapters, this study proposes some re-thinking about education and educational practice as they are currently being exercised in the small business arena.

Small business learning

Learning for small business

Finding an effective means for learning in and for small business constitutes a worthwhile, yet challenging project and one central to government priorities (ANTA 1998). In order to inform policy and practice, our focus in this literature review is on understanding how learning occurs in and for small business. Previous research has shown that the preference of small business is towards workplace learning, as opposed to participation in nationally accredited training such as that offered by the vocational education and training sector. A goal of this review is the examination of some of the different approaches to and ways in which small business best proceeds.

The review begins by considering governmental interest in assisting learning for small businesses. Central to this task is understanding the reasons for small business disaffection with participation in and the outcomes of taught courses. In this way alternative approaches that address this disaffection can be developed.

The characteristics of small businesses suggest they have different sets of needs in relation to learning and development than larger enterprises, and this factor continues to be overlooked in vocational education and training policy and practice. A range of VET providers, including business service agencies, has offered short courses for small businesses. The qualities of these courses that small business claims to value is their short duration, tight focus and pertinent content focussed on present concerns.

It seems that the workplace offers the greatest prospect for building a platform for learning for small business. Learning through work and in the workplace is inevitable and ubiquitous. Indeed, the workplace is sometimes the only site of learning available to workers. For this reason, it becomes significant to understand how learning can be better supported and encouraged in the workplace context. To overcome the limitations of the workplace however, this workplace-based learning needs to be supported and sustained by sources of expertise beyond the workplace.

This chapter proposes that, in the face of continuing disaffection of small business with the appropriateness, focus and provision of taught courses, other means for developing small business skills need to be identified and supported. Given the access to and likely efficacy of learning in small businesses, it is necessary to consider how learning focussed on and in small business might best proceed. It is acknowledged that, while there are important contributions that can arise out of learning through work, there are also limitations. Therefore, it becomes necessary to identify appropriate kinds of support that can build upon the contributions to learning through work, and provide other local contributions to supplement the workplace learning experiences.

Government interest in VET for small business

Governments in Australia, like those in other countries, have sought to increase small business participation in VET. There appear to be four reasons for their interest and concern to increase participation. These are:

- ✧ supporting the developing of a national skilled workforce

- ✧ sharing the cost and responsibility of that development with the enterprises that benefit from a skilled workforce
- ✧ supporting enterprise productivity, sustainability and profitability
- ✧ developing individuals' capacity to be effective at their work and maintaining that effectiveness throughout their working lives.

Each of these factors is discussed briefly.

Skilled workforce

In an increasingly globalised economy, governments are concerned that national workforces have the skills to produce goods and provide services that are both import-competing and exportable. In Australia, successive governments have emphasised the need to have a skilled and adaptable workforce. Reforms of both the labour market and the nation's vocational education systems were premised on creating the 'clever country' (Dawkins & Holding 1987), more recent variants being the 'knowledge nation' (Jones 2001), and the Australian National Training Authority's *Bridge to the future* (ANTA 1998). The relatively small population base and domestic economy render Australia vulnerable to goods and services that can be produced elsewhere with greater economies of scale. Hence, a skilled workforce able to adapt and respond to the changing workplace requirements is seen as essential.

Costs of skilled workforce

Despite their concern for a skilled and adaptable workforce, successive Australian Governments have enacted policy to avoid the cost of the development of national skills being wholly borne by the public purse (for example, Deveson 1990). Instead, initiatives have been introduced designed to distribute the cost of skill development across both large and small, public and private sector enterprises (the Training Guarantee Scheme of the 1990s) and, failing that, by the individuals in the workforce themselves (for example, the Higher Education Contribution Scheme). The level of enterprise sponsorship of VET has become critical in recent years with a decline in enterprise support for key VET provisions such as apprenticeships. Further, many recently corporatised government utilities are now unwilling to continue the past practices of providing entry-level training (apprenticeships) surplus to their own needs. There has also been a corresponding decline of sponsorship within large enterprises which, when they sponsor training, prefer short-duration training (for example, traineeships) and in increasingly enterprise-specific forms (Billett et al. 1997). Given these circumstances, governments are anxious to engage enterprises of all sizes in the participation in and sponsorship of VET. In particular, small business is held not to be making a contribution to VET proportionate to the size of its workforce.

Small business productivity

Small business employs a significant proportion of the workforce. Its capacity for sustained activity and growth is a key goal for maintaining high levels of employment and the economic health of the communities in which they are located. Given this, governments are interested in maximising vocational education's role in sustaining and developing the small business sector.

Small business workers

Small business workers may be disadvantaged and their potential contributions to national economic goals may not be maximised unless the enterprises which employ them participate in, sponsor and foster their skill development throughout their working lives. Unfortunately, other government policies and imperatives may be acting to counter these goals. The maintenance of skill and its further development are increasingly being held as each individual's responsibility in contemporary workplaces. It seems that the tradition of employer interest in employees' development is breaking down (Kempenich, Butler & Billett 1999) with a growing percentage of

the workforce being employed on a contingent basis (part-time and casual). Also, the notion of lifelong learning as an economic imperative throughout a working life, rather than being focussed on personal development, is also evidence of this shift (Forrester, Payne & Ward 1995). Having failed to secure a universal commitment by enterprises to the sponsorship of training, successive Australian Governments have transferred portions of the cost of vocational preparation to individuals. Yet for many Australian workers, particularly those in small business, the workplace represents the only and therefore the best location for the initial and ongoing development of their skills. However, it is inequitable and unreasonable to place the responsibility for skill development on individuals when they are unable to secure support for this development in the workplace.

Given the contractions in the sponsorship of VET elsewhere and growing concerns about likely skills shortage government interest has grown in small businesses contributing to and sponsoring the development of the nation's skills. So government interest in enhanced participation by small business in vocational education is directly linked to realising national strategic goals of national productivity in a globalised marketplace, the management of national expenditure on VET, and engendering strong economic performance within small enterprises. This interest is all the stronger because small business represents a significant component of Australian economic activity.

Small business in Australia

Small business in Australia comprises a significant component of national economic activity and employment. About half of all private sector employment is provided by small businesses that account for around 97% of all private sector businesses (Australian Bureau of Statistics 2000). However, over half of all small businesses have no employees. Many small business concerns about skill levels relate to personal development rather than skill development of employees. These data suggest that small businesses are likely to have quite different organisational characteristics and skill development needs from larger enterprises. According to an earlier Australian Bureau of Statistics report, in 1995–96, small businesses contributed 57% to total job generation compared with 28% for medium business and 14% for large business. Although over half (54%) of the small business employment generation was attributed to new businesses, they also contributed to 56% of total job losses (Australian Bureau of Statistics 1995). These figures highlight the volatility of the small business sector, not a situation which encourages the sponsorship of skill development within individual enterprises. This may explain a small business preference for purchasing skilled labour rather than developing it (Curtain 1997).

The Australian Bureau of Statistics defines 'large businesses' as those employing 200 people or more, 'medium businesses' as employing between 20 and 200 people, and 'small businesses' as those with less than 20 employees. There are also 'micro-businesses' employing fewer than 5 employees as well as 'own account' workers or self-employed owner–operators of small business with no employees. While the official definition of small business is enterprises with between 5 and 20 employees, it becomes necessary to extend the discussion here to micro-businesses and 'own account workers'. Small businesses with fewer than 20 employees play a significant role in the production of goods and service (for example, motor mechanics, hairdressers, repair workers, bakers, child care workers, small schools and others). Although individually, these small enterprises may not be the source of significant employment growth, collectively, they represent significant bases for skill development and potential employment growth. These enterprises play a role in economic activity that may have a parallel impact on employment, development or even viability of other enterprises, particularly in their own locality. It is also inequitable to discriminate against these enterprises because, although large in number, they individually do not represent a convenient base for skill development.

Small business and VET

Given their concern about business sustainability and the small business contribution to employment and economic performance, successive federal governments have sought vocational education and training responses commensurate with small business needs. However, governments currently view 'participation' in VET only in terms of enrolment in nationally endorsed, certified and accredited courses. Indicators of participation are typically constructed on the basis of the number of students enrolled in courses or modules undertaken. Participation in these and other related courses is consistent with the government's desire to manage the purpose, content and outcomes of vocational education, including adherence to national industry standards and the uniform adoption of competency-based training and assessment. However, there remains a residual and widespread belief in the small business sector that these kinds of provisions are not valued. This results in low participation by small business owners and employees in these kinds of programs. Recently, some specific courses for small business have been introduced. Two prime examples are Certificate III and Certificate IV in Small Business. Both are nationally accredited training courses for people working in small business. The former was designed for people wishing to start a new small business, while the latter was designed for people in small businesses who are responsible for staff. Courses such as these have tended to be developed by industry spokespeople and have sets of nominated requirements specified under accreditation procedures mandated by both federal and state governments.

Lack of participation in VET by small business

A review of recent research illustrates why enhancing small business participation in these prescriptive VET courses remains a challenging task. Small business commitment to structured VET is, at best, weak. Overwhelmingly, the data associated with accredited courses indicate that small businesses are reluctant to participate in or sponsor these courses. The evidence consistently suggests the extent of enterprise expenditure on training correlates closely to enterprise size, with larger enterprises (both public and private sector) making considerably greater contributions than smaller enterprises (Burke 1995; Sloan 1994). Ninety-seven per cent of large businesses and 79% of medium enterprises reported expenditure on training; however, only 18% of small businesses reported expenditure (Billett & Cooper 1997). These data suggest that 82% of small businesses, which as a sector comprises over 50% of the private sector workforce, do not expend funds on training (Gibb 1997). Using Australian Bureau of Statistics training survey data, Baker and Wooden (1995) found that 87% of small business workers reported not having had any formal training in work time during the previous 12 months, compared with 56.7% of workers from large enterprises. The most common reason given for not participating in training by small business workers was a lack of need. Workers felt adequately trained for their jobs and believed that training would make little difference to improved job prospects. Coopers and Lybrand (1995) concluded that, no matter what VET sector does, one-third of small businesses states they will remain unlikely to use external training. Therefore, in terms of small business participation in structured courses, the level of participation is reported as being low and the future prospects seem limited by entrenched perceptions of the worth of such courses. In order to propose alternatives, it is necessary to understand the foundation of this low level of participation.

Characteristics of small business learning support

Small business disaffection with educational programs is rooted in concerns about their relevance and access, as well as the character of small business, including conceptions of business growth that are often distinct from those in larger enterprises. The relevance of externally provided training is commonly criticised, regardless of who provides these programs. Barrera and Robertson (1996 cited in Kempenich, Butler & Billett 1999) found that existing small business management training is both comprehensive and available in a variety of flexible delivery modes, both for metropolitan and non-metropolitan learners. However, they conclude that these courses still fail to meet small business needs and 'that this training is more suitable for small business workers who have

developed some preliminary skills and knowledge in the subject or who at least are confident of their ability to learn in a formal educational setting' (1996, p.12). That is, they assumed a level of preparedness to engage in independent study that may not be commensurate with that which exists in small businesses. Hence, such modes of delivering course materials and approaches to study may not be relevant to small business workers.

Coopers and Lybrand (1994) identify several qualities of a good 'small business course'. These include courses that are:

- ✧ short, sharp and specific
- ✧ available at local venues
- ✧ of short duration (for example, 3 hours) and sequence (for example, 4 weeks)
- ✧ flexible in their timing
- ✧ interactive in delivery and encourage action and peer group learning
- ✧ related to specific problems and opportunities
- ✧ pitched at an appropriate level
- ✧ linked to participants' environments
- ✧ presented by those who have empathy derived from first-hand small business experience.

While these findings provide a view of what constitutes best practice for small business short courses, they present significant obstacles for VET providers who want to provide taught courses. In terms of content, the relevance of programs for small business has been questioned because of:

- ✧ a focus on theory rather than practical material
- ✧ limits of immediate benefits to business
- ✧ the skills required not easily taught
- ✧ a lack of necessity for these programs
- ✧ their not being designed for small business (Roffey et al. 1996).

It seems small business employers want courses with learning processes based on practical experience, greater flexibility in course content and outcomes associated with immediate job requirements (Coopers & Lybrand 1994). This study also identified factors other than relevance that impacted on expenditure by small business on training. These factors included:

- ✧ the perceived value of training
- ✧ small business attitude to growth
- ✧ small numbers of employees
- ✧ level of annual turnover
- ✧ low levels of dependence on 'trainable skills'
- ✧ industry-specific course needs.

Other studies have indicated that small businesses prefer to use the labour market, rather than training, to resolve skill shortages (Sloan 1994; Misko 1996; Robinson 1998).

Preoccupation with other priorities, such as keeping the business afloat, and a lack of incentives for individuals to participate are seen as influencing small business participation in training (Wooden & Baker 1996). There are also the inevitable concerns about costs, particularly compliance costs (Cabulu, Doss & Dawkins 1996), and the confusion that enterprises often report when dealing with the requirements of training systems (Callus 1994; Schofield 1996). Gibb (1997) suggests factors preventing those in small business from engaging in training are quite sector-specific. These

include the majority of the sector being self-employed, isolated, working long hours and being unable to afford time away from their business. These findings identify factors that both inhibit participation in structured courses and identify constraints for the provision of vocational education to proceed. Confounding this claim are findings that the perceptions of the worth of VET courses are markedly different between those individuals who have participated in them and those that have not (for example, Robinson 1998; Billett & Hayes 2000). The former is likely to value them far more than the latter.

Small business needs are also claimed to be different from those of larger enterprises. Field (1997) formulated a list of organisational characteristics that assist us to understand these differences. These characteristics include being:

- ✧ independently owned and operated
- ✧ closely controlled by owners–managers who also contribute most, if not all, of the operating capital
- ✧ the principal decision-making functions residing with the owners–managers of small business.

So those to be most convinced of the need for expenditure on development are the small business owners. Further, the needs of these owners are distinct from those of larger enterprises. Roffey et al. (1996) report that owner–managers of small business need skills in at least five areas:

- ✧ ability to turn one’s hand to anything
- ✧ financial skills
- ✧ people management
- ✧ interpersonal/communication skills
- ✧ business planning.

Barrett (1997) identified similar kinds of ‘generic’ needs. Importantly, the content and arrangements to support learning in small business are also distinct. Their business needs and prospects are more likely to be linked to those of other local small businesses, whereas a large enterprise’s prospects are more likely to be associated with more remote goals and factors, such as share markets, global values of commodities (Childs 1997 cited in Kempenich, Butler & Billett 1999). So there may be a fundamental misalignment between government concerns about global competitiveness, centred on the needs of large enterprises and the goals and concerns of smaller enterprises, which are likely to be focussed on more localised issues.

In summary, the relevance of courses to the particular enterprise, the kinds of experiences they provide, the difficulty of capturing small business interest, the particular kinds of learning required and the focus of that learning have been identified as factors which influence participation in VET by small businesses. By illuminating these needs, a clearer view of how best to proceed with the development of practice in small business might emerge.

Policy mismatch

In their study of women in small business and VET, Kempenich, Butler and Billett (1999) concluded that there was a mismatch between policy directions and the needs of small business. This view seems to apply generally across the small business sector. It is tempting to conclude that a policy focus on ‘industry’ needs, as reflected in those of large enterprises and market-based practices, is more likely to inhibit rather than encourage small business participation in VET. The need to comply with these (big) ‘industry-based’ prescriptions, and indeed the cost of compliance to these prescriptions, seems to have helped position structured VET courses as being irrelevant and inaccessible. Further, these policies have marginalised less structured approaches and those that do not comply with government mandates as being outside definitions of VET and, therefore, are not supported or sponsored by government funds or recognised by national certification. Hence, much

of the learning through work in small business and across networks of small business is currently neither recognised nor supported by VET policy and practice. Three sets of concerns are now used to illustrate these mismatches. These are:

- ✧ the orientation of policy and practice premised on large enterprises
- ✧ the use of market-based practices for VET programs
- ✧ assumptions about pedagogies premised around taught courses, rather than other kinds of learning experiences.

Large business orientation

Approaches to learning in and training for small business often fail to take account of the reality of small business. Instead, they reflect large business or 'industry' needs. For example, a general criticism of small business management courses is their adaptation of big business management theory and practice (Kempenich, Butler & Billett 1999). Examples from 'big business' are stated as pervading small business courses. The important principle here is that small enterprises are not small large enterprises. Instead, they are kinds of enterprises that have particular operational characteristics and needs, as identified earlier. Consequently, policy and practice need to respond to these needs and characteristics. For instance, it seems also that the content required by small business is not reflected in existing VET provisions. The Australian Bureau of Statistics (1995) data identify the most significant small business growth in the previous decade as occurring in the health and community services, property and business services and education. Yet, these areas are not part of the mainstream offerings of VET systems.

Whether intentional or not, the focus on large enterprises, which have traditionally participated in—and some might say dominated—vocational education, may have led to arrangements and priorities detrimental to small business participation. Provisions focussing on the requirements of small businesses need to be distinct from those of large enterprises. For instance, many small enterprises are not necessarily interested in business growth, because the demands of being an owner–manager–worker are met in maintaining the existing scale of the small business.

Market-based provisions

The move to market-based provisions is likely to hinder small business participation in VET. Comparing the data on enterprise commitment to training with current policy initiatives, such as user choice, reveals the basis of this mismatch. Given other priorities (for example, remaining viable), low levels of interest (perceived lack of relevance) and conflicting demands on their time, enterprises want support and facilitation to assist their participation in VET, not more choice or options (Billett & Cooper 1997). The market-based approach also makes small business unattractive to providers of VET who are more likely to be attracted to enterprises with large numbers of employees engaged in homogenous sets of activities.

The prospects of providing training to small numbers of workers in enterprises with different needs in diverse locations, some of which are likely to be remote, are not attractive to many providers of VET programs. For example, such has been the difficulty of having their needs met, that the local government sector (which is often scattered and has an extremely heterogeneous workforce) in one Australian state has developed a non-market-based provision to collectively service their needs (Billet & Hayes 2000). A market-based provision, rather than being strategic, is likely to deliver outcomes dictated by the market. So large enterprises are able to negotiate cost-effective arrangements for tailored training provisions with competing providers. However, it is less likely that the same competition or tailoring will be available to small businesses, particularly those that are in remote locations (Billett & Hayes 2000).

Given the barriers to small enterprise participation (for example, other priorities, concerns about relevance, cost of compliance, confusion) mentioned above, it seems unlikely that greater demands by government upon small business in the form of additional choice will be helpful. The confusion

about government policy referred to above extends to adherence to ever-changing regulatory policy initiatives—changes to goals, terminology and the structures and agencies to be dealt with when developing training plans that are required for structured VET programs, such as apprenticeships. Many individuals working in the field of VET express concern about finding time to maintain their vocational currency let alone keeping abreast of the changing labels, policy variants, and attributes associated with implementation of government-sponsored and mandated arrangements for training. Imagine, therefore, how confounding it is for the small enterprise, who might ‘just want to do some training’, having to conform to the regulatory requirements of structured VET programs.

It seems that many small enterprises have neither the inclination nor the ability to negotiate in the market-based provision of vocational education. Placing the onus of responsibility onto enterprises and mandating rigid arrangements for compliance seems unlikely to invite interest in, let alone increase, participation. All this, it is worth restating, is in the current context of declining commitment by both large and small enterprises to structured VET. Also, at this time, the commitment on the part of both employers and employees to maintain a long-term relationship is also being eroded (Kempnich, Butler & Billett 1999). A likely corollary of this changing relationship is that employers will feel less inclined to sponsor employees’ skill development and will expect individuals to take responsibility for their skill currency.

Redefining participation, support and facilitation

For the kinds of small business needs identified earlier to be met, policy and practice need to be transformed. This is likely to extend to redefining what comprises VET, as well as a changing policy focus in the arenas of enterprise size and market-based provisions; that is, the development of the required attributes for small business seems inconsistent with the requirements for regulation and adherence to policy prescriptions which characterise much of VET practice. Policy initiatives are required which offer support and facilitation to small business. They need to recognise the strategic and personal goals of those whose participation is valued. Significant increases in enterprise engagement in VET were achieved when facilitation and support were made available to both small and large enterprises. The operation of NETTFORCE in the early 1990s provided the kind of facilitation and support that small business seems to value (Billett et al. 1997). Through its role of guiding enterprises through the requirements of its programs and easing the administrative processes, it was able to offset some of the constraints to participation identified above. However, this kind of support is contrary to the market-based approach favoured in current government orthodoxy.

From the foregoing, it seems that granting additional choice or market-based approaches alone will do little to secure enhanced small business commitment to participation in VET (as characterised by participation in credentialled courses). The former is not what distracted and otherwise-focussed small businesses desire. The latter focusses on mass markets, rather than tailoring provisions for individual small enterprises that are widely dispersed and have small numbers of employees. The potential for finding solutions through courses that conform to national prescriptions may also be quite limited. Taught courses seem to be inappropriate for developing the kinds of outcomes required. Moreover, the administrative frameworks associated with national accredited VET programs may be far too overwhelming and misplaced ever to capture the interest and sponsorship of small business. However, there is a need for small business to be participating in and supporting the development of the vocational capacities of their workforces.

The options for developing effective small businesses are not restricted to participation in taught courses. Learning occurs as part of everyday work activities. This source of learning for small business warrants closer consideration, since there may be considerable untapped promise in focussing the development of small business workers as part of everyday work activities. While the contributions of workplace-based experiences have long been acknowledged in apprenticeships and in preparation for the professions, there is a more cautious reaction to wholly workplace-based development. This is understandable when there is the absence of a legitimating contribution from an educational institution. Certainly, the evidence suggests that many useful contributions to learning can be derived from everyday activities. However, there are weaknesses to learning just

through work alone that need to be addressed (Billett 2001a). On balance, the experiences required to enrich learning through everyday activities in small businesses do not only have to come through courses offered by educational institutions. For instance, on international comparisons of training effort (for example, Organisation for Economic Co-operation and Development [OECD] comparisons) Japan fares poorly because much of the learning for work in that country occurs as part of normal work practices, and is structured and guided by workplace experiences and supervisors (Dore & Sako 1989).

These kinds of arrangements to promote learning in workplaces are not captured in data on course attendance and completions. However, learning through work provides a means, and for many workers the only means, by which they will learn and develop further their work practice. These may be through intentional arrangements in the workplace, or those provided through local support. Learning in and for the workplace will be discussed more fully later. The important point here is that, when considering learning for small enterprises, it is necessary to consider whether a broader definition of vocational education may be required to capture participation in VET by small business.

Consequently, the focus for learning in small business should not be constrained by existing conceptions and practices, particularly those which fail to address the needs of small enterprises and those which view work-based learning narrowly. Mechanisms responsive to small enterprise needs, either within or outside government industry-premised frameworks for vocational education provision, should be considered.

Reconciling VET and small business

The foregoing has discussed the mismatch between VET policy and practice and the particular learning and developmental needs of small business. The current policy and administrative and practice framework within mainstream vocational education is premised on the capacities of and targeted towards large enterprises. However, there are a number of ways forward that are worth further exploration.

In overview, two different kinds of pathways for the development of skills exist for small business participation in VET. On the one hand, are those provisions that lead to formal qualifications and certification, whereas, on the other, there are those that do not. The former are usually offered through 'taught' courses. In this context, the goal would be to make these courses more accessible through local provisions that are short, pertinent, focussed on small business needs and richly integrated into small business work.

Perhaps the clearest indication that the Australian VET system has begun to recognise the specific learning needs of small business and respond, at least in small part, by tailoring training to the small business requirements is through some of its business certificate programs. For example, the Certificate III in Business has been hailed as unique for its 'action based rather than curriculum based learning' (Child 1997 cited in Arnold 1998, p.7). In her review of the nationally accredited certificate, Child (1997 cited in Arnold 1998, p.7) proposed that the certificate is closely aligned to the needs of individuals setting up small business and their real and demanding contexts. Another key attribute of this certificate is its foundation in a partnership relationship between the VET provider and the owner-manager of the small business. It 'requires the provider to use process management skills to implement the program' (Child 1997 cited in Arnold 1998, p.7).

Modules within Certificate III and Certificate IV in Small Business are offered as stand-alone units and can be used for the purposes of learning specific topics. Moreover, technical and further education (TAFE) institutes scattered around Australia may be well positioned to provide customised training based on the needs of small businesses by putting together relevant and focussed packages of modules from training packages.

(Kearns 2002, p.38). Other examples of ways in which the VET system has attempted to encourage small business to participate include:

- ✧ the introduction of training companies
- ✧ the funding of small business professional development projects
- ✧ the move towards placing training in the workplace and out of the classroom (Gibb 1999, p.41)
- ✧ new apprenticeship policy and training packages (Kearns 2002).

Although these initiatives are promising and represent a step in the right direction in bridging the gap between small business needs and VET provisions, much more is probably needed. For instance, part of the challenge is a 'low level of incentive for VET providers to invest in the small business learning and training market' (Kearns 2002, p.44).

There are also the non-accredited courses offered by a range of providers, who are largely outside the mainstream VET system. The needs for credentials do much to shape the pathways here, as credentials are closely linked to the government-led national framework. Yet its administrative, policy and practice requirements are often at odds with small business needs. So on the taught course pathway, there is the choice between the credentialled and non-credentialled route.

The other pathway is a consideration of a provision based on workplace experiences augmented by localised provisions of support in the form of particular expertise or networks. As foreshadowed, there is a growing acceptance that much of what is required to be learnt for effective work practice can be achieved through workplace activities. Moreover, this type of learning may be the only form of development some small business workers will be able to access. However, just as there are strengths to learning in the workplace, there are weaknesses (Billett 2001a). Access to particular kinds of expertise is often required to make workplaces effective learning environments, and small business workplace environments are no exception. Given the need for localised support, learning arrangements centred on local networks and work-based problem-focussed approaches and those premised on guidance of others could be adopted to respond to small business needs unencumbered by regulatory frameworks. Perhaps it is in combination that these two pathways might also serve well the needs of small business. For instance, the provision of short courses relevant to small business, supported locally, augmented by access to localised expertise and embedded in the work of small businesses may be useful.

In proposing this option, there is recognition that this challenges the orthodoxy of market-based provisions by adopting a process of support and facilitation to help realise the important strategic goals of assisting with small business growth and meeting workers' need for skill development. Indeed, precedents already exist. The current apprenticeship numbers are supported by interventions into the market in the form of group apprenticeship companies which have helped maintain overall numbers in the face of declining enterprise commitment to entry-level training. Hence, support and facilitation at the local level, not market-based provision, can be justified if government is as serious about enhancing small business participation in VET as it is about maintaining apprenticeship numbers.

As articulated through its proposal, the focus of the research project being guided by this review is on the second pathway, but is open to the alternatives and combinations as they arise through the recent experiences of small businesses as they learnt to implement the goods and services tax and the accompanying business activity statements. In order to guide the formulation of this project and to canvass the range of learning pathways, preferred or otherwise, it is important to briefly explore the range of contributions to small business learning.

The sections that follow discuss how recent research has identified these contributions, beginning with a consideration of short non-accredited courses, followed by work-based learning, and finally, the contributions of localised networks and support for small business learning. Here, recent studies are used to review these contributions from the perspective of a large development initiative for small business.

Non-accredited short courses

The mainstream VET system provides training to small business that is standardised, structured, assessed and certified under national competency-based frameworks. However, organisations as diverse as Commonwealth and state agencies, private consultants and other business service agencies provide other kinds of formal and structured programs to small business. While these courses tend to be structured, they differ from VET courses primarily because they do not lead to accreditation or any type of qualification and they are short in duration. Their advantages are that they tend to be cost-effective, relevant, demand-driven and are perceived as meeting a direct and immediate need of small business (Kearns 2002). The current demand for short courses by small business is likely to continue to grow and this may be explained by their ability to meet 'just in time' knowledge and skills required for the workplace (Kearns 2002). The key concern is to what degree these courses are effective, given their duration, and in what ways they should be integrated with other kinds of experiences and support for small businesses.

Currently non-accredited short courses are offered in a variety of delivery modes and schemes such as face-to-face, distance education, multi-media packages, online learning and through networks. Two examples of Commonwealth-funded special business programs are the Small Business Enterprise Culture Program (SBECF) and the Workplace English Language and Literacy Program (WELL). The former is designed to support the business skills of owner-managers and has as its focus, skilling, mentoring and women in small business (Kearns 2002). The Workplace English Language and Literacy Program is a program administered by the Department of Education, Science and Technology and addresses literacy and communication skills in the workplace. To date the program has been adopted by both small and large organisations (Kearns 2002). Short courses for small business are provided in the individual states and territories through small business advisory services.

Prospects for short non-accredited courses

It seems that short-term non-accredited courses have a role to play in providing training for small business. But as discussed previously, the nature and specific needs of small business are not always addressed in the design and delivery of such programs. In the future, Kearns (2002) predicts these kinds of courses will continue to make contributions to learning in and for small business. However, he cautions that an over-reliance on this kind of provision with its 'presentist' and piecemeal basis may be detrimental to the development of more strategic outcomes required for small businesses to be sustained in the long term. Therefore, he argues that access to short 'just in time' courses are unlikely to make a long-term contribution to sustaining these enterprises and represent a very piecemeal approach to developing and maintaining the skills of small business workers throughout their working lives.

In the current system, there is little or no co-ordination between courses offered by VET and providers of short courses (such as small business authorities and others). This is consistent with the marketplace ethos that has dominated the vocational education terrain over the last decade (Billett et al. 1997). Consequently, there is considerable overlap and duplication of courses, a situation which is now less tolerated, and in one state (Victoria) is currently the focus of a government review through, among other mechanisms, the Local Learning and Employment Network (Kosky 2001). This initiative is designed to lead to a more co-ordinated and systematic approach to training to eliminate overlap and provide a more holistic and integrated system. Ideally, this initiative aims to integrate learning opportunities provided not only by VET and small business authorities, but learning arising from workplace-based experiences.

Kearns (2002) proposes building bridges between the credentialled taught course, short courses and learning support and the experiences occurring in workplaces and localised arrangements. The goal here is to adopt a more strategic approach for small businesses and the development of vocational practice for small business workers throughout their working lives. Such an approach will inevitably require partnerships and collaboration amongst key stakeholders. The key partners Kearns identifies

are enterprises, employees and communities. Of interest to this study is the extent to which individuals in small business interact with enterprises and communities as they attempt to learn new practices and skills required for a dynamic and changing workplace context. In the next section on learning in the workplace, learning strategies such as networks in the community are considered for their potential to bring about learning in and for small business.

Learning in workplaces

There is growing interest in Australia and internationally in the workplace being used as an environment to develop vocational practice (Boud & Garrick 1999). This is understandable given the premise that learning occurs in a diversity of ways and in a diversity of environments, such as the workplace. Everyday activities in the work environment are an important source of learning for work. The direct guidance of others and indirect guidance available through observing and listening provide a basis for guiding learning that secures learning through workplace activities (Billett 2001a).

Although learning in the workplace has sometimes been referred to as ‘informal learning’ or ‘incidental learning’, this labelling has fostered the view that learning experiences in the workplace are incoherent, lack structure and have outcomes wholly specific to the particular enterprise. The absence of a qualified teacher and deliberately structured curriculum can easily lead to assumptions that learning in workplaces will be inferior to that occurring in schools, universities and colleges. Such a view is questionable since workplaces are likely to be structured by the enterprise’s work practices (that is, its goals and procedures), just as students’ experiences in educational institutions are. Intentional ‘guided learning’ involves strategies such as modelling, coaching and questioning (Billett, McCann & Scott 1998), the ongoing engagement in goal-directed work activities, direct interactions with co-workers, observations by other workers, the workplace and workplace artefacts structured by the workplace (Billett 2001b, p.4). Therefore, it is important to view workplace learning experiences as being structurable and legitimised learning experiences.

Importance of the workplace for small business

Identifying how people can best learn in small business and through work activities represents a significant and worthwhile goal for vocational education policy and practice (Gibb 1998). This includes considerations of how the needs of small businesses can be ascertained, how alternative approaches to learning for small business can be implemented in ways that are cost-effective, and how best to evaluate these approaches. For practice, there are considerations of making the experience relevant, locating sources of expert support and assisting with the development of arrangements capable of developing rich knowledge for small business workers and proprietors. For workers in many sectors of small business work, there is often no option other than to learn in the workplace, because it constitutes the only location in which to learn workplace requirements. Furthermore, for most workers, workplaces will, in all probability, be the main source of maintaining and developing further vocational knowledge throughout their working lives. Alternatives such as courses at vocational colleges are often unavailable, inappropriate or inaccessible. The inadequacy of the alternatives has been proposed as a reason small business participation in vocational courses is low (Coopers & Lybrand 1995).

Small businesses nominate ‘learning as you go’ to be the best means of gaining skills as a small business owner–manager (Coopers & Lybrand 1994). This approach to learning is held to be:

- ✧ practical and hands-on
- ✧ the easiest way to learn
- ✧ the quickest way to learn
- ✧ can be done as part of the job.

Interactions with others, particularly with other business owners, is regarded as an effective means of gaining skills, mainly because this provides a benefit to the business and is industry-specific (Coopers & Lybrand 1994). Similarly, Roffey et al. (1996) identify family and friends as sources of business advice that are viewed with great satisfaction. In a study of 50 entrepreneurs in cultural industries (including audiovisual recording, publishing, broadcasting, design, fashion) from small and medium enterprises in the United Kingdom, Raffo et al. (2000) found that the entrepreneurs preferred learning in their workplace to structured training which took little notice of their unique context and challenges. To them, learning occurred as a consequence of dealing with situated problems in their work environment, aided by self-reflection and seeking out advice from practitioners and mentors. While many of the entrepreneurs had undertaken higher education which had provided a good grounding in their respective work areas, the participants noted that specific vocational skills were derived from 'working it out' in the workplace. These findings are consistent with other studies about how workers learn the knowledge required for performance in other work situations (Billett 1996, 1998, 1999; Misko 1996; Guthrie & Barnett 1996).

Other recent research illustrates the small business preference to learn from the workplace environment (Kilpatrick & Crowley 1999). Of the 181 small businesses interviewed in three urban and three rural centres in Australia, the most frequently cited source of learning was referred to as 'informal learning'; such as learning from customers, suppliers and business and social networks. Of these, learning from industry sources was most frequently cited. Other sources such as family and social contacts, professionals such as accountants, and the media were used by around half or more of the businesses surveyed. While learning from these sources was reported to be useful by over 80% of the sample, attending courses was evident to a lesser extent. For example, 35% of the sample had an employee/partner who attended a relevant course over the previous year, while just over 60% attended a seminar or meeting over the previous year. Trial and error was identified as the most common way of learning for the sample (69%), followed by previous experience (58%) and undertaking a course (31%). These statistics support the workplace as the preferred choice and most likely location where individuals in small business learn. They also give support to the point previously made about the popularity of short-term courses for small business, since 60% of the sample attended a seminar or meeting over the past year.

While learning can and does take place in workplaces, the quality of that learning is contingent upon a number of factors. The quality is likely to depend on the kinds of activities that individuals engage in, as well as the support and guidance they receive from others (Billett 2001a). The kinds of activities in which individuals engage in workplaces will influence what and how they learn and how they organise what they have learnt (Rogoff & Lave 1984). Two important considerations influencing how learning in workplaces proceeds are: how workplaces afford opportunities for learning, and how individuals engage in activities. Together, these factors provide a way of understanding how learning at work proceeds and have been conceptualised as 'co-participation at work'—the reciprocal process of opportunities and engagement (Billett 2001c).

Workplaces opportunities

The preparedness or readiness of the workplace to make opportunities available for individuals to engage in work activities and enjoy the benefits of both direct and indirect support is a key determinant of the quality of learning in the workplace. This applies to both structured workplace learning arrangements, such as mentoring, as well as contributions to learning accessed through everyday participation at work. Evidence and illustrative instances of enterprise support and its consequences are provided through the findings of an investigation of guided learning in five different kinds of workplaces (Billett, McCann & Scott 1998). It was found that guided learning strategies (modelling, coaching, questioning, analogies and diagrams) augmented individuals' learning through contributions that cannot be realised through everyday activities alone. Across the five enterprises, the frequency of guided learning strategy use and perceptions of its value were diverse. Factors such as variations in enterprise size, activities or goals did not fully explain these

differences. Instead, from this study, the degree of the enterprises' willingness to provide activities and guidance were identified as a key factor.

Learning through work can be understood in terms of the factors that support or inhibit individuals' engagement in work. It seems that beyond judgements of individuals' competence, opportunities to participate are distributed according to race (Hull 1997), gender (Tam 1997), worker or employment status, workplace hierarchies (Darrah 1996, 1997), workplace demarcations (Bernhardt 1999; Billett 1995; Danford 1998), personal relations, workplace cliques and affiliations (Billett 2001a). Whose participation is encouraged and whose is frustrated then becomes a central concern for workplace learning. For instance, relations between supervisors and workers and relations among workers determine how workplace interactions proceed and the basis by which they proceed (Danford 1998).

Similarly, the availability of opportunities to participate may become points for contestation between newcomers' or 'old-timers' (Lave & Wenger 1991), full- or part-time workers (Bernhardt 1999) and teams with different roles and standing in the workplace (Darrah 1996; Hull 1997). Contingent workers (that is, those who are part-time and contractual) may struggle to be given opportunities to participate in ways available to full-time employees. Personal affiliations in workplaces also determine who is invited to participate, what information is shared, and with whom, how work is distributed and how co-workers' efforts are acknowledged. Other factors, including the openness, support and preparedness of more experienced co-workers, will influence the efficacy of intentional strategies such as mentoring, reflection on action and coaching (Billett 2001a). In large enterprises these factors may play out in terms of large cohort and interpersonal interaction, but in small businesses they may be played out between owners and employees. However, also central to learning is the degree to which small business operators and learners actually engage in the workplace.

Individuals' engagement in activities

How individuals elect to engage in workplace tasks influences what they learn through their work activities. Learning new knowledge (that is, concepts about work, procedures to undertake tasks or attitudes towards work) and refining the knowledge previously learnt are mediated by the individuals' existing knowledge, including their values about where and to which activities they should direct their energies. Therefore, engagement in work activities does not lead to unquestioning participation or learning of what is offered in the workplace. Individuals are active agents in what and how they learn from these encounters. It would be a mistake to ignore the strength of human agency (Engestrom & Middleton 1996) in determining how individuals elect to engage in workplace activities or courses associated with small business development.

The previous discussion highlighted the centrality of the workplace in providing direct and indirect (or structured and unstructured) learning experiences to small business. It also alluded to the notion of 'co-participation at work' which is concerned with the interplay between opportunities provided by the workplace and the engagement of individuals in workplace tasks, which together result in learning in small business.

The following section reviews some of the salient findings to emerge from a four-year Commonwealth-funded project which has implications for small business learning, particularly workplace learning.

Small Business Professional Development Program

The Small Business Professional Development Program was a federal government-funded program which operated between 1995 and 1999. It aimed to identify and develop a number of models for providing professional development to small business. A key goal was to identify training methods that were appropriate to their particular organisational contexts and staff needs (Gibb 1999, p.50). Over 2000 Australian small businesses participated in 80 Small Business Professional Development

Program projects in co-operation with training and business service organisations (Kearney 2000a, p.ix). Business service organisations included industry or business associations, chambers of commerce, business enterprise centres or regional development boards.

A key finding of the Small Business Professional Development Program was that there is no single solution that enhances learning and training in small business. Rather, there is a range and combination of choices available to meet the needs and demands of specific small business contexts. In different ways these choices were seen as meeting the needs of small business. In the Small Business Professional Development Program these choices were considered in terms of four continua:

- ✧ direct and indirect training
- ✧ structured and unstructured training
- ✧ training which meets training needs and business needs
- ✧ recognised and unrecognised training.

(Kirkwood 2000a)

In terms of what has been discussed previously, provision of training by VET falls under the umbrella of direct, structured and recognised training that meets 'training' or human resource needs, while training on the job is more likely to be indirect, unstructured, not recognised in terms of accreditation and concerned with issues of business performance. Another example which falls within the indirect category of learning for small business is that provided by business service agencies via local networks.

In summary, the experience of the Small Business Professional Development Program (Kearney 2000a, p.30) found that:

- ✧ Small business participants were motivated by business needs, but benefited from being helped to appreciate the value of training as a business tool.
- ✧ Some training organisations acknowledged the informal learning preferences of small businesses and adapted conventional delivery modes to incorporate more flexible, less structured approaches.
- ✧ Small businesses preferred informal, flexible learning approaches, but gained a great deal when they were shown how to bring more structure and system to their in-house training.
- ✧ Collaborative self-help models (such as networks, mentoring, clusters and diagnostic tools) were 'in tune' with small business' learning preferences.
- ✧ Initially small businesses were not attracted to the prospect of recognised qualifications, but valued them when they were made available.

From the findings summarised above, it is claimed that one of the outcomes for small business was that they were given the opportunity to broaden the scope of what constituted VET. Training was not seen as an 'either/or' matter, but provided them with the opportunity for mixing and matching from across the four continua. In his evaluation of the Small Business Professional Development Program, Kearney (2000a) concluded that training was likely to be more effective for small businesses when the decisions they made about training 'converg[ed] to the centre of these continuums' (p.xi). Two important implications are noted here. Firstly, providers of structured training have much to gain by borrowing the methodologies and approaches to learning from small business in workplace environments. Secondly, small businesses can only benefit by the lessons learned from formal training providers in relation to how to plan and structure learning (Kearney 2000a, p.30).

One of the significant outcomes of the Small Business Professional Development Program with important implications for understanding learning in and for small business was the identification of a set of collaborative self-help models generated and used by small businesses. In total, there were eight self-help models identified, and these included mentoring, networks and clusters, action

learning, workplace coaching, diagnostic services, direct training, attracting participants, benchmarking and low risk buying (Kearney 2000a, p.53). The self-help models were favoured by small business because they fitted with the way in which learning occurs in small business. Of the eight models, four of these are considered to be 'indirect models of learning' (that is, networks and clusters, mentoring and diagnostic tools). How each of these directly informs learning in and for small business is now briefly discussed.

Networks and clusters

The advantages of local networks and clusters for small business have been documented in the research literature in Australia and overseas (Kearney 2001a; Kilpatrick & Falk 1999). Networks are seen as advantageous for small business because they facilitate interaction and communication between owners of small businesses. They also focus on their members' special needs and situations, offer customised professional development focussed on issues common to their members, and provide the opportunity for people to share and learn with and from each other (Kirkwood 2000a). Networks are usually set up by host organisations, such as business service organisations, with the aim of providing a range of services for a particular industry. While the Small Business Professional Development Program categorised several types of learning networks (that is, clusters, soft and hard networks, open-ended networks, structured networks, assessor networks, short-term networks, self-managing networks and emerging networks), common to all of these was the notion of mutual support and information exchange.

Closely related to networks are clusters. Clusters are smaller, more focussed networks (for example, a group of ten employers) with some factor in common (for example, location or industry type) which meet to discuss common concerns (Kirkwood 2000a). They decide when they will meet, what they will work through and whether they should continue. Cluster groups use a variety of learning strategies such as inviting guest speakers, sharing ideas and action learning. (Kirkwood 2000a, p.10). Kearney (2000a) identified factors supporting successful networks. These include:

- ✧ a loose alliance already existing among members
- ✧ clearly defined community or identity among members
- ✧ balance between skillful external facilitation and progression towards self-management
- ✧ businesslike strategy for self-management
- ✧ willingness by members to self-fund the group.

Kearney (2000a, p.55) noted that building new networks between businesses which had not previously existed tended to be unsuccessful. Instead, networks need to be induced by an external body. In the project, establishing networks that were identified as short-term and specific was seen as more productive than trying to introduce networks based on common characteristics.

Aligned with building networks and clusters for small business is the notion of building a learning community. A learning community is defined as '... any group of people, whether linked by geography or by some other shared interest, which addresses the learning needs of its members through pro-active partnerships. It explicitly uses learning as a way of promoting social cohesion, regeneration and economic development' (Kearns et al. 1999, pp.61–2). In other words, a learning community benefits its members, and in turn, its members contribute to the good of the community. While learning communities could be initiated by a group of people interested in a hobby, small businesses have also been known to set up learning communities to enable ongoing interaction, dialogue and interchanges amongst groups. In the Australian context, much of the experience of learning communities has taken place in rural and remote areas (Kearns 1999, p.69). Kilpatrick and Bell (1998) and Kilpatrick and Falk (1999) found that learning for farming can build social capital in communities. Both works noted the importance of relationships between people and the building of formal and informal infrastructure in small farming communities.

Mentoring

Mentoring was one of the key indirect models to be tested by the Small Business Professional Development Program. Mentoring within this program was viewed as a co-ordinated learning approach where mentors (that is, more experienced and skilled people) were matched with mentees (that is, less experienced or skilled partners). Approaches used were one-on-one mentoring, one mentor helping several mentees, mutual mentoring and family member-to-family member mentoring (Kirkwood 2000a, p.12). Within the Small Business Professional Development Program, mentoring programs were developed by host organisations. Thus, the use of the term 'mentor' was different in the Small Business Professional Development Program from the usage in some of the literature stating that mentors are more experienced individuals within the business who assist and guide the work of other members of the business.

In the Small Business Professional Development Program, mentoring was seen as advantageous because:

- ✧ Many business people (that is, mentors) want to pass on their experience to those less experienced who see the experience as valuable.
- ✧ The learning provided is business-specific.
- ✧ The service is customer-focussed and flexible.
- ✧ Partnerships can be very supportive.
- ✧ The approach is complemented by other learning opportunities such as networking.

(Kearney 2000a, pp.53–4)

However, some caveats which were identified included:

- ✧ The program must be well-planned and organised.
- ✧ Attention must be given to the process of matching mentor and mentee.
- ✧ The costs of the program can be considerable.
- ✧ There should be training afforded to mentors to prepare them for their role.

(Kearney 2000a, p.54)

These caveats have also been noted by others in the literature on mentoring (Douglas 1997; Ehrich & Hansford 1999).

Diagnostic services

A diagnostic service is a structured assessment process used by business to review its performance (Kearney 2000a, p.57). It is a systematic first step that business can use to help identify its needs for development in a non-threatening and reflective manner. In the Small Business Professional Development Program, the more effective diagnostic tools performed the following functions:

- ✧ helping the user to reflect on how the business is performing
- ✧ clarifying strengths and weaknesses
- ✧ highlighting areas of need
- ✧ helping the user identify and prioritise areas of development
- ✧ providing direction towards solutions
- ✧ leading to follow-up actions.

(Kirkwood 2000b, p.2)

Some of the tools developed incorporated all or some of the functions identified above. The diagnostic services most welcomed were those which made links between business needs and training (Kearney 2000a, p.58). This is not surprising given that small businesses tend to be motivated by business needs more so than training needs. The use of diagnostic services was viewed

favourably by small business for the functions they performed and were identified as one of the successes of the Small Business Professional Development Program (Kearney 2000a).

Lessons from the Small Business Professional Development Program

This four-year Small Business Professional Development Program yielded insightful and rich understandings about the nature and needs of small business in relation to learning and training. Of particular importance to this study was the set of collaborative self-help models developed, and in some cases trialled by the small businesses. Mentoring, networking and clustering, and diagnostic services were articulated as successful indirect learning models employed by small business and, in many cases, these activities were used in combination with others. Kearney (2000b) concluded that self-help collaborative models 'represent the best hope for developing mini-in-house systems for small workplaces' (p.7). While these learning models are not new, they represent and reinforce preferred and successful ways in which small business already learn.

Summary

The following points provide a summary of the main points argued in this chapter:

- ✧ Assisting learning in and for small business is a worthwhile project with important economic and social goals.
- ✧ Taught courses, particularly those currently provided through national VET frameworks, have attracted and are likely to continue attracting small business disaffection because their:
 - ◆ focus is perceived to be on the needs of large enterprises and industry
 - ◆ adherence to governmental frameworks and prescriptions render them less relevant to small business
 - ◆ pedagogic practice seem at odds with small enterprise requirements and needs
 - ◆ market-based provisions are antithetical to the needs of small business.
- ✧ However, small businesses require to further develop their capacities to exist and be sustained in competitive economic environments.
- ✧ Workplace experiences (that is, activities and guidance) provide a platform for examining learning in small business, as these experiences are consistent with the kinds of needs identified for small business workers to develop further their work capacities and have been shown to have potential in a range of workplace situations. However, workplace experiences alone may be insufficient. Combinations of support from local networks, consultants, professional bodies and other small business operatives are likely to be required to augment workplace experiences. These need to be engaged with qualities identified as self-help in the Small Business Professional Development Program.
- ✧ It is necessary therefore, to understand further how learning can best proceed in small businesses and in what ways combinations of local support outside these small businesses can contribute to development of small business workers' and owners' capacities to perform effectively. These interactions are likely to be associated with the availability, accessibility and pertinence to small business of:
 - ◆ local networks
 - ◆ mentoring
 - ◆ external (diagnostic) advice.

A model of small business learning

The findings of the investigation into small business workplace learning are reported and discussed in two phases in this chapter. The initial phase of the empirical investigation used an analysis of data gathered from 30 small businesses to identify how they learnt to implement the goods and services tax and develop independence with its administration. These data were categorised into those relating to the focus of and goals for learning, the processes of learning and the kinds of outcomes that were achieved. These findings are presented and discussed in the sections below. In turn, these are used to advance a tentative model of learning for small businesses. The second phase of the investigation focussed on a validation and refinement of the model identified in the first phase. This comprised engaging small business proprietors to evaluate the model's usefulness for the kinds of learning required to sustain these small businesses.

Findings in overview

Phase one

In overview, the findings from the first phase of the empirical work are summarised by the following:

- ✧ The small businesses had different starting points, different levels of readiness and different bases of interest in learning to implement the goods and services tax and the business activity statement.
- ✧ The scope of the learning task was quite different across the small businesses (for example, from changes in the activities of the book-keeper through to the restructuring of the business practices within the small business).
- ✧ There were some identifiable patterns of responses that assist in developing a model of learning in and for small business. These included:
 - ◆ a movement from a reliance on external sources of advice and support to the development of capacities (skills and understanding) within the small business
 - ◆ different stages of learning drawing on different kinds of contributions to assist, guide and support the learning
 - ◆ an overall progress from defining what had to be learnt, to initial attempts and implementations, through to practice required to develop the capacity for independent practice.

The phases of development identified in the point immediately above are elaborated by the following:

- ✧ Assistance in *defining goals* was valued in the following ways:
 - ◆ assistance in understanding what the change meant for the small business
 - ◆ assistance in understanding the scope of the task to be undertaken
 - ◆ information on how best to proceed (information that was unhelpful was worse than no information at all)
 - ◆ localised support that understood the business, and was available, accurate and trustworthy.
- ✧ Support during the initial attempts to implement the goods and services tax (*initial approximations of task*) was valued when it provided:
 - ◆ procedural assistance (how to do it)
 - ◆ assistance with setting up systems and infrastructure to address the task

- ◆ having a go—the capacity to be supported and being able to access advice that promoted the confidence to proceed
 - ◆ the capacity to monitor what was being undertaken
 - ◆ access to advice to provide reassurance and support
 - ◆ localised instances (used as a basis to determine how to proceed).
- ◇ *Practice with the task* was valued because it provided:
- ◆ opportunities to learn, refine and reinforce
 - ◆ encounters with different kinds of problems and tasks that extend and refine what has been learnt
 - ◆ opportunities to monitor what was being undertaken
 - ◆ access to advice to provide reassurance and support.
- ◇ *Movement towards independent practice* was valued when it was supported by:
- ◆ access to experts as and when they were needed
 - ◆ interactions with other small businesses to check and monitor progress.

In summary, the pace, appropriateness and timeliness of advice and assistance were found to be key factors for effective support of these small businesses' learning. The location of the support and its understanding of the particular requirements of the enterprises were also important. Localised support—either through experts, family, or other small businesses—was consistently reported as making the most important contributions and at different times and in different ways. More than understanding the context of the learning tasks, this support was best placed to address the degree of variation in readiness, confidence, capability and the preparedness of the small businesses.

Phase two

The purposes of the second phase were to validate the findings from phase one and to determine whether they had broader (wider) applicability than the implementation of the goods and services tax. The key outcome of the second phase was strong support for the learning model. The findings that reinforced the applicability of the model to a wider range of learning situations reflected those of earlier findings and were proposed as follows:

- ◇ a movement from a reliance on external sources of advice and support to the development of an internal capability
- ◇ different stages of learning the tasks drawing upon different kinds of contributions to assist, guide and support the learning
- ◇ an overall progress from defining what had to be learnt, to initial attempts and implementations, through to practice required to develop the capacity for independent practice.

Furthermore, other important findings which reinforced the outcomes from phase one are:

- ◇ The scope of the learning task was quite different across the small businesses.
- ◇ Small businesses had different starting points, different levels of readiness and different bases of interest in the learning.
- ◇ The opportunity to 'just get in and do it' (that is, engage in practice) and access to external sources of advice were central contributions to learning at all phases of the process.
- ◇ Valued sources of external advice (including courses) were those described as accessible, affordable, and relevant to the needs of the small business.

While the small businesses noted that the model was reflective of their learning experiences, two factors for further refinement of the model were advanced. It was suggested that the model should highlight:

- ◇ that learning is a more iterative process than was represented in the model
- ◇ the role of the learner on the nature and scope of the learning.

In the following sections, the findings overviewed above are elaborated, a tentative model of small business learning is developed, and a refined learning model is presented which better represents the experience of small business.

Phase one: Case studies of learning the goods and services tax and business activity statement

This project was premised on the idea that all small business had to learn to implement the goods and service tax and administer business activity statements. However, although engaged in achieving the same goal (that is, implementation of the goods and services tax), there were variations in the focus, goals and scope of learning in these small businesses that went beyond achieving a single uniform goal. From an analysis of the case study data, the differences in learning are explainable through considerations of the enterprises' preparedness for the tasks to be learnt in terms of its:

- ✧ readiness—the level of existing knowledge or capability
- ✧ the quality of the infrastructure of technology
- ✧ the small business operators' interest in engaging in learning about the goods and services tax
- ✧ the confidence to proceed with the learning task. In order to understand the differences in the focus of and goals for learning, these bases of preparedness are now briefly elaborated.

Enterprise preparedness

Firstly, differences in the degree by which business administration capacities resided within the small business or outside it (for example, accountancy skills, bookkeeping, administrative advice) were quite distinct. Some small businesses were well prepared to implement the goods and services tax as they possessed the required kinds of administrative skills. Others did not have these skills. However, past practices of delegating taxation-related issues to accountants were now no longer sufficient, as more detailed administration and regular reporting were now required. Taxation-related practices now have to occur in the workplace, but small business also had to determine the degree to which they could afford a more encompassing and frequent accountancy service.

Secondly, across the 30 small businesses, there were significant differences in the levels of existing organisational infrastructure to assist with these tasks (for example, access to computerised administrative packages, organisational tools). This meant that the scope and focus of the learning task differed across these enterprises. For some, the existing administrative infrastructure provided a platform to make incremental changes to implement and enact the goods and services tax and business activity statement. For others, the requirements of the goods and services tax and business activity statement rendered the existing technology and infrastructure obsolete. In these instances, new means of business administration were required to be developed in parallel with developing the capacity to implement and report on a new taxation system. The scope and intensity of these learning tasks compounded the difficulty that some small businesses encountered.

Thirdly, there were quite different reasons for interest in the task to be learnt. For some small businesses operators, the administration of their business was an unnecessary evil; for others it was central to their business practice and purpose for being in small business. The first kind was more interested in the business' professional practice than its administration. Within these small businesses, there were at least two identifiable patterns. Some of those engaged in professional practices (for example, the optometrist and veterinarian) were willing and able to pay for external assistance with financial and taxation-related tasks. There was another group who relied on family support, particularly a female partner (wife), to administer the business and often in a bookkeeping role. These small business operators tended to embark upon the learning task with some degree of reluctance and, in some instances, continued to delegate these tasks to experts outside the business. By contrast, other

small business operators whose vocational interest was more tightly aligned to operating a business were less interested in the actual nature of the business as long as it returned a profit. These individuals seemed to be highly focussed and were more likely to be intensively engaged in learning to implement the goods and services tax.

Given the close relations between engagement in activities and learning, it seemed that different processes of learning occurred and that distinct kinds of outcomes were achieved through different kinds of engagement. That is, individuals' interest in the new tax system seemed to determine whether their engagement in the task was superficial or intense, and whether the outcomes were merely concerned with compliances. On the other hand, different outcomes would be expected if the operator were concerned to utilise the new system to its full potential.

Finally, the degree of confidence of the small business operators shaped their learning about making these changes. The process of establishing goals and proceeding to learn will, in some ways, be shaped by the confidence to proceed. Those who had business or accountancy skills proceeded in quite different ways and dealt with sources of information and advice differently from those who lacked these capacities and confidence. Moreover, some informants' confidence in proceeding was premised on their ability to secure close and trusted advice from consultants, accountants and family members who possessed appropriate financial and taxation expertise. Importantly, having this expertise themselves or being able to easily access it also permitted a capacity to comprehend and monitor the impact of these changes on the small business. The confidence of some operators was constrained by the scope of the tasks to be learnt and their sense of isolation.

There was also interplay among these categories of preparedness (for example, those with existing capacities and technology, and also being confident to progress). So, for instance, some small businesses engaged in the task with the close support of business consultants who knew the business well and the scope of its compliance requirements. Others knew they had the support of family members who possessed expertise or employed a bookkeeper who was untroubled by the task to be learnt ('just two more columns in the ledger').

Learning about the goods and services tax in small businesses

Just as in any curriculum activity, there were learners at different levels of preparedness or readiness for the learning task. Thus, there were different premises from which these enterprises approached these learning tasks. Moreover, the learning tasks were diverse. For some enterprises, the advent of the goods and services tax and business activity statement required significant changes to their work practice and modes of operation, for others there was minimal disruption. Some enterprises had to integrate the use of computers into their daily work activities, requiring the development of new skills. For others, it was a simple adjustment to bookkeeping activities (the placing of an additional column or two in the journal used to track purchases and invoices for work). For some, it required an intense focus on administration that distracted from core business or caused greater resources (including family) to be directed to manage the business. However, more than different starting points and divergent pathways, there were also different levels of interest and engagement in these tasks.

In considering a model of small business learning therefore, issues of readiness for learning and the scope of the learning required, as well as individuals' interest in and confidence to proceed with the learning tasks, need to be accounted for. As is elaborated in greater detail below, the level of interest may determine how and what tasks attract individuals' engagement and the degree of that engagement. As some authors (for example, Billett, McCann & Scott 1998; Engstrom & Middleton 1996) have proposed, individuals are active agents who determine the extent to which they will engage in learning activities. In this instance, it was externally mandated tasks that drew reluctant learners to engage at some level.

Equally, the scope of the learning task will determine the kinds and degree of support that small business operators require. In this study, the government anticipated that small business people would require expert taxation advice and support to handle the demands of the goods and services

tax and business activity statement and, consequently, a range of assistance such as specific courses, hotlines, written materials and access to Australian Taxation Office consultants and specialists was made available. Besides these sources, small business operators also actively sought the advice of others, both within and external to the organisation, to assist their learning. These are elaborated below.

Process of learning

Data of different kinds were gathered about how the small businesses learnt to implement the goods and services tax and administer the business activity statement. These data comprised: a ranking of the usefulness of particular contributions to learning followed by accounts that justify their use and, having completed implementation of the goods and services tax and business activity statement, the small business operators were asked how they would advise another small business to proceed with the latter. In the following sections, these data are analysed, the focus being the identification of contributions to the learning in the small businesses. The outcomes of this analysis are used to inform, support and substantiate the development of a model (or models) of learning in and for small business.

Overall contributions to learning in small businesses

The small business operators were asked to reflect on their experiences in learning how to implement the goods and services tax and the business activity statement to rank the usefulness of a range of contributions to that learning (see table 1). These contributions were those previously identified in the literature review (see for example, Coopers & Lybrand 1994; Kilpatrick & Crowley 1999; Kearney 2001a; Kirkwood 2000a) about learning in small business workplaces and for small businesses. They comprised: Just getting in and doing it, 'advice of other small business operators', 'local networks', 'consultants/tax specialists', 'courses', 'governmental support', and 'industry association'. The informants were also encouraged to nominate and rank contributions other than those listed. The ranking was on the basis of its usefulness—from 'indispensable' through to 'irrelevant', with a 'not applicable' category also provided. In table 1, the aggregated data of this ranking of contributions are presented. These data are intended to indicate the usefulness of these contributions to learning the goods and services tax/business activity statement.

A number of patterns can be discerned in table 1. Firstly, with the exception of family support, those contributions identified from the review of literature were likely to assist the learning in small businesses, suggesting that what had been identified in the literature review was generally consistent with the interviewees' experience. The contribution of family members to learning the goods and services tax and business activity statement was the most frequently nominated 'others' category by the informants. This contribution has been acknowledged by some studies of small business learning (see Kilpatrick & Crowley 1999; Roffey et al. 1996).

Secondly, there were differences in the reporting of the usefulness of the various contributions across the informants. This becomes apparent when comparing the aggregation of 'irrelevant' and 'not useful' with and aggregation of 'very useful' and 'indispensable'. Using this kind of comparison, 'just getting in and doing it' and 'consultants and tax specialists' have the highest ranking. 'Advice of other small business owners' and 'local networks' are more likely to be seen to be less useful. Although 'courses' carried the highest frequency of being 'not applicable', in cases when they were accessed, they were judged to be extremely useful. This finding is interesting. It has been claimed by Robinson (1998) that, despite the reported disaffection of small business for taught courses (see Coopers & Lybrand 1995), the majority reporting that disaffection had not attended any courses. However, those small businesses that participated in VET courses generally expressed satisfaction with their participation. Thus, the task is to understand the ways by which the courses contributed to learning the goods and services tax. Both 'government support' and 'industry associations' also shared a mixed reception, with similar numbers reporting high and low usefulness. Again, this warrants a further consideration of the ways in which these contributions had been

perceived to be supportive of learning the goods and services tax. Among others that were reported 'not applicable' were the 'local networks' and 'industry associations'.

Table 1: Overall contributions

Contribution	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
Just getting in and doing it	2		1	3	8	16
Advice of other small business operators	2	6	5	9	4	2
Local networks	7	7	4	5	5	2
Consultants/tax specialists	2	1	1	5	6	17
Courses	10	2	3	4	8	4
Governmental support	3	2	5	12	5	2
Industry association	8	6	3	5	5	4
Others						
ATO website					1	
State development centre				1		
Software—quick books						1
ATO hotline					1	
Learning from staff						1
Family involved in business					1	5
Delegation to bookkeeper						1
Tax office manual						1
Dinner meeting						1
Tax examiner—monthly newsletter					1	
Specific tax office consultant			1			

Key contributions to learning

Overall, the two contributions reported consistently as making the strongest contributions were 'just getting in and doing it' and 'consultants and tax specialists'. The former is perhaps not surprising given that small businesses nominate 'learning as you go' to be the best means of learning and gaining skills (Coopers & Lybrand 1994), nor is the latter surprising given the specific taxation-related tasks involved. For each, however, it is important to understand in what ways they contributed, and the degree to which they reflect a more general point about external advice and engagement in the learning activity. Similarly, the data on 'other' contributions warrant further analysis.

Contributions which were of little use for some were perceived by others to have provided an indispensable level of support. This then leads to a consideration of different kinds of contributions and their location. Some are remote from small businesses (for example, government support, Australian Taxation Office website and help line, industry associations etc.), others are more localised (for example, local networks, family support, courses, accountants and some consultants) and others are an intrinsic element of small business (for example, just getting in and doing it, bookkeeper, other staff). So there are contributions that can be understood in terms of their location and usefulness. For instance, in learning a technical skill, such as computing, there may be a different kind of contribution involved than in understanding how to calculate the impact of goods and services tax on cash flow and the need to have funds in reserve to make the quarterly payments.

This suggests the need to understand in more detail the value of each of these contributions. Given the differences in levels of readiness, interest and confidence that were identified in the case studies, an understanding of their impact is important.

Particular contributions and their usefulness

This next section discusses the ways in which the particular contributions were seen to assist or inhibit the learning process. The analysis revealed discernible activities that the informants engaged in: earlier in the learning task (often associated with attempting to understand what was required to be done and learnt); other activities associated with initial attempts to learn to implement the goods and services tax; and activities which focussed on refinement and developing greater autonomy in their practice. These are presented and discussed in terms of their support for:

- ✧ attempting to determine what learning was required (goals for learning)
- ✧ initial attempts to learn the tasks
- ✧ practice
- ✧ leading to independent performance of the task.

However, these four phases of learning are not seen as being wholly linear: they reflect activities that may be points of progress, yet may be re-worked through when new components of the tasks arise. For instance, one set of informants reported having begun the task (initial approximations) and then realised that they did not fully understand what they were doing. Hence, they had to return to focus on and understand more about the principles of the goods and services tax and the scope of the procedures to be learned. Others reported refinements to their learning goals once they engaged with the task. Some of these refinements required elaborating a richer understanding of their goals. For some informants, these refinements meant an increase in the scope of their learning (for example, learning how to operate a set of accounting procedures via the computer was a major learning activity). For others, the actual task was easier than they had envisaged (for example, the calculation of the goods and services tax caused only minor adjustment to the existing accounting procedures used in some small businesses' operations).

Goal formation (what needs to be done)

For the reasons outlined above, the purpose, focus and process of goal formation differed across the small businesses. The small business operators' interest in and readiness to undertake the task, the preparedness of their infrastructure and their confidence may well determine the scope, kinds and orientation of goals. Given the diversity in the range and scope of the goals, it is important to understand what helped formulate these goals. As a first step, table 2 presents a synthesis of the data referring to how the process of goal formation was supported.

The process of goal formation requires the small business operators to consider what has to be learnt and how best to proceed. This requires engaging in a process of gaining information and comparing what they know with what they need to know. So perhaps it is not surprising that the contributions of 'getting in and doing it' were associated with developing an awareness of what had to be done, accessing information and then attempting to formulate goals for action. Some informants found that other small businesses were useful in informing about the general and specific requirements of the goods and services tax. However, others reported that the lack of understanding of the initiative by other small businesses and their inherent negativity rendered this source less than useful. So, informed and positive partners were valued, whereas those whose information was found or perceived to be unhelpful were not. 'Local networks' in the form of other small businesses or local affiliates were useful in advising and providing accounts of others' experiences. This includes learning what not to do, as well as how to accomplish tasks or understanding principles. These interactions provided more than just knowledge. They also provided a means for individuals to share and test out their own developing understanding of what is/was required—so they were reciprocally informative.

Table 2: Contributions to formulating goals

Source	Contributions
Getting in and doing it (within)	<ul style="list-style-type: none"> Understanding the kinds of things that needed to be learnt—identifying the gap between what you already know and what has to be learnt Identifying—becoming aware of what is required to be learnt Developing basic knowledge before proceeding with implementation Applying existing knowledge to a new problem in order to decide how to proceed Engaging with materials (for example, reading) that inform about the underlying principles of what has to be learnt Expectation from family that he/she would get in and learn how to implement the goods and services tax Learning through engagement
Other small business operators (local)	<ul style="list-style-type: none"> Assisted identifying both general requirements and sector-specific issues Not useful, because of the negativity and under-informed character of other small business operators Confusion caused by other businesses' low level of understanding Useful when had required expertise Being selective about advice taken Testing out scenarios from the experiences of other small businesses
Local networks (local)	<ul style="list-style-type: none"> Developing understanding through interactions and conversations Conversation with other small business operators useful for learning how best to respond to goods and services tax Industry association providing a forum for sharing ideas about the task to be learnt Uninformed and panicky advice made local networks a suspect source of advice
Consultants/tax specialists (local)	<ul style="list-style-type: none"> Provided support, expertise and guidance to implement and monitor its implementation Tailor-made advice was provided throughout implementation Identified key tasks to be undertaken Overcame fears about the process and identified the key implications for their business Provision of strategic and cost-effective advice Best when trusted Provision of accurate and trustworthy advice on how to proceed
Courses (local)	<ul style="list-style-type: none"> Helped develop understanding required Not useful when too general or overstating or complicating what has to be learnt Provided a good overview or 'big picture' of the initiative Understanding what is required Can be hard to access
Government support (external)	<ul style="list-style-type: none"> Information was extensive (and potentially daunting and confusing) Responses to inquiries were useful Not always applicable enough to be useful—more sector-specific focus required When accessible, the hotline provided immediate and useful information
Industry associations	<ul style="list-style-type: none"> Program of awareness-raising and dissemination of relevant information
Family	<ul style="list-style-type: none"> Provided highly valued and trusted expertise Had intimate knowledge of the business

The support of technical specialists was prized when it provided expertise, informed about the specific implications for businesses, and tailored responses appropriate to the particular enterprise's needs. For some enterprises, they also provided the confidence to proceed with the task. While some informants tried to avoid a dependence on this kind of support for reasons of cost and independence, most at some point in time relied on expert advice. Even those who did not use consultants and tax specialists accessed relevant information from sources other than accountants and consultants. The usefulness of the local experts was their capacity to inform about what was

required and then develop specific skills in achieving the task. They were seen as irrelevant when they failed to be useful and when their content was seen as not meeting enterprises' particular needs (that is, they were too general or needlessly complicated the task). In a similar way, the advice from government (that is, the Australian Taxation Office) was seen to be useful when it was timely, appropriate and enterprise-specific. Industry associations were most helpful when they provided sector-specific information and forums which allowed individuals to test out and extend their knowledge. Sources of expertise were identified as being helpful when they were specific to the enterprises' activities and were able to cater to the learners' level of knowledge (their readiness) about these initiatives.

In sum, the initial competence of small business operators and the degree to which they had access to other forms of expertise were likely predictors of their capacity to establish clear goals. Moreover, there was a reliance upon external sources of assistance: it seemed the level of existing competency associated with what had to be learnt in the small business shaped the degree of need to look outside for appropriate expertise. Initially there was a strong external focus on support for learning, which is not surprising given that the initiative was compulsory.

However, the level of technical competence was not the only factor. The degree of interest in the task to be learnt may determine the degree of effort expended by the individual in learning the particular task. There was greater and lesser engagement in learning the goods and services tax across the small businesses depending on where the interest of small business operator resided. This suggests, as noted by Coopers and Lybrand (1995), that the timeliness and pertinence of the learning arrangements are key factors for small business (Cooper & Lybrand 1995).

The gap between the individuals' knowledge and the task to be learnt may also determine the scope of the learning task and the degree of support required. In learning to implement the goods and services tax and business activity statement, there were significant differences in the starting points of learning and the scope of the learning tasks. So, no single approach or starting point to small business development is likely to exist. The next section of the analysis describes and discusses the capacities required in the movement from the initial formulation of goals towards independent practice.

Development of capacities to achieve goals

The learning processes of the selected small businesses were diverse. However, they are broadly categorisable under a two-phase process: firstly, initial approximations of the task and secondly, the processes that led to independent performance, referred to as maturing capacity to act independently. Practice and learning by trial and error constituted the processes that were necessary in the movement towards independent practice. From these data, it is possible to propose finer segmentations in the learning process. However, this would probably require making inferences from the data which are too definitive and which may not account for the overlap between categories. In the section below, the data referring to each contribution are presented and aligned with these two broad stages of learning development.

Initial approximation of tasks

The data provided by the informants about how they began implementation of the goods and services tax have been identified, synthesised and presented in table 3. Again, sources of learning and the kinds of contributions are presented in an aggregated and shortened form. The sources of learning and their contributions are presented below.

Table 3: Contributions to initial implementation of tasks

Source	Contributions
Getting in and doing it (within)	<ul style="list-style-type: none"> Understanding how it works and what changes have to be made Trialled ideas and procedures to 'get the feel' of the initiative Actually dealing with operational issues developed procedural response Experimenting with computer application developed capacities Provides evidence of the extent of your knowledge and degree and utility of preparation Reinforced what had been learnt in a course Commencing the task of identifying the scope of problems to be addressed Development of procedures through task engagement Practice Learned through errors made along the way
Other small business operators (local)	<ul style="list-style-type: none"> Clarification of particular issues and confirmation of approach adopted Application of ideas tested out in other small businesses Conversations assisted understanding the task Assisted in learning to use the computer and gain confidence in its operation Useful, when organised by industry groups, to address common issues Avoided contact with other small businesses because of their negativity and confusion Shared learning experiences most helpful Specific and general capacities, ideas and tips developed through interactions with others Assisted in overcoming concerns about the task Testing out scenarios from the experiences of other small business operators
Local networks (local)	<ul style="list-style-type: none"> Assisted implementation through sharing of experiences Sectoral differences made networks useless Provides support and guidance through the sharing of information Sector-specific networks helped address issues common to sector Conversation with other small business operators useful for learning how to respond to goods and services tax Industry association provided a forum for sharing ideas about the task to be learnt
Consultants/tax specialists (local)	<ul style="list-style-type: none"> Provided the confidence to proceed initially and monitor implementation Provided support, expertise and guidance to implement and monitor its implementation Tailor-made advice was provided throughout implementation Expertise was highly pertinent Materially assisted implementation—advice and hands-on actions Guided the business through the initial stages of the implementation Information that is timely and accurate and supports implementation
Courses (local)	<ul style="list-style-type: none"> Not useful when too general or overstating or complicating what has to be learnt Helped develop understanding required Most useful when there was immediate applicability and specific Instilled confidence to proceed with implementation Capacity to access is important
Government support (external)	<ul style="list-style-type: none"> Provided information that guided initial implementation activities Identified sources of support for the future When accessible, the hotline provided immediate and useful information Clarified solutions to problems Not always able to assist specific inquires
Industry associations (external)	<ul style="list-style-type: none"> Provision of ongoing information assisted the goods and services tax/business activity statement implementation Provision of sector-specific information
Others (family)	<ul style="list-style-type: none"> Timely and trusted advice Intimate knowledge of the business

In engaging in the task, the limits of existing understanding and capabilities are easily appraised. In this process, an appreciation of the task's requirements and procedures for meeting those requirements are accessed and conceptualised, albeit at different levels of comprehensiveness. Also, through testing out (trial and error), some sense of the parameters of what is to be learnt are understood more clearly—'getting a feel of it'. So just 'getting in and doing it' represents a process of learning through exercising existing knowledge and extending it through resolving or addressing problems to be resolved. In this initial learning phase, the experiences of and interaction with other small businesses seemed generally more valued than in the process of goal formation. Informants suggested that the sharing of the experiences of other small businesses helped them understand how to proceed, through discussions of issues of common relevance. These interactions were also held to help overcome fears about the task and promote the confidence to proceed. However, again there was also a concern about the level of knowledge and negativity towards what had to be learnt. The relevance of shared experiences was held to be useful in appraising usefulness of local networks. They were typically valued when they provided enterprise-specific advice and procedures that guided responses to the successful completion of the task.

Similarly, the advice of consultants and tax specialists was most valued when it directly supported the initial learning. Again, an intimate knowledge of the small businesses or at least sector-specific issues seemed to be essential in the provision of advice. The qualities of guidance and tailor-made advice were central to this source of learning being ranked so highly. Courses were also seen to be useful when they provided immediately applicable learning that was specific in terms of the learning task and the learners' existing level of understanding. There were examples of courses developing specific skills, such as using a particular software. Praise was forthcoming about the quality of these programs. However, others commented on being too short of time to attend these kinds of courses. The support of government and industry associations was considered most useful when it was easily accessible as businesses worked through the tasks, for the former, and when it was sector-specific for the latter.

Engagement in the actual tasks and working through the problems encountered forced learners into knowing about and knowing how to implement the goods and services tax. Throughout, the relevance of the contributions to what had to be learnt was evident. As these small business operators worked to implement the goods and services tax, they engaged in tasks which also promoted their learning about this new procedure. They were informed in many instances about how best to undertake these tasks and appreciated this kind of advice when it was helpful. Throughout, the quality of the interchange was premised on pertinence and timeliness and how best it might happen. Those engaged in the learning tasks of the greatest scope (that is, undertaking tasks wholly new to them) were likely to require evidence of success and valued the guidance and confidence they could draw from advisors of different kinds. The only sources of bad advice reported were from other small business operators who were under-informed, alarmist and/or inaccurate, and from courses that were not relevant to the problems faced by the learners.

What was noticeable was the almost universal requirement for an external source of advice in this phase. While the degree of the intensity and intimacy of this source of advice differed widely (from the consultant who lived with a small business family and worked directly with the business, to the independent learner who accessed materials and worked through the problem quite independently), the importance of accessing external information seemed central to the initial learning process.

In summary, while initially learning the task, particular contexts seem to be valued in a number of, but not all, instances. These included:

- ❖ other parties who provided useful assistance and understood the particular requirements of the enterprise
- ❖ knowledge about the enterprise and trust in the competence of the source of external expertise
- ❖ engagement in the task clarifying the requirements for and scope of learning, developing capacities through engagement in resolving problems and providing a platform to appraise progress and level of competence.

Improvement through practice to the capacity to act independently

Data about contributions that helped small businesses refine and improve their capacity to administer the goods and services tax and business activity statement with increasing independence were also identified. For many of the small businesses, the goal was to develop a capacity that would free them from a dependence upon costly outside expertise. Usually, concerns about cost and autonomy of practice underpinned the need to develop autonomous practice. Some small businesses still retained a desire to delegate these matters to bookkeepers and accountants outside the enterprise, but these were in the minority. The more general concern was to understand what processes led to independent practice.

In table 4, the data identified as referring to movement through to autonomous practice are aggregated and synthesised. Through engaging in the activities associated with its implementation and administration, it was found that procedures were refined by addressing the problems encountered. As their knowledge grew, some of the informants reported being more confident and able to address new problems and tasks—and with decreasing need to refer to external sources of information. Thus engagement in these activities associated with the administration of the goods and services tax seems to have refined much of individuals' knowledge of what was required for performance of these tasks. Practice and improvement in monitoring and decision-making seemed to go hand in hand.

The contributions of other small businesses, although less frequent than in initial learning, played an important role in refining performance and was largely gained from information on how other small businesses had responded to particular challenges. There was refinement to the informants' learning premised on what other small business had or had not done. The consequences for some enterprises seemed to be a development of a repertoire of procedures and greater depth of understanding about those activities. The contributions of local networks and industry associations seemed most salient when they provided opportunities for sharing different and more complex scenarios. For instance, a bookshop owner referred to his 'local' networks as an 'indispensable' source of learning since they provided a forum for members to meet, participate in conferences and seminars, share experiences and engage in 'friendly competition'. The contributions of consultants and tax specialists were also helpful in monitoring activities and providing opportunities to test out and extend knowledge. For some, there was ongoing contact. Some businesses still required the accountant to finalise the business activity statement and also submit it. Others had now dispensed with this service. Even some of those who had previously been dependent upon accountants for their financial and taxation expertise were attempting to be more autonomous and develop capacities to undertake these tasks themselves.

Significantly, the support of the Australian Taxation Office was mentioned as providing two sets of experiences that assisted with the development of richer understanding. The process of audits on submissions provided useful feedback. Also, the detail and quality of advice by the Australian Taxation Office was taken by one small business operator as enabling it to dispense with other sources of external advice. A few informants proposed courses as opportunities to test out and extend knowledge. The general point here is that the two-phase process of implementation of the goods and services tax and the business activity statement may have worked to reinforce the earlier learning and provide initial insights for the latter task. A process of refinement that arose from the business activity statement administration served to develop further the small business operators' capacity for independent performance. Also, the quarterly requirements for this task provided a mechanism for a more frequent engagement (that is, practice) than an annual taxation return required.

Table 4: Contributions to movement through to independent practice

Source	Contributions
Getting in and doing it (within)	<p>Refined procedures as barriers were identified</p> <p>Trial and error as new tasks emerged</p> <p>Provided the confidence to practise and proceed</p> <p>Permitted the application of existing knowledge to new problem</p> <p>Confidence to proceed (avoiding the need to engage accountants to do work)</p> <p>Reinforcing and refining learning through practice</p> <p>Pricing problems resolved through trial and error and monitoring of progress and evaluating implications</p> <p>Practice</p>
Other small business operators (local)	<p>Testing and honing knowledge—through understanding different kinds of requests and applications</p> <p>Clarification of particular issues and confirmation of approach adopted</p> <p>Different perspectives and experiences developed stronger conceptual base</p> <p>Learning what not to do</p> <p>Shared learning assists development of capacities to implement</p>
Local networks (local)	<p>Conversation with other small business organisation useful for learning how best to respond to goods and services tax</p> <p>Industry association provided a forum for sharing ideas about the task to be learnt</p>
Consultants/tax specialists (local)	<p>Organised seminars in which to test knowledge</p> <p>Provided support, expertise and guidance to implement and monitor its implementation</p> <p>ATO consultant guided the process so well they were able to dispense with their accountant</p> <p>Ongoing source of advice to improve and refine practices</p>
Courses (local)	<p>Opportunity to test out and extend knowledge</p> <p>Helped develop understanding required and capacity to monitor progress</p>
Government support (external)	<p>Audits by ATO were useful in revising procedures</p> <p>One-to-one assistance provided by the ATO was useful in refining the implementation</p> <p>When accessible, the hotline provided immediate and useful information</p> <p>ATO hotline useful</p> <p>Audits by ATO assisted refining procedures</p>
Industry association (external)	<p>Provision of ongoing information assisted the refinement of goods and services tax/business activity statement implementation</p>
Family	<p>Assistance with procedures—availability</p>

In the context of developing independence in this task, the contributions that compelled the learners to go beyond the basic issues of compliance and administration to a refinement of learning were largely premised on:

- ✧ engagement in a wider range of activities than initially undertaken in verifying practices and then responding to the business activity statement as a separate process and one that relied on the implementation of the first task
- ✧ the repertoire of others' experiences providing a basis for monitoring and refining initial understanding
- ✧ for some, other scenarios (albeit appropriate or inappropriate) provided by other small business operators and affiliates offering a tangible set of narratives to guide refinements.

There was a general movement in most instances, from assistance from external sources (for example, experts, government information, help-lines, accountants, industry associations) to a greater reliance on internal resources and capacities across two phases of learning to implement the goods and services tax and business activity statement. Generally, the process of learning relied

initially on external sources and then to practices and procedures that were more within the business itself. There were, however, variations of this general principle. Some small business operators relied less on external advice and processes than others. Taking the information provided by government or industry associations, some small business operators largely worked independently to secure the kinds of goals they wished to achieve. Others had always relied on external sources of advice and would continue to do so. Nevertheless, and in general, similarities in the learning process were identifiable across the small businesses. These similarities made it possible to develop a learning model (see figure 4, appendix A) that reflected the learning tasks and learning processes adopted by small business operators in regard to the goods and services tax and business activity statement. Figure 1, a more elaborated version of the original learning model, is discussed below.

A learning model: Bases for learning in and for small business

Figure 1 is a model of learning in and for small business. It elaborates figure 4 (discussed in appendix A) in a number of ways. Firstly, it includes the learner in the learning process and acknowledges the interplay between the two. Secondly, it identifies individuals' motivations for engaging in learning tasks. Some of the factors which impact upon if, how and to what extent individuals participate in learning include: interest in the learning; readiness and preparedness for learning; confidence in approaching the learning task; the values individuals place upon the task; and the energy the individual directs towards learning the task. Thirdly, the importance of the 'perceptions of the task' is included to illustrate the point that small business operators perceive particular learning tasks in particular ways and this impacts upon the way in which they go about approaching such tasks.

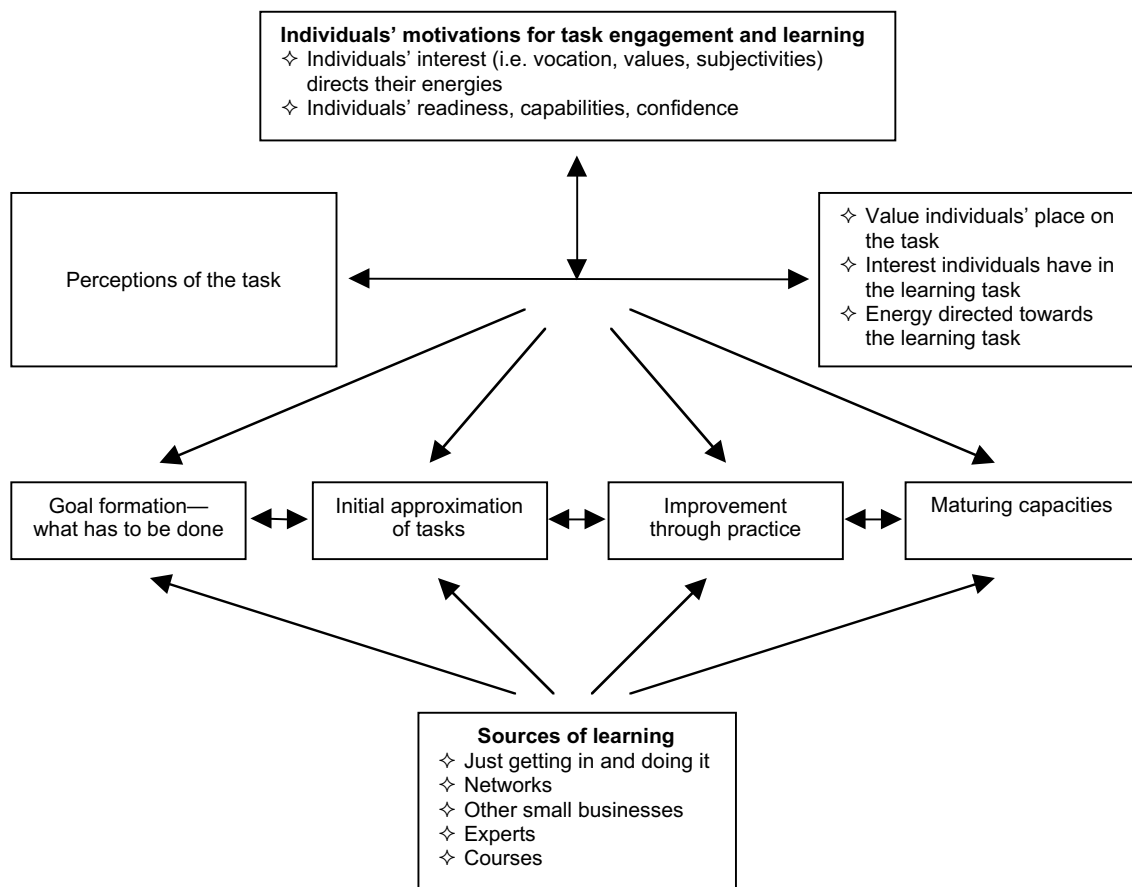
This model extends the learning process by including goal formation as the first phase. The four key phases are: goal formation; initial approximation of the tasks; improvement through practice; and maturing capacities. Maturing capacities is substituted for independent performance of the task because it captures the notion that learning is a developmental process more so than an end point. The other detail included in figure 1, not evident in figure 4, is the identification of the specific sources of learning that the small business operators drew upon at particular times during the learning process.

Phase two: Verifying and refining the model

The outcome of phase one of the data analysis was the development of a tentative model of learning (figure 4, which was used for verification purposes, and its more elaborated version figure 1) which depicts how learning occurs in and for small business. As noted, the tentative model utilised data drawn from case studies that described how operators in 30 small businesses learned to implement the goods and services tax and administer the business activity statement.

Phase two of the data analysis involved scenario-testing to investigate the extent to which the learning model was applicable to a recent experience of learning by small business operators. The appraisal of the model was undertaken in two states, Queensland and New South Wales. In total, 15 small businesses participated. Four of the small business operators who participated in phase one also participated in phase two, while eleven small businesses were new to the study. The businesses selected varied according to size, specialisation and location (see appendix A). An interview was conducted with each of the small businesses, as detailed in appendix A. They were asked to describe an example of a recent learning experience in which they had been involved and then determine whether their experience corresponded to the learning process identified in the tentative model (figure 4). Informants were encouraged to react to the model, extend it or change it so that it better represented their experience of learning.

Figure 1: Bases for small business learning



Learning incidents recalled by respondents

A variety of learning incidents were identified and described by the 15 small business people. These ranged from tasks related to the day-to-day operation or administration of the small business to those tasks that were central to the nature and focus of the small businesses' activities. Some examples of learning relating to the administration of the business included electronic banking, learning new computer software packages, learning new accounting systems, and learning how to implement council regulations. Some examples of those that related to the central activities of the small business included a new procedure for body wrapping and massage used by a beauty salon, learning new skills and competencies to become a steward through Interflora for a florist, learning how to move website addresses to a new webserver for a website designer, and learning the necessary skills and knowledge to become an accredited mortgage lender.

In contrast to the goods and services tax, which was a government mandate, the learning incidents described by participants came from many sources. In most cases, the respondents themselves played a role in choosing whether they would be involved in engaging in the learning activity. For some respondents, their participation in learning was prompted by a need to improve their skills and competencies, while for others, unforeseen problems emerged in the course of the day-to-day running of the business and required an immediate solution. Yet in others, new procedures to improve the administrative processes of the business warranted learning in order to implement them more effectively. Only one of the small businesses identified a learning requirement that seemed to be driven by outside forces (that is, the airlines) and this was a change of computer software package required for implementation by a travel agency.

Verification of the model

This section provides a discussion of the validation and verification of the model of learning from the perspective of 15 small business operators. Three identifiable patterns of responses that assisted in the development of the tentative model (figure 4) are used as a structure for validating and refining the model. These three features are:

- ✧ a movement from a reliance on external sources of advice and support to the development of an internal capability
- ✧ an overall progress from (a) defining what had to be learnt (b) initial attempts and implementations through to (c) practice required to (d) develop the capacity for independent practice
- ✧ different stages of learning the tasks drawing upon different kinds of contributions to assist, guide and support the learning.

A movement from a reliance on external sources of advice to the development of an internal capacity

Taxation specialists and accountants tended to be those experts whose services were sought in helping small business operators implement the goods and services tax. The 15 small business operators who participated in the scenario-testing phase of the study consulted a much wider range of expertise and this was not surprising given the diversity of learning incidents they described. In every example, participants relied, at least to some extent, on a particular type of external expertise whether that was an expert (such as an accountant, trainer, or specialist) or expertise in the form of valuable information (such as manuals, the internet, or other written sources).

In most instances, the 15 small business operators described a learning incident that reflected reliance on external sources initially and/or throughout the process, to a situation where they became independent enough to handle the demands of the learning task. A progression from dependence to independence was a pattern that emerged from the experiences identified by the small business operators. In most cases, they sought expert advice at particular points in the learning journey and, from that advice and through an ongoing engagement with the task, they were able to progress to a point of being able to demonstrate more autonomy in carrying out the learning task.

Some small business operators claimed that they had attained complete independence of the task, as was the case of learning how to use Powerpoint and electronic banking. For instance, one proprietor received one-on-one training of Powerpoint and, after some practice, was competent in using this technology. In this example, there was no doubt that the small business operator had attained complete competence of the learning task. Another example, which showed quite clearly the movement from dependence on an external source of advice to independent practice, was the case of a small retail outlet which implemented a new computer software package. In this small business operation, the expert (that is, computer software designer) installed the new package and trained two staff within the store who, in turn, trained the rest of the staff. The small business owner's assessment of the efficacy of the training was that, except for one staff member who continued to have difficulty operating the new system, the majority of staff were comfortable and confident in handling the functions of the new program. Extensive practice helped them move to the point of being able to practise independently.

In other cases, it was evident that the small business operators had not accomplished complete independence; they had merely moved along the continuum but continued to require ongoing assistance. For instance, one of the small business operators undertook a seven-day workshop whose aim was to prepare participants to become mortgage lenders. This operator claimed that the course itself did not fully prepare him for the role and that he needed ongoing support. In this case, the workshop (and workshop facilitator) helped his learning in part, but he recognised that he would be dependent on particular types of expertise for some time to come. Another operator referred to the goods and services tax experience and claimed that he still 'relie[d] on trial and error' even though

he had completed up to eight business activity statements. While there was a gradual improvement, he still did not feel confident. Overall, however, the tendency was a movement from relying on outside sources of assistance towards relying on resources within the business itself. There was verification that the initial reliance on external sources was eventually superseded by a capacity to practise independently. This movement was completed at different phases and for some, perhaps most, the journey is still incomplete as refinement is likely to continue over time.

Four-stage progression

Defining what had to be learned

Defining what had to be learned constituted the first phase of the learning process for small businesses. Like the 30 small business operators in phase one, the operators in phase two of the study received support and guidance from a number of sources at this defining of goals stage. For instance, information via reading material provided by external sources, discussions with experts and others and localised support helped to focus on the extent and scope of the change required. Initially, one small business operator did a great deal of reading about a new beauty procedure and new products before training was undertaken in the specific area. In another case, a bookseller used his networks to seek advice about a computer software package to implement in his business.

In phase two of the study, goals for learning differed according to the particular type and scope of the learning task required. Some goals were short-term and achieved over the course of a couple of hours or days. Other goals were longer-term and multi-faceted. In the first example, a travel agent and his staff learned new procedures for making flight reservations. The process involved working through the manual and practising the new requirements. Due to the nature of the learning and the need for staff to implement the new procedures as soon as possible, the goal was achieved within a short timeframe. In other cases where the learning task was more long-term and ongoing, there appeared to be one overarching goal and a series of smaller interrelated goals that contributed to achieving the major goal. Two examples that fall into this category include the small business owner whose goal was to establish a bed-and-breakfast operation and a small business operator whose goal was to establish a combination newsagency and coffee shop in a particular locality. In both cases, the achievement of the overall goal meant that several smaller goals needed to be identified and worked towards. Often these goals were approached sequentially and at other times learning was occurring at the same time. In the second example, the small business operator described one of her first learning tasks as conducting demographic research to determine whether a combination coffee shop and newsagency was desired by local people and local businesses. An investigation of the brands and quality of coffee available followed. After a location for the shop was found, specialist fitters gave advice about the layout and structure of the shop. Council regulations needed to be investigated and so on. In this example, there were multi-layers of goals and these goals worked towards achievement of the overall goal identified.

In sum, all of the small business operators were able to identify a learning goal which characterised the learning incident they described. In many cases, they sought assistance from others (types of expertise as well as valued information from others) to help them understand the change and the procedures on how to best proceed. Due to the nature of the learning tasks described, the goals varied in scope and type. While some were easily definable and achievable in the short term, others were more complex, ongoing and multi-layered.

Initial attempts or approximations of the task

Initial attempts or approximations again were characterised by small business operators either 'having a go themselves' at learning the new task and/or seeking assistance from others to support them in proceeding with the task. In a couple of situations, the small business operators tried to work on the new task themselves before they sought particular kinds of expertise. Examples here included the learning experiences of a web designer and a business manager. A problem arose for the web designer so he attempted to resolve the issue himself. After several failed attempts, he did a search on the internet and located a set of instructions which he followed. In the second example, a

manager of a business centre experimented with Powerpoint but subsequently realised that she needed support. She sought the advice of a trainer who provided the one-on-one support to deal with the problem. In other cases, expertise was sought before small business operators attempted the learning tasks. For instance, a small number of operators participated in tailor-made courses to assist them to address the learning task. At the initial attempts and implementation phase, support was deemed to be a necessity and in some cases was critical before the small business operators could proceed to the next phase that involved practice.

Practice through to developing the capacity for independent practice

The opportunity to practise new skills and new procedures was a critical component of developing small businesses' capacity for independent practice. The experience of the 30 small businesses in phase one was reflected in those of the 15 small business operators in phase two. In both cases, problem-solving and processes of trial and error characterised the learning that proceeded. The advice of others was also utilised by some small business operators at this point. A couple of small business operators maintained that ongoing practice leading to competent independent practice was critical for their small businesses' survival and credibility. While the beauty salon operator maintained that competent practice was essential when working directly with clients for health and safety reasons and credibility reasons, the travel agent noted that, in a competitive industry such as travel, failure to implement new procedures effectively may threaten the viability of the business.

For most small business operators, practice or 'just getting in and doing it' was seen as vital in the movement toward achieving independent practice. A prime example of a person who utilised a trial-and-error approach that led successfully to attainment of the learning goal was the web designer. He utilised support via instructions found on the internet to solve the particular problem and through a process of trial and error learned how to carry out the new learning task and achieve independence.

However, achieving independent practice was not a goal that was attained by everyone even though much practice and trial and error had taken place. As stated earlier, the attainment of some goals was simpler than for other goals, due to the nature and scope of the learning task. For some small businesses, such as the florist and proprietors of the coffee shop and newsagency, learning was ongoing since they had not yet addressed all of the learning goals required.

In sum, this discussion has provided support for the model of learning since the small business operators described a variety of learning experiences and these experiences followed four key phases of learning.

Different stages of learning tasks drew upon different contributions to guide the learning

Three dominant contributions to learning which the small business operators identified during phase two were 'just getting in a doing it', 'external sources of expertise' and 'attendance at courses'. Industry associations, government support, family, other small business operators and local networks were contributions that did not appear to be as relevant for this cohort of small business operators. However, there were a couple of learning instances when these contributions were sought. For instance, one small business operator whose learning goal was to use Powerpoint continued to rely on a family member, his son, for assistance (from time to time). Another example was a bookseller who received valuable advice from a trusted colleague in regard to a new stock control software package for his small business. The bookseller also had informal discussions with other booksellers which provided reassurance in relation to trialling the new software package. Another example was the small business operator who consulted other small business people and local people to determine if there was a need for and/or desire to established a coffee shop and newsagency. The three main contributions that were identified by small businesses are now elaborated.

Just getting in and doing it was identified as making a significant contribution to achieving the learning goals for the 15 small business operators. In fact, this active type of learning approach was evident throughout all steps of the learning process when the goal was set, during the initial

approximation stage, through to practice and then toward independent practice. A number of small business operators evaluated this type of learning as very relevant since it helped them to retain skills learned.

Several of the small business operators engaged in a specifically focussed training course that assisted them to learn the new requirements of the task. A pattern that emerged was that training appeared to be important for most of these small business operators close to the goal-setting stage and/or initial approximation of the task stage. This was evident for the real estate agent, staff working at the beauty salon and the mortgage lender. In most cases, the courses were of a short duration and targeted at the specific needs and requirements of the small business. As a number of authors (Coopers & Lybrand 1994; Kearney 2000a) have indicated, short and focussed courses tend to be those preferred by small businesses who are often short of time. For the small business operators in phase two, their learning was enhanced following the completion of the course once they became engaged in ongoing practice, problem-solving, and trial and error. In the case of two other small business operators, courses were deemed relevant after the initial approximation of the task and after the practice phase. In the first example, the manager of a business centre noted that, after some initial attempts to learn Powerpoint, she realised she needed assistance. In the second example, a florist undertaking a traineeship in Interflora stewardship undertook the practical component of the course before beginning learning any of the associated theory. This was due to the availability of a hands-on one-day activity. She learned many important skills while learning through her work; specific training sessions were provided at a later date.

In the examples provided by the small business operators during the second round of interviews, a reliance on external sources of advice took place particularly, but not exclusively, during the early stages of goal-setting or approximating the learning tasks. For instance, the establishment of a new business (that is, a bed and breakfast and a coffee shop and newsagency) required the small business operators to engage in discussions with many external sources (for example, council members, builders, shop fitters) who provided timely advice. As mentioned previously, much support from external sources was sought during the initial approximating of the task when small businesses were looking for guidance in regard to setting up new procedures, working on new tasks or when they encountered new problems. In regard to the latter, after some initial approximations of using electronic banking, a small business operator sought advice from the bank. Other external sources of advice such as training programs, workbooks, manuals and the internet tended to be accessed during the approximation stage.

Valued advice was that which was accessible, affordable and targeted to the needs of the small business. For instance, a manager of an accommodation business used the services of an accountant during the early stages of learning how to implement an accounting package. Because of the expense involved and with the accountant not always accessible to answer questions, the operator dispensed with this expert's services and relied more heavily upon his own resources to learn how to implement the package. By contrast, the expertise provided by a computer software company was appreciated by one of the small business operators since questions were answered, explanations were clear and answers were found. External support that had been provided effectively to small business operators in the past was also seen as valuable. One small business operator used the services of a consultant to update the store's computer system since this consultant had been employed previously by the small business. Another expressed a need for ongoing support after attending a seven-day workshop. While much learning took place through work following the workshop, some guided practice (via work shadowing or learning in teams) was suggested as a more appropriate way of easing him into the new role.

In summary, the previous discussion verified that different stages of learning drew upon different contributions to guide the learning. In contrast to the operators in phase one who identified a variety of contributions to learning, small business operators in phase two drew upon three main sources. These are: just getting in and doing it; the use of external sources of advice; and courses. Similar to phase one findings, the use of external sources of advice and just getting in and doing it

were found to be appropriate at all four phases of the learning. Courses were deemed most timely early in the learning process, such as at the goal-formation stage or initial approximation stage.

In overview, the findings from the interviews with the 15 small business operators in phase two of the study provided strong support for and validation of the learning model. There was widespread recognition by the small business operators that the model was not only reflective of the process of learning the goods and services tax, but also the recent learning experience they described in phase two. In short, the small business operators' experiences of learning were consistent with the key components of the learning model. That is:

- ✧ There was a movement from a reliance on external sources of advice and support to the development of an internal capability.
- ✧ There were different stages of learning the tasks, drawing upon different kinds of contributions to assist, guide and support the learning.
- ✧ There was an overall progress from (a) defining what had to be learnt, (b) initial attempts and implementations, through to (c) practice required to (d) develop the capacity for independent practice.

Furthermore, other important findings which reinforced the outcomes from phase one of the study are described as:

- ✧ The scope of the learning task was quite different across the small businesses.
- ✧ Small businesses had different starting points, different levels of readiness and different bases of interest in the learning.
- ✧ The opportunity to just get in and do it (that is, engage in practice) and access to external sources of advice were central contributions to learning at all phases of the process.
- ✧ Valued sources of external advice (including courses) were those described as accessible, affordable, and relevant to the needs of the small business. Such support can be described as 'localised support'.

While the small businesses noted that the model reflected their learning experiences, two areas for further refinement were advanced. It was suggested that the model should highlight:

- ✧ that learning is a more iterative process than was represented in the model
- ✧ the impact of the learner upon the nature and scope of the learning.

Refinements to the model

The first refinement suggested by the small business operators was the need to highlight the point that learning is iterative. For instance, a goal may be set, and after an initial approximation of the task, it is possible to discover the goal has changed and/or become redundant. There were examples of learning in which small business operators moved many times from initial approximations to goal-setting and initial approximations of the task to practice. A refinement to the model, therefore, is the need to demonstrate that learning is an iterative process. It was suggested that this be done by the addition of arrows to connect all the phases of learning.

The second refinement advocated by the small business operators was the necessity for illustrating, not only the place of the learner in the learning process, but also that the learning can be influenced by the learner's confidence, motivation, special interests, existing skill level, and readiness to learn. Indeed, learning may not eventuate because of any of these factors or a culmination of them. Such factors were identified in figure 1 under individual bases for task engagement and learning and were discussed earlier in this chapter. However, they were not included in figure 4 (in appendix A). As was outlined previously in the discussion, the variations in learning goals and approaches to learning for small businesses were due, in part, to issues relating to the small business operators' interest in

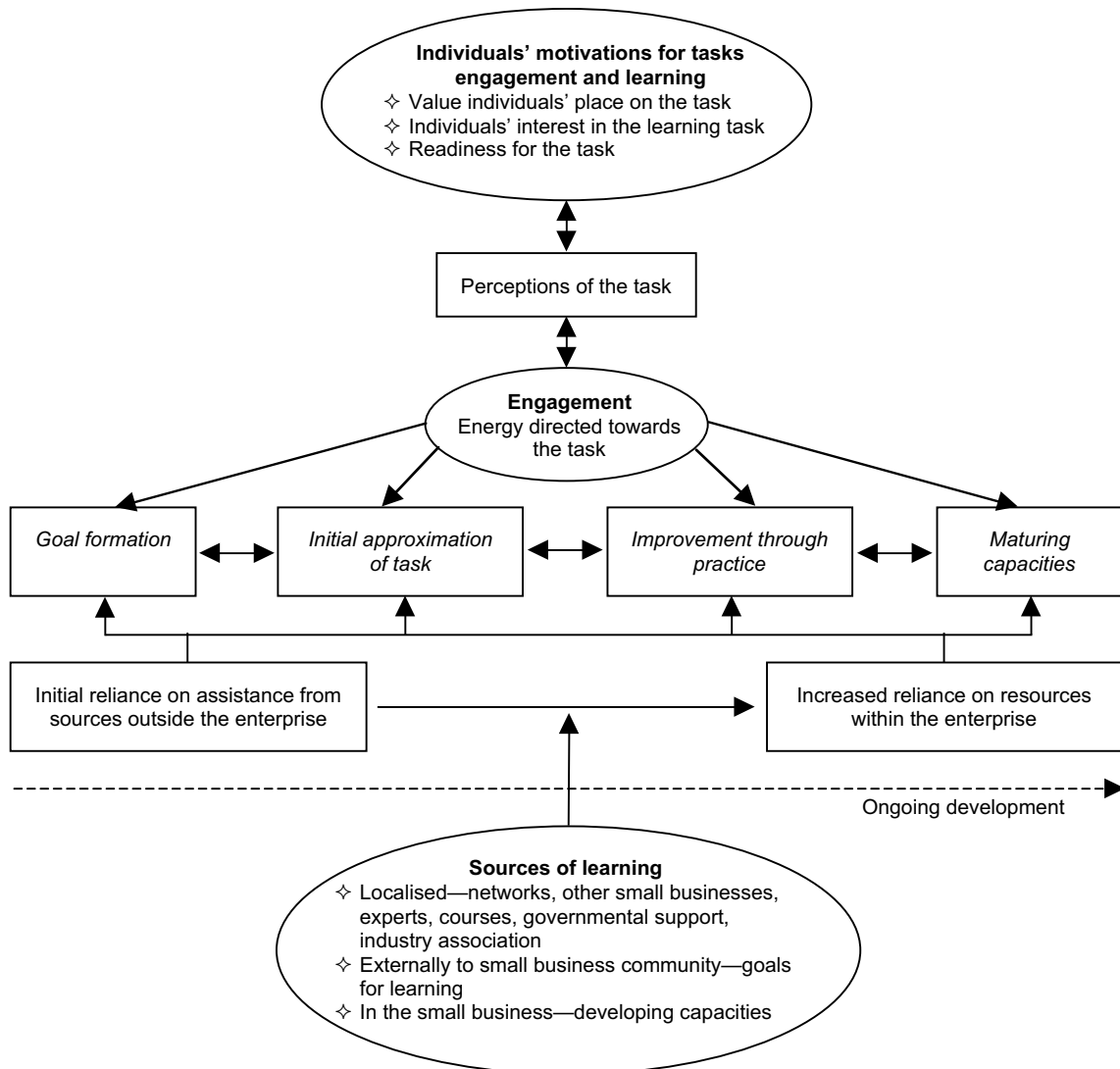
engaging in the learning and their confidence to proceed. A refinement to figure 4, therefore, is the inclusion of the individuals' bases for task engagement and learning.

The final part of this chapter gives a brief description and discussion of a new model (figure 2) that builds upon figure 4 and figure 1 and adopts the two key emphases from the refinement stage.

The process of learning in and for small business

A key objective of this research study was to design and validate a model of learning that shows how small business operators learn new tasks and challenges. Figure 2 represents a synthesis of the major findings of the study. It consists of three interrelated elements which constitute learning. The first of these is the learner. The model shows that there are many bases for individual learning and engagement in tasks within small business. Some of the individuals' bases for learning include the value individuals place on the task, the individuals' interest in the task, and the individuals' readiness for the task. Critical to the process of how an individual engages (or directs energy towards a task) is his or her perception of the task. Thus, various factors such as those mentioned above (that is, values, interests, readiness) influence what and how an individual perceives, and in turn, how an individual decides to engage in the learning task.

Figure 2: The process of small business learning



The second element is the learning process, which is depicted as consisting of four iterative phases: goal formation, initial approximation of the task, improvement through practice, and maturing capacities. At the early stages of the learning process, such as the goal-formation stage, there is an initial reliance on assistance from sources outside the enterprise. By the later phases of the learning process, there is reliance on resources within the enterprise. In other words, there is a progression from relying on outside sources to becoming more independent by developing the resources and competencies within the business.

The third and final element of the model is a recognition of a range of learning sources that small business may access to instigate, support or enhance their learning at particular points in the learning process. Three main sources of categories of learning support include: localised support, support available externally to the business, and support found within the business. Localised support includes networks, other small businesses, experts, courses, government support and industry associations. Localised support, with its qualities of trustworthy, pertinent advice and support that is geared to the small business's specific needs, is particularly valuable for small business. Learning sources which are available externally are viewed as those which are most appropriate during the initial stages of learning when goals are being established, while learning sources that come from within the business are seen as pertinent as the business works towards maturing capacities. The next chapter considers the implications of this chapter and puts forward recommendations to guide policy and practice to enhance learning in and for small business.

Deductions, implications and recommendations

This chapter draws together and makes deductions from the review of previous research presented earlier in this report and the findings of the practical investigations reported and discussed in the previous chapter. These deductions are directed towards identifying implications and advancing recommendations for practice and policy. The chapter commences by revisiting the purposes of the investigation in order to explicitly align the findings with the research questions.

Project outcomes and contributions

The aim of this investigation is to generate and evaluate, through empirical work, a model of small business learning. The purpose of this model is to inform how learning in and for small business might best proceed. This includes a consideration of how external agencies, such as government or small business associations or affiliations, might work to promote learning in and for small businesses.

The findings and deductions advanced here aim to contribute directly to the development of small business learning by providing guidelines and recommending arrangements to support learning for small business. These guidelines should contribute to the planning, preparation and evaluation of approaches for learning to proceed on grounds premised primarily on the needs and requirements of small businesses. This is achieved by identifying and evaluating the usefulness of particular learning processes which are likely to realise the kinds of outcomes required to assist small businesses' sustainability and development.

These outcomes are premised on emphasising the kinds of actions that small businesses need to take to assist their learning and also the kinds of support that are required to assist that learning. The contributions of local support and the potential multiplying effect of developing local support are proposed as bases for government action. These are quite different bases from the kind usually advanced in vocational education and training. However, local contributions will only be useful when they engage small businesses—itsself a mutual and collaborative process. That is, government needs to secure small business interest, but small business will need to engage with and contribute to localised regimes of support and advice.

The key recommendations here aim to address the important social and economic disadvantage caused by small business workers' low level of participation in vocational education by:

- ✧ acknowledging, supporting and finding ways to enhance the contributions of the localised support for small business learning
- ✧ finding ways of encouraging and engaging small business workers and operators in interactions with other small businesses, localised expertise, networks and associations which can provide advice and support that is trusted, pertinent and effective.

It is recommended that such measures require:

- ✧ some reshaping of conceptions of vocational education provisions away from taught courses to a consideration of other pedagogic practices and learning opportunities which may be inconsistent with the nationally accredited taught courses which currently dominate thinking about vocational education

- ✧ a focus on strategic facilitation and support through existing affiliations and localised associations and organisations rather vocational education institutions alone
- ✧ assistance to small business through vocational education institutions that seek to support and facilitate learning including, but not restricted to, offering short courses.

Previous research on VET and learning for small business

As discussed earlier, previous research proposes that current VET provisions are failing to meet small business needs because they are, or are perceived to be, inappropriate, ill-focussed and inaccessible. These findings also emphasise the importance of understanding how best to support small business learning from the perspective of small business operators. These operators are the key decision-makers about how the resources of their enterprises are directed. The existing literature advances propositions that are used here to guide this inquiry and assist in formulating responses. In summary, from previous research, the following is proposed.

Small business and economic and social goals

Small businesses participate in structured VET provisions at a lower level than larger Australian enterprises. A recent Australian Bureau of Statistics survey also found that 82% of small businesses claimed not to have expended funds on training (Gibb 1997). Moreover, small business workers are much less likely to participate in courses under the national VET framework than those in larger enterprises (Baker & Wooden 1995). Therefore, workers in the small business sector are not accessing the publicly supported vocational education and training arrangements nor enjoying workplace-based structured training to the same degree as workers in larger enterprises. This situation represents significant social and economic barriers for those workers. The cumulative effect is disadvantage to small business workers and an apparent lack of directed support for skill development in the Australian small business sector. However, there appear to be mismatches between current policy and practice in the vocational education sector and the needs of small businesses and small business workers. These include the focus, means of distribution of opportunities, and even conceptions of what constitutes vocational education. The predominant focus on nationally accredited taught courses seems to be inconsistent with the needs of small business. Therefore, attempts to redress this mismatch—and in doing so address some of the social and economic disadvantages of small business workers—represent a worthwhile project.

Small businesses and competitive economic environments

Small businesses are a key source of employment and economic activity in Australia. They are also subject to the kinds of changing demands and pressures that shape the practices of all kinds of Australian enterprises. Like larger enterprises, small businesses and those who work in them, need to develop further their capacities to perform effectively in their workplace roles. The further development of these capacities is required so that goods and services can continue to be provided in ways that will maintain and potentially extend the tenure and scope of small business activities in competitive local and global markets.

Taught courses, particularly those currently provided through the national VET frameworks, have largely failed and will, in all likelihood, continue to fail to attract interest and participation because:

- ✧ Their focus is perceived to be on the needs of large enterprises.
- ✧ These courses need to adhere to national curriculum prescriptions whose relevance to small business is questioned.
- ✧ The current pedagogic practice is largely inconsistent with small enterprise requirements and needs.
- ✧ The market-based provisions underpinning the current VET system run contrary to best addressing the needs of small businesses.

There are clearly many things that can be taught. It seems that specific skills are amongst these (for example, key-boarding, using a software package), but other areas will, in all likelihood, require a focus on learning, albeit guided, rather than teaching. Nationally accredited taught courses are the almost universal provision of vocational education, although increasingly taught through a diverse range of providers and modes of delivery, including those for learners remote from vocational education institutes. However, this model of vocational education and these provisions seem to be unable to offer a relevant and accessible approach to vocational development for small business. Therefore changes to the way in which vocational education courses are provided are necessary to ensure that some of these concerns are addressed. The alternative is a change in what is taken as constituting vocational learning arrangements.

Small business and workplace learners

Workplace learning experiences are consistent with many of the requirements identified for small businesses to develop further their work capacities (for example, immediate, opportune, accessible, pertinent [Coopers & Lybrand 1994]). These kinds of learning experiences have been shown to have the potential to promote rich learning in a range of workplace situations (Billett 2001a). The authenticity, relevance, immediacy and opportunity to practise are all qualities of workplace experiences often aligned with securing and developing further vocational practice. However, workplace experiences alone may be insufficient. The degree to which existing capacities can be learnt in the workplace is a key determinant of the efficacy of workplace learning experiences. If the knowledge to be learnt is not accessible in the small business workplace, combinations of support from local networks, consultants, professional bodies and other small business operators are likely to be required to augment workplace experiences.

Small business and local support

It is therefore necessary to further understand how learning can best proceed in small businesses and in what ways combinations of local support and engagement in workplace activities can contribute to the development of small business workers' and operators' capacities to perform effectively.

Earlier discussions have indicated that the kinds of interactions required by small business to learn new practices are likely to be associated with their availability, accessibility and pertinence to small business through:

- ✧ local support and networks
- ✧ 'localised' mentoring
- ✧ accessible and pertinent external (diagnostic) advice.

Findings from the project

As reported in the previous chapter, the project's empirical work found that:

- ✧ Small businesses had different starting points for their learning, different levels of readiness to engage in learning-related activities and different levels of interest in what had to be learnt. That is, the capacities to engage in and learn the 'same' task were quite diverse. This complicates the idea that any uniform educational solution can be adopted to address learning in small businesses. Kearney (2000a), for instance, proposes combinations of what is referred to as direct-indirect training, structured-unstructured training, and accredited and non-accredited training.
- ✧ The scope of the learning task was quite different across the small businesses (for example, from some minor changes required by the bookkeeper, through to the restructuring of the administrative practices within the small business). The learning processes were also diverse in scope and focus in completing the 'same' task. Furthermore, the interest of the small business operators was seen as central to how they engaged in the task of learning to implement the goods and services tax.

- ✧ However, despite this diversity, there were some identifiable patterns of responses that assisted in developing a model of learning in and for small business. These included:
 - ◆ A phased, incremental and sometimes iterative movement from a reliance on external sources of advice and support to the development of a capacity within the enterprise was identified.
 - ◆ At different stages of learning, particular contributions were used to assist, guide and support that learning.
 - ◆ The overall progress of learning was from (a) defining what had to be learnt; (b) initial attempts and implementation; (c) through practice; and (d) developing the capacity for independent practice.
 - ◆ The degree by which the small business operators elected to engage with the task was a key element of the kinds of learning and practice outcomes. This was seen to be determined by their interest in the learning task.
 - ◆ Localised support featured as the most significant source of advice and support throughout the learning process, with the qualities of pertinence of the advice and support, trust in the source of advice, and an understanding of the particular enterprises' needs as being most salient.
- ✧ Phases in the development of the capacity to implement the goods and services tax and other initiatives were identified as being an iterative process that progresses in variable ways, but inevitably from:
 - ◆ formation of goals
 - ◆ initial approximations of tasks
 - ◆ practice
 - ◆ movement towards independent practice.

These findings are consistent with the work of other researchers. Kilpatrick and Crowley (1999) identified learning through 'informal' means, and through localised sources of advice (customers, suppliers, local business and networks).

Learning in small business

This section advances a synthesis of these findings to explicitly address the key research question and its associated sub-questions with the intention of addressing the implications for practice and policy; that is, to understand what can be done to enhance learning in small business and to ultimately develop recommendations for policy and practice.

The overall question for the project is: *How should arrangements for learning in and for small business be best organised?*

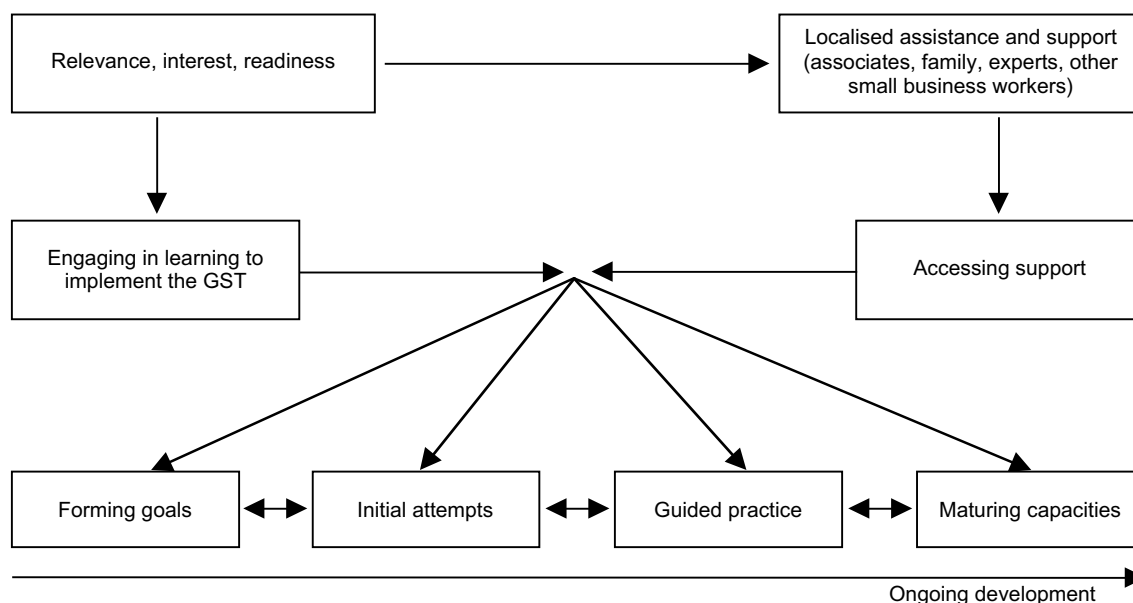
How did small businesses learn about and develop the capacity to implement the new goods and services taxation system?

As noted above, the key bases for the small businesses to learn to implement the goods and services tax and other kinds of innovative practice were identified as being premised on a combination of the small business operators engaging in the task and being able to secure guidance useful in assisting them to learn how to implement the new taxation system. So the key bases for learning were the kinds of activities they elected to engage in and the kinds of support they were able to access. It is interactions between these two contributions that is at the centre of rich learning experiences, as is depicted in figure 3.

The degree to which the task to be learnt captured the interest of the small business operators was central in determining how wholeheartedly they elected to engage in learning to implement the goods and services tax and associated activities. The variations in interest and learning had some discernible bases. For instance, some small business operators customarily delegated their responsibility for accounting and bookkeeping to others and were interested only in learning as little about the goods and services tax as was necessary, since others conducted this work. Others

were more interested in their small businesses' specialisation. These operators only wanted to learn the bare minimum required to be confident of meeting the legislated requirements.

Figure 3: Engagement in task and support for learning



However, others were more fully motivated to engage in and learn about the goods and services tax. Those who might be described as entrepreneurs for whom the goods and services tax was going to have a major impact on their small business were often keen to learn all about the tax. For instance, those businesses that were required to apply different amounts of tax to different products or services had to understand and adjust their business practices accordingly. Failure to apply administrative processes accurately or fairly could lead to a breach in legislated requirements or to a loss of profit through failing to collect the tax but still having to pay it. There were also the small businesses that were concerned to learn how to implement the tax and business activity statement without having to rely on accountants.

Therefore, engaging the interest of the small business operator was identified as an important premise for how learning in small businesses might proceed and be enhanced. Their preparedness to 'have a go' and the scope of their efforts to understand and develop the capacity to implement the goods and services tax appeared central to this relative success in learning. If they were motivated to engage fully in the task, their understanding of the process was likely to be more comprehensive.

The other key attribute was the localised support and guidance, albeit in different forms and at different stages in the learning process. This support was central to assisting the development of the capacity to implement the new taxation system. Despite the task to be learnt having an external source (the Australian Taxation Office), it was ultimately local advice, support and guidance that were most valuable. They assisted in understanding the implications of the new system for the small business and guided the development of their capacities to enact it. The effectiveness of this localised support was reported to be founded in its capacity to:

- ✧ assist in contextualising the task requirements (for example, making sense of the task in terms of the readiness, capacities and requirements of small business)
- ✧ provide a basis for learning to understand what the task means for the particular small business
- ✧ provide timely and accessible support for development, improvement and refining the capacity to achieve new tasks (for example, close guidance)
- ✧ assist in securing opportunities to share information.

Kinds of localised support

Localised support was identified as being, in the main, geographically local. This included support provided by:

- ✧ other small businesses
- ✧ networks (for example, local business networks, professional associations, community groups, regional development authorities)
- ✧ local affiliations (for example, friendships, community groups)
- ✧ local experts
- ✧ family members.

However, localised support can be geographically remote, such as with colleagues who are trusted, who are viewed as being knowledgeable and who also understand the situation of those whom they are advising (for example, trusted colleague in another state, Australian Taxation Office hotline familiar with the small business). From the findings, it is argued that, regardless of whether the support is geographically close or more distant, the key qualities of 'localised support' are characterised by:

- ✧ familiarity with the enterprise or understanding the kinds of issues that the enterprises will confront
- ✧ an understanding of the small business's capacities, readiness and potential
- ✧ sources of timely and pertinent advice (no advice may be better than bad advice)
- ✧ trusted relationships.

Therefore, this support can, if necessary, be provided at a distance. However, its relevance is likely to be enhanced by the rich array of interactions and support that can be secured locally. In the context of the implementation of the goods and services tax, this localised support was evidenced as being provided by:

- ✧ technical experts (for example, accountants, business consultants, other small business operators)
- ✧ other sources of advice and confidence (for example, associates, families, networks).

For the small businesses participating in this study, it was the support from localised sources that:

- ✧ assisted understanding what needed to be learnt (that is, what the goods and services tax meant for their business)
- ✧ promoted the confidence to work through the task (for example, 'having a go')
- ✧ provided interactions and scenarios for the small business operators to compare their understandings and processes with those used by others
- ✧ provided contexts (for example, meetings, situations, forums, contacts, services) where these matters could be discussed, appraised, refined, monitored and elaborated.

The Small Business Professional Development Program (Kearney 2000) proposed collaborative self-help models of development—comprising networking, meetings and clusters—as being highly consistent with small business needs. Whether it was from meetings in streets, in school car parks or in weekend social or sporting events or accessing accountants or consultants who understood the business, or through contacts, albeit physically distant, the key sources of guidance and support were repeatedly emphasised as being localised. Roffey et al. (1996) and Kilpatrick and Crowley (1999) similarly found family and other close social affiliates to be key sources of advice to small business.

However, although localised support was well regarded in its various forms and collectively, it is not always sufficient. However well-intentioned, it can also lead to misleading information and other barriers which may inhibit the kinds of learning required to assist adapting to new tasks. For some

businesses, the kinds of localised support that were available and which were utilised may not have been sufficient. In some instances, the lack of local expertise on the new taxation system may initially have been insufficient and even misleading and alarmist. So while acknowledging the important contributions about localised support for learning, it may be necessary to consider ways to assist small business learning through support for localised learning arrangements. Therefore, more than being merely accessible or available, the quality of guidance that small businesses accessed was central to its effectiveness. As Child (1997) notes, the prospects for small business survival are often linked to local communities and other small businesses, while larger enterprises' prospects are often associated with global markets. So localised support is seen as providing rich localised learning.

Small business approaches to learning

The key variations in approaches taken by the small businesses were those associated with the:

- ✧ scope of the learning tasks
- ✧ readiness of the small business to engage in the task and learn about it
- ✧ interest within small business (see figure 3).

Despite a uniform task being undertaken, its implementation and the learning required were quite different for each of the 30 small businesses. Of course, this is not surprising in itself. However, it emphasises the lack of relevance of uniform top-down provisions of vocational education, such as taught courses which adhere to national prescriptions, and also which, perhaps not surprisingly, seem to be widely rejected by small businesses.

Instead, it seems that different kinds of support are required for small businesses depending upon the scope of their required learning and their readiness to engage in and learn something new. For instance, many small businesses reported the learning associated with developing their administrative systems. For some, the goods and services tax prompted them to install electronic procedures for the first time. Compounding the difficulties for some of these businesses was their low level of readiness. For those not ready in either the procedures for responding to the goods and services tax administratively, or unaware of its implications, the task appeared extremely daunting.

It is also significant to note a related point. That is, when the knowledge to be learnt was not available in the workplace, there was a greater need to engage with external sources. Thus, some of the small business operators had to either access bookkeepers or family members with financial expertise. These individuals were able to rely far less on accountants and business consultants than those operators who lacked access to this kind of expertise. The general principle here is that the degree of need to consult expertise outside the enterprise is premised on the kinds of knowledge available in the small business workplace—or otherwise available through close and trusted sources of advice (for example, family). This then leads to the important principle of small businesses acting to access advice. Some of the small businesses were much more active in seeking advice than others. It seemed that some small business operators normally engaged others for advice, whereas other small business operators appeared to avoid, resist or be unable to engage with others. Unfortunately, some of those reluctant to engage with others also lacked the capacities to effectively respond to the challenges of the goods and services tax. These are the ones characterised as likely being 'at risk' in the previous chapter. This finding suggests that a key habit to be developed in small business is the ability to seek and secure appropriate and timely advice. It also proposes that access to appropriate advice is a key source of learning support.

What did they learn and what was most difficult to learn?

The small business had to learn about the goods and services tax and business activity statement, and how to implement them. This involved learning to understand these initiatives, including their conceptual bases, the implications for their business, as well as the capacities required to administer them. So there was a need for both conceptual and procedural development.

The conceptual development included understanding the way small business both collects and administers the goods and services tax. For instance, it was important to understand that the business both attracts and expends the goods and services tax, the balance of which needs to be deducted from any amount that is paid quarterly to the Australian Taxation Office through the business activity statement. The other conceptual development included understanding how the goods and services tax impacted upon the enterprises' business activities. For instance, for some businesses who dealt with a limited range of products and suppliers, the goods and services tax was seen as being less demanding than the wholesale goods tax that it, in part, replaced. For others, it meant distinguishing which goods and services attracted the goods and services tax.

The extent of the procedural development has been outlined above and varied according to the demands made upon the business and its proprietor's goals. Here again, readiness and access to close support also shaped the scope of the procedural learning. For those enterprises that wanted to have the capacity to monitor the goods and services tax and undertake the business activity statement themselves, a higher level of learning was required than those who opted to delegate these tasks to an accountant or bookkeeper.

Some of the key difficulties reported included those associated with learning the conceptual premises of the goods and services tax and its application to the particular small business. The difficulties in developing procedures were associated with the scope and transformational qualities of the changes required. It was these kinds of 'hard to learn' concepts and practices that required assistance from others.

It is also noteworthy that the confidence to proceed was often a barrier which was overcome through engagement and guidance from trusted social partners.

What models of learning for small business can be identified from these experiences?

It was anticipated that the research would identify a series of models of small business learning. However, the analysis identified an unanticipated set of common factors in the learning process adopted by the 30 small businesses (albeit characterised by variations and iterations). Therefore, one tentative model was developed from the first round of data-gathering (that is, the case study data) and was later verified and refined in the second round of data-gathering comprising the verification interviews.

The model is depicted in figure 2. It comprises the following key elements, the bases of which have been elaborated in the previous chapter:

- ✧ individuals' motivation for task engagement and learning
- ✧ perceptions of the task
- ✧ engagement—the energy directed towards the task
- ✧ four-phase process of learning comprising
 - ◆ goal formation
 - ◆ initial approximation of the task
 - ◆ improvement through practice
 - ◆ maturing capacities.
- ✧ a shift from a reliance on assistance from outside the workplace to an increasing reliance on capacities within the workplace
- ✧ sources of assistance for learning comprising:
 - ◆ localised—networks, other small businesses, experts, courses, governmental support, industry association
 - ◆ externally to small business community—goals for learning
 - ◆ within the small business—maturing capacities.

Individuals' bases for tasks engagement and learning

The small business operators did not engage in the task of learning the goods and services tax in uniform ways. How they elected to engage in the task was premised on: the importance they placed on the task, the interest they had in engaging in the task and their readiness to engage in the task to be learnt. These factors indicate something of the diverse motivations which shape how individuals approach the 'same' task. It also suggests the importance and interest to the learner of the task to be learnt. There is also the degree to which the small business learner has the capacity to engage in the task.

Perceptions of the task

The small business operators' perception of the task is shaped by the individual bases identified above (that is, interest in the tasks, the importance of the task for them and their readiness).

Engagement—energy directed towards the task

How individuals engage in and direct their energy and conscious thought to the task is central to what they learn through their engagement. Whether their participation is wholehearted or superficial will, in all likelihood determine how and what they learn from that engagement. As depicted in figure 2 (page 55), elements 1 and 2 shape the engagement which is central to the constructive process of individuals' learning.

Four phases of learning

As elaborated in the previous chapter, a four-phase process of learning was identifiable in the data. This includes a starting point of goal formation and the end point of maturing capacities. Both of these points are individual and open-ended to a degree; that is, the starting points will differ for individuals, depending on the kinds of learning they need and the goals they need to achieve. Similarly, the end points will differ, given the different kinds of goals they seek to secure and the continuing refinement that is part of the ongoing process of learning. Between these two points are the initial attempts to undertake the task and the development that occurs through practice. As depicted in figure 2, there is progression from goal formation towards independent performance. However, the phases outlined and elaborated in the previous chapter are iterative and there may be movement from a latter phase back to an earlier phase in a process of refinement or when new tasks present. Overall, the movement is characterised by progression towards independent performance, although what constitutes this level of performance and its ongoing refinement suggest learning as person-dependent.

Shift in assistance

When engaging in these phases of learning, the kinds of assistance and support required by the small business operators are seen as progressing from a reliance on external sources towards the capacity to undertake the task using resources learnt or now existing in the small business workplace. So, initially, when identifying the goals for learning, there was a need to secure expertise outside the enterprise. As discussed below, that assistance was most useful when it was localised, insofar as it understood the particular enterprises' requirements. However, as the small businesses' capacities improved, there was a reduced emphasis on external assistance.

As described earlier, the key sources of assistance were the localised support which, in different forms, provided the information, examples, confidence and guidance central to support the learning process in the small businesses interviewed. As the goods and services tax initiative was sourced externally, some advice about its purposes, requirements and processes was required to be sourced externally. As noted, there were also growing capabilities within the small businesses to support and sustain the learning required. These sources made particular contributions and at different times, as is elaborated in the following.

From the findings above, assistance in *defining goals* was valued in the following ways:

- ✧ assistance in understanding what the change meant for the small business
- ✧ assistance in understanding the scope of the task to be undertaken
- ✧ information on how best to proceed (information that was unhelpful was worse than no information at all)
- ✧ localised support which understood the business and was available, accurate and trustworthy.

The following were identified as key contributions to learning. Support during the initial attempts to implement the goods and services tax (*initial approximations of task*) was valued when it provided:

- ✧ procedural assistance (how to do it)
- ✧ assistance with setting-up systems and infrastructure to address the task
- ✧ the capacity to be supported and the ability to access advice that provided confidence to proceed
- ✧ the capacity to monitor what was being undertaken
- ✧ access to advice to provide reassurance and support
- ✧ localised instances (used as a basis to determine how to proceed).

Practice with the task was valued because it provided:

- ✧ opportunities to learn, refine and reinforce
- ✧ encounters with different kinds of problems and tasks that extend and refine what has been learnt
- ✧ opportunities to monitor what was being undertaken
- ✧ access to advice to provide reassurance and support.

Movement towards independent practice was valued when it was supported by:

- ✧ access to experts as and when they were needed
- ✧ interactions with other small businesses to check and monitor progress.

In summary, the pace, appropriateness and timeliness of advice and assistance were found to be key factors for effective support of these small businesses' learning. The location of the support and its capacity to understand the particular requirements of the enterprises were also important. Localised support—through experts, family, or other small businesses—made the most important contributions and at different times and in different ways. More than understanding the context of the learning tasks, they were best placed to address the variation in readiness, confidence, capability and the preparedness of the existing infrastructure in the small businesses.

However, these various kinds of support need also to be understood in terms of how small business operators elect to engage with the kinds of support and advice available. So there is an underlying relationship, well supported in the data and in the validation of the model, of a strong relationship between the available localised support and small business operators' engagement with the tasks to be learnt and interactions with the local sources of support.

How can these models for learning be applied, implemented and supported in small businesses and communities more generally?

This question leads directly to the formation of conclusions and recommendations about the way in which the findings of the investigation should be used to inform policy and practice. The recommendations are proposed at two levels. The first set refers to the overall orientation of policy in the vocational education sector. These concern the orientation and focus of the VET provision. The second set of recommendations advances propositions about practices to enhance how small business learning might progress.

Orientation and focus of VET policy

Finding ways of assisting the learning of those who work in small business is a necessary prerequisite to overcoming the disadvantage realised by their not accessing publicly funded and enterprise-sponsored vocational development. The distribution of opportunities to access vocational education programs and their relevance should not be premised on the size of the enterprise in which workers are employed. The data provided in earlier studies indicate the extent to which existing provisions are more suited to larger enterprise needs and those who work in them. The parallel economic concern is the inadequacy of educational provision for the small business sector. The key goal for VET is for it to be more relevant to small businesses and to offer approaches in which they will want to engage.

In order for VET policy and practice to best meet the needs of small businesses, the following changes of focus and approach are proposed. These comprise:

- ✧ extending and redefining what comprises VET
- ✧ shifting the emphasis in VET provision from market-based provision and large enterprise size to small business requirements
- ✧ advancing policy initiatives to provide support and facilitation
- ✧ offering certificate III and IV (accredited programs) focussing on small business needs
- ✧ providing incentives for VET providers to cater to the needs of small businesses.

Extending and redefining what comprises VET

The extent and significance of learning which occurs outside taught courses has been illuminated here. The kinds of learning experiences reported in this study have again emphasised the value of learning through individuals' engagement in authentic work tasks mediated by more experienced others. It also highlights the limitations of basing a vocational education provision on taught courses. What constitutes legitimate and recognised vocational education should be extended to incorporate other kinds of learning arrangements, such as those identified here. There needs to be broader acknowledgment of the diverse kinds of learning spaces in which individuals engage and learn. This needs to go beyond the mere labelling of some learning experiences as 'formal' and others as 'informal'. Proposing recognition of prior learning processes that use only nationally derived competency benchmarks as bases for the recognition of learning will be insufficient. Broader recognition might be achieved through the promotion of experiential kinds of learning experiences. Such recognition needs to account for the obvious, but often-overlooked fact that what comprises competence in workplaces is neither fixed nor uniform, even when the same vocational tasks are being undertaken. Therefore, rather than unitary and uniform standards of vocational performance (for example, competence standards), schemes for the recognition of vocational competence whose validity is premised on required performance is warranted.

Change policy away from market-based provision and large enterprise size to consider small business requirements

An emphasis on large enterprise needs in the formulation of vocational courses and their market-premised provision appear to have worked against small business participation in VET. In particular, the provision of business development courses for small business seems to be viewed as irrelevant. Also, the economies of scale demanded in an increasingly competitive VET environment work against enterprises that are small and/or remote.

Policy initiatives that provide support and facilitation are required

Consistent with the previous point, the need for facilitation and support of the kind provided by the now defunct NETTFORCE (National Employment and Training Taskforce) may be required to

assist small business learning activities. Rather than just choice of providers, it seemed small business operators wanted assistance to guide them in their development. Here, the provision of the kinds of support provided by the 'travelling trainer' provided by the Australian Taxation Office for the implementation of the goods and services tax could be considered; that is, someone who interacts with small business and assists their development directly, as well as assisting them to engage with local networks. This kind of support can be used to provide timely advice to enterprises as they move down the pathways of learning identified in the study and captured in the model of small business learning.

Accredited programs focussing on small business

Despite the enduring resistance by small business to taught courses, this and other studies (for example, Robinson 1998) have identified their usefulness to small businesses. As noted above, there is a strong and widely held perception in the small business sector that their needs are not being met by these kinds of courses. As also noted however, when small business operators and workers actually engage in these courses, they report high degrees of satisfaction. In particular, the potential of taught courses to develop capacities that might not otherwise be developed in the small businesses was identified. For instance, several wives of small business owners undertook courses in TAFE to learn the software required for their business's administration. They referred explicitly to the efficacy of these courses. Consideration might be given to how taught courses can be integrated with experiences in the small business workplaces. Kearns (2002) agrees, arguing for a more strategic approach to be taken to small business learning (that is, the implementation of a system that integrates credentialled courses, short courses and experiences in the workplace).

Incentives for VET providers to cater more to the needs of small businesses

Building on the earlier point about a facilitative approach to the provision of VET courses, it may be strategic to enhance the interest of VET providers by providing incentives to work with both small and larger enterprises. Other kinds of incentives currently exist for relatively disadvantaged groups.

Specific policy and practices to enhance learning in and for small business

Having considered propositions about the overall orientation and provision of VET for small business, the focus now shifts to specific measures identified from this study.

Localised support

If anything is to be done to support the ways in which small businesses learn, develop and adapt to changing demands, it is likely to be most strongly realised through the provision of localised support. That support is required to assist small businesses to:

- ✧ understand what they have to learn (that is, goal-formation)
- ✧ attempt to undertake the new task or procedure (that is, initial approximation of the task)
- ✧ practise and learn to self-monitor their approximations (that is, guided practice)
- ✧ achieve independent competent performance (that is, capacities for independent practice).

Organising localised support by external agencies

Government and non-government agencies external to the small businesses and community cannot easily enact the identified qualities of local support and partnerships which are the product of familiarity, trust and possibly a history of performance. Therefore, government agencies interested in providing support for small business may need to consider how best to interact with

and engage existing local support organisations and provide useful and timely advice to assist learning in small business.

Some bases for building these partnerships may be:

- ✧ local sharing—through building networks around local affiliations (for example, regional development groups)
- ✧ building on existing networks
- ✧ local VET providers to offer provisions for the development of specific skills to existing groups (industry, interest groups)
- ✧ supporting and developing local networks.

Governments could work to develop a localised culture of support that might be:

- ✧ industry-based—working through existing industry groups
- ✧ interest-based—working through professional groups, local governments, and community organisations (for example, Rotary and Lions).

Kearney (2000) also proposes developing localised social partnerships using existing associations. He identified characteristics of these partnerships as:

- ✧ existing loose alliances
- ✧ a clearly defined community or set of identities
- ✧ a progression towards self-management
- ✧ a strategy for self-management
- ✧ a commitment to self-funding.

However, it is not clear whether such formalised arrangements are required, or whether the collaborative process of sharing information and the provision of advice will be sufficient. Developing such cultures of support should seek to capture the interest of small business staff and develop localised support founded on professional associations and interests.

Encouraging small businesses to interact with others, participate in networks

The processes of learning identified in this study are highly collaborative, involving small business operators engaging with other small businesses, and building trusted relationships locally. As noted, the Small Business Professional Development Program emphasised the importance of mutual support and information exchanges. In this study, the small businesses that seemed most at risk are those which are isolated and unable or unwilling to engage with appropriate sources of guidance and support. Therefore, although not being able to compel small businesses into interactions with others, this might be acknowledged and promoted as a worthwhile learning opportunity that can occur as part of the everyday practices of the small business.

Promote local partnerships and networks as useful and legitimate learning spaces

Rather than an emphasis on taught courses, it might be worth considering how other kinds of learning spaces can provide the outcomes required by small businesses. This study identified diverse learning spaces where useful and rich learning was acknowledged. These comprised, for example, the tennis club where small business operators discussed their work and learnt from others whom they trusted, dealing with other businesses, engaging in seminars to test and extend knowledge, and meeting with other small business operators in car parks and social gatherings etc. If the focus is to be on learning for small business, rather than the teaching of small business, then an acknowledgement of broadening learning spaces is a worthy goal. This is not to claim that all this learning is useful or accurate, but it emphasises the need to consider the usefulness of learning

outside educational institutions and taught courses. Developing and promoting localised networks and engaging small businesses in networks may provide a useful adjunct to more quantifiable approaches to development.

Short courses (non-accredited)

When they do engage in taught courses, small businesses tend to be more attracted to those which are non-accredited, short-term, available in a variety of modes, cost-effective, relevant and seen to address a 'just in time' problem or issue. Such courses tend to be provided by business service agencies. Barraea and Robertson (cited in Kempenich, Butler & Billett 1999) note that many small business workers lack the preliminary skills to undertake business courses. In order to overcome this problem and make these courses relevant to the workplace, it might be that the development of the skills required for participation in short courses and their ultimate usefulness in small workplace settings can be achieved through their integration with workplace experiences. Certainly, the findings suggest there is a need for short courses that are relevant to small business, accessible, and supported locally. These courses are judged to be effective if they address immediate learning requirements and have an understanding of the small business's specific requirements (that is, courses were considered not useful when they were too general). However, although in the short-term such courses are seen as valuable (Kearns 2002), there is a concern that they may not make a long-term contribution to sustaining enterprises.

In terms of the model of small business learning advanced above, the roles that short courses are likely to play include:

- ✧ *Formation of goals:* courses that provide an overview and are not too complicated are useful at this stage. These might aim to develop understanding of the particular initiative to be learnt; for instance, the overall operation of an electronic administrative system.
- ✧ *Initial approximation of task:* courses that are useful are those that are applicable to the specific needs of the small business. For instance, it might develop specific skills associated with using the administrative system's software.
- ✧ *Maturing approximation of task:* courses are important if they provide a base for the small business to test out and extend knowledge. Courses that extend and guide the learner in the development of their skills, including effort-saving devices, might also be useful at this stage. In continuing the example, extending the learners' knowledge of the range of the software's application at an appropriate time might well be useful, as might a timely introduction to macros or other shortcut devices.

So the key principle is on timeliness and readiness in the provision of taught courses for small businesses. These may or may not be consistent with the requirement for accredited courses. However, this requirement seems to be of a lower priority than learning the skills required for small businesses and small business workers. Nevertheless, the latter group may welcome a flexible means for their skills to be recognised.

Actions by small businesses

Learning in and for small business is a mutual and collaborative process. All the support and networks will not be sufficient if small business learners are not engaged in the learning process themselves. Ultimately, it will be incumbent on small businesses to act in their own interest in:

- ✧ securing the kinds of advice and support appropriate to their needs
- ✧ checking the validity of that information with other sources
- ✧ engaging with support agencies
- ✧ participating in skill-building activities (for example, structured courses)

- ✧ developing networks of support and advice
- ✧ recognising that learning is an ongoing activity essential for the businesses' continuity.

Small business support agencies might be interested in encouraging small business engagement in these kinds of actions. As noted in the Small Business Professional Development Program, self-help is essential for learning in small business to be effective. Support agencies might be interested in encouraging small businesses by providing arrangements which promote mutual support and information exchanges, and also the provision of diagnostic services of the kind that accountants and financial consultants provided as small businesses learnt about the goods and services tax; that is, advice based on an understanding of the enterprise's needs, readiness, infrastructure and capacity to be self-directed in its actions.

In conclusion, the study here has identified important bases for small business learning. These bases have been used to develop a model of small business learning that has been verified by small business operators. From these findings, some recommendations for policy and practice for the small business sector have been advanced. These recommendations propose some shifts in the orthodoxy of current practice, as well as making specific suggestions about attempts to improve small business learning. Together, these suggest some new ways of thinking about vocational education and some new spaces for the promotion of vocational learning. The study also noted the significance of localised arrangements in assisting small business learning. Of course, all these recommendations can be easily dismissed, particularly those which demand new ways of approaching vocational education. However, there are some compelling reasons to consider these proposals more fully. Certainly it seems that, if new ways of assisting learning in and for small business are not implemented, the inequity for workers in the small business sector will continue and the full potential of small businesses' contribution to economic development and employment may not be realised.

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Appendix A: Focus, method and procedures

Investigating learning in small business

When considering how to understand the ways learning for small business might proceed, it was concluded that their recent experience of learning to implement the goods and service tax provided a possibly unique opportunity to understand learning processes in small businesses. Firstly, this initiative required small business workers to develop an understanding of the new taxation system and the procedures required for its implementation. It also required many of them to adopt electronic administrative practices for the first time, thereby extending the requirements for new learning. This circumstance provides an example of learning that has both conceptual and procedural dimensions. Secondly, the initiative had to be adopted by all but the smallest of businesses. This provides a useful opportunity to understand how the different requirements of small business situations shaped how learning proceeded. Thirdly, all rich learning requires a great deal of effort and it has widely been reported that many small business operators and employees struggled to implement this initiative. Hence, the newness of the task and the requirements to be successful with its implementation were proposed as providing rich accounts of how learning proceeds in small businesses. Fourthly, a focus on a uniform task provides an opportunity to understand how the different requirements of small businesses shape their approaches to learning.

Purpose of the inquiry

As foreshadowed, the overall purpose of the inquiry was to understand how small businesses learn about implementing a new initiative, and from this to identify effective approach(es) for small business learning and to trial these approaches in small businesses. Moreover, although the initial focus is on the goods and services tax and the business activity statement, the second phase of the project aims to understand the learning of innovation more generally.

The key objectives of the inquiry were to:

- ✧ identify the bases for and develop a model of learning for small business
- ✧ identify the kinds of learning most likely to arise from different kinds of support
- ✧ provide advice about how they might best be deployed with the small business community.

It is necessary to identify and refine approaches to facilitating effective learning for small business, perhaps in ways quite distinct from those provided through taught courses. As noted previously, the provisions for learning in and for small business remain problematic. The needs of small business are often quite particular, given their specific focus and readiness to learn. It seems that taught courses are not always able to meet these needs. Also, because of financial constraints, VET providers are often unable to individualise, tailor and localise their provisions to meet these needs. Nevertheless, learning occurs—as in small businesses' adoption of the goods and services tax.

Much has been made of the difficulties that some small businesses encountered in implementing the new tax system, but compliance levels were high. Therefore, the project sought to understand how small businesses learnt the range of new capacities required for them to fulfil their responsibilities under the legislation. That is, what assisted and what inhibited the development of the capacities to respond to the new tasks. The aim was to provide rich accounts of the kinds of

preparation, activities and support that were part of the learning process, as well as capturing instances of problems and how these were resolved. From data which referred to these goals, the aim was to develop a model of learning in small business.

However, while utilising small business experiences of learning the goods and services tax, it was also necessary to determine whether the processes of learning the concepts and procedures required for the goods and services tax are applicable to other kinds of learning required by small business. Therefore, in a separate process, the findings about the implementation of the goods and services tax were validated to determine in what ways they were applicable to other kinds of learning encountered by a number of small businesses. This was achieved through another round of interviews which involved an appraisal of the model that was initially proposed.

Research questions

As noted previously, the overall question for the proposed project is:

- ✧ How should arrangements for learning in and for small business be best organised?

The sub-questions for the project are as follows:

- ✧ How did small businesses learn about and develop the capacity to implement the new goods and services taxation system?
- ✧ What were the kinds of variations in approaches taken by small business in response to this initiative and in what ways were particular approaches seen to be effective?
- ✧ What did they learn and what was most difficult to learn?
- ✧ What models of learning for small business can be identified from these experiences?
- ✧ How can these models for learning be applied, implemented and supported in small businesses and communities more generally?

Before describing the project's methodology partnership arrangements utilised by this project will be outlined.

Partnership arrangements

The key partnerships were those with Griffith University, Queensland University of Technology and the Office of Small Business within the Queensland Department of State Development, as well as with the small businesses who contributed to the project directly and engaged progressively with its products. Within the partnership arrangements, the chief investigators were responsible for the design and conduct of the research project, managing its implementation and reporting, including the progressive reporting of its findings. This included seeking ethical approval for the project, identifying and selecting small business sites (with some assistance from the Office of Small Business), negotiating with proprietors, developing processes for gathering and analysis of the data and verifying it with small business informants, conducting trials of approaches to small business learning and publishing the findings.

Procedures

Semi-structured interviews were selected as the key means to develop case studies of how small businesses learnt this task. As the goods and services tax legislation required small businesses to comply within a given period to new requirements, this was seen as an opportunity to examine the nature of that learning. In this case, semi-structured interviews, including open-ended questions were selected as the means of gaining qualitative data about learning in and for small business. The procedures adopted for the empirical component of this inquiry comprised three distinct phases:

- ✧ Phase one: Researching small business learning about the goods and service tax

- ✧ Phase two: Identifying and delineating schemes for learning in small business
- ✧ Phase three: Trialling and validating a model for small business learning.

Phase one: Researching small business learning about the goods and service tax

The goal for the first phase was to identify how small business workers and operators learnt about the goods and services tax and managed the process of its implementation through the generation of a quarterly business activity statement. This phase comprised a number of stages. The first was to develop an interview schedule for the semi-structured interviews that were to be conducted with the small businesses. Semi-structured interviews were chosen because they focus on issues within a research area and follow an interview guide or schedule (Minichiello et al. 1990). The interviews were used to capture information about the enterprise (its staff and work focus), its preparedness to learn and an account of the means by which it learnt to implement the new taxation system. More specifically, data were elicited about:

- ✧ enterprise preparation and readiness
- ✧ the effectiveness of sources of advice and support
- ✧ how it responded to problems (foreseen and unforeseen)
- ✧ speculations made in hindsight about how best the enterprise learning should have proceeded
- ✧ the kinds of learning that transpired
- ✧ the kinds of unintended learning that had occurred.

The schedule of questions is provided in appendix B. The literature review also provided the starting point upon which to organise and focus the interview questions.

Pilot program to test methodology

Grounded data-gathering techniques (following Glaser & Strauss 1967) were employed to elicit actual accounts of learning the capacities to understand and implement the goods and services tax. These grounded techniques were trialled in a small pilot program to test the methodology prior to proceeding with the first interviews.

Selecting a range of enterprises

This phase consisted of identifying, selecting and gaining the interest and consent of an appropriate range of small enterprises. A sample of 30 small businesses was identified. In selecting the sample, it was important to identify small businesses that would be representative of the wider small business sector. To this end, the sample included both micro-businesses (fewer than five employees), sole traders, and businesses with between five and 20 employees. The sample also included small businesses from a range of geographical locations. In planning for the research, it was decided to secure small business perspectives from both metropolitan and non-metropolitan locations. Consequently, businesses were selected from the metropolitan area, including both inner-city and outer suburban locations, non-metropolitan, rural and provincial city locations. It was also important to gather views from a range of business and product specialisations. Those selected included enterprises from manufacturing, retail, sales and service, tourism, transport, food and hospitality, furniture, building, agriculture, the health and beauty sectors, as well as professional practitioners. The sample also included several home-based businesses. Assistance in identifying and locating these small businesses was accomplished with the co-operation of the small business community and the governmental partner.

The enterprises are categorised and listed in table 5. In this table, the left-hand column describes the geographical location of the enterprises. ‘Metropolitan’ represents businesses selected from the inner urban areas of a state capital city, while ‘outer metropolitan’ represents enterprises selected from outer suburban locality. ‘Provincial city’ describes a large town situated at a distance from a major city and therefore, offering different support and access to information. The rural category describes enterprises located in areas which are a considerable distance from a city or provincial town. The column to the right indicates the size of the enterprise selected. The businesses are categorised in terms of the number of employees, including the owner(s), currently working in the business on either a part-time or full-time basis. The column to its right indicates the number of small businesses of selected location and size which were interviewed. The right-hand column entitled ‘specialisation’ indicates the core business of the individual enterprises for that category. Table 5 also serves, therefore, as a detailed list of the entire range of small businesses covered in the initial phase of interviews.

Table 5: Location, size and speciality of enterprises in study

Location	Size	No.	Specialisation
Metropolitan	>5	3	Retail grocery, restaurant owner, souvenir manufacturer/taxi driver (home-based)
Metropolitan	<5	6	Computer sales/software, optometrist, lunch bar, photography process/retail, tile importer, restaurant/café
Outer metro	>5	4	Hire business, beauty therapy, sign-writing, café
	<5	3	Computer sales/software, health consultant (home-based), bookshop
Provincial city	>5	4	Electrical trades, car sales/service, removalist, manufacturer
Provincial city	<5	3	Farm equipment sales, nursery retail/wholesale, veterinarian
Coastal/rural	>5	2	Pumps/irrigation, battery retailer
Rural	>5	1	Tourism industry/café/accommodation
Rural	<5	4	Chef, upholsterer, ceramic tiler, clothing designer
Total		30	

Initial interviews

The first round of interviews required the participants to provide a description of the learning process. Semi-structured interviews were believed to provide the best way of accessing accounts of learning which were diverse and detailed. Open-ended questioning provided the opportunity for participants to narrate the process of their learning about the new tax system and identify factors which assisted or hindered this learning. This method delivered rich data of the kind that would not have been produced via surveys or quantitative procedures. The data from the interviews were used to identify what was learnt and the means by which learning proceeded, and formed the basis of the model discussed in this report. Interviews were conducted where possible at the workplace of the small business operative. The length of the interviews varied from one to two hours’ duration, and with the permission of the participants, were recorded on a micro-cassette, with some additional notes taken where appropriate. A more detailed account of the interview process and focus now follows.

Initial interview: Step one

Participants were initially asked to provide information about the background and key focus of the enterprise. They were then asked to describe their role within the business, identify the number of staff who were involved in learning to implement the goods and services tax, and indicate why these particular staff were required to participate. Participants were then asked to comment on the enterprise’s preparedness for change in general terms, and to judge the degree of readiness they believed to exist in relation to the goods and services tax and business activity statement. They were also invited to comment on the enterprise’s ability to cope with the demands of the goods and services tax and business activity statement prior to implementation. This was done by the participants telling a story or recounting an incident of learning that demonstrated, firstly, the way the company responded to the goods and services tax and, secondly, how the business activity

statement was managed. The participants were asked to illustrate this learning by recounting some critical moments (for example, successes or frustrations) along the way. They were asked what were the three most difficult things that they had to learn, and how these things were ultimately managed. Anecdotal evidence was solicited regarding the means by which the first and subsequent business activity statement statements were enacted, and the extent of company reliance on external expertise in this process. (See appendix B for the interview schedule.)

Initial interview: Step two

In addition to the anecdotal evidence provided by the respondents, a quantitative means was used to rank the participants' perceived utility of a range of contributions to their learning. As noted, many of these contributions were identified in the literature review (see for example, Coopers & Lybrand 1994; Kilpatrick & Crowley 1999; Kearney 2001a; Kirkwood 2000a), as well as those pertaining specifically to this learning activity. These contributions comprised: 'just getting in and doing it,' 'advice of other small business operators', 'local networks', 'consultants/tax specialists', 'courses', 'governmental support', 'industry associations'. The informants were encouraged to nominate and rank 'other' contributions. Significantly, the 'other' contribution that emerged as the strongest was the support provided by the family. In hindsight, this contribution had been identified in some of the earlier studies (Roffey et al.1996). The ranking was on the basis of the usefulness of this contribution—from 'indispensable' through to 'irrelevant', with a 'not applicable' category also provided—to their learning the vocational task. Participants were also asked during this stage to suggest combinations that were useful and complementary to each other and explain why.

Initial interview: Step three

This stage engaged the participants in reflection on the process, and they were asked to suggest areas where they would have done things differently if they had to repeat the exercise. The participants were asked to nominate ideas or suggestions that would serve as advice to other operators, and to contribute suggestions for better utilisation of existing services and networks. They were also at this stage asked to comment on the extent to which the learning process had yielded unexpected benefits and 'spin-offs' to other areas of their enterprise.

A typed transcript was produced for each interview and case studies for each of the 30 enterprises were developed using a standard framework of headings. The headings allowed the researchers to develop workable case studies from the very broad-ranging scenarios discussed in the interview, and to extract some common experiences from the diverse enterprises. The identities of the small businesses were hidden through the use of pseudonyms, and all identifying factors of the enterprises were expunged, in line with ethical clearance procedures. The cases were returned to each small business for comment and verification. The data in these case studies provided rich accounts of:

- ✧ the processes of learning
- ✧ the kinds of learning outcomes that were achieved
- ✧ importantly the relationships between learning processes and outcomes. (An example of a case study is provided in appendix C.)

Verification of case studies

The participating small businesses were given a copy of their case study to check for accuracy, and were asked to comment on whether it adequately represented the process of learning they had described. While some participants requested that minor changes be made, all approved and released the material for the project's use. Many of the small business operators reported that the process of reflecting upon their experiences had been both interesting and worthwhile. One participant requested that her case study not be made public.

Phase two: Identifying and delineating schemes for learning in small business

Phase two comprised the analysis of the case study data and its use in formulating a model of small business learning. In order to manage and examine the data, a summary table was compiled. The table was structured around the research questions and captured each informant's response. The aggregation of the data under each heading facilitated the analysis of the findings by providing a capacity to identify patterns—the typical and atypical. This allowed the researchers to seek out patterns and common experiences among the material gathered. The table also served as the basis for suggesting what contributions to learning were valued, and allowed preliminary conclusions to take place. These categories and weighting were further analysed to form the basis of findings of the report.

It was anticipated that there might be a number of distinct models. However, at a general level instead, many commonalities in the learning process were identified. There were, however, significant differences in the approach adopted by each small business within an overall common framework of action and progress. The process of analysis was one of identifying and categorising the means by which small business learnt to implement this initiative. The analysis explored the relationships between kinds of learning experiences (including activities, support, problems) and the kinds of outcomes (that is, what was learnt and its likely future application). The constant comparative method of analysing qualitative data was used here since it involves a process of identifying categories, refining these and exploring relationships and patterns across the particular categories (Maykut & Morehouse 1994). From this process of categorisation, several characteristics were identified:

- ❖ overall (or general) means by which small business workers and operatives learnt about how to implement this material (for example, access to expertise associated with the new tax system)
- ❖ particular contributions (for example, 'having to do it', local tax accountant)
- ❖ links between particular contributions to learning and particular learning outcomes (for example, local support assisting with shortcuts through the process).

Also, a number of variations on schemes of learning for small business were identified and linked to circumstances where they were most likely to be effective, through a consideration of their relations to likely learning outcomes. That is, there were associations between particular approaches to learning with particular kinds of outcomes (for example, operating a computer, requiring specific technical advice, dealing with accountants through the experiences of other small businesses).

In addition, attempts were made to identify other and unintended learning outcomes. The key outcome of this phase was the development of a model of learning (figure 4) in small business, which was the subject of verification in the next phase.

Description of the model of learning in small business

The following is a description of the model of learning in small business which was developed from the data gathered in the initial stage of interviews. The model captures the three levels of learning that characterised the small business worker's progression from novice to independent operator in relation to learning to implement the goods and services tax. The model consists of three main components which operate concurrently and dynamically as part of a whole system of learning.

Task completion

The first and perhaps most obvious part in the learning process is that of task completion. Put simply, this represents the stage of learning whereby small business operatives set a goal and move towards achieving this goal. In order to move from the goal-setting to goal-achievement stage,

learning is required, whereby the learner passes through a series of four stages of learning and development.

Learning and development

This forms the second tier of the model. The first step in learning and development is the *identification stage*. In this stage, the small business operator needs to understand what has to be done in order for the task to be learnt. This may also indicate a need for assistance, such as getting the advice from sources internal or external to the business, or may simply be the stage where the person becomes aware of the need for this advice. The model acknowledges that even at this early stage of the process, some people will begin to practise performing the task by ‘just getting in and doing’ what they perceive is required. Many small business operatives observed that this ‘just getting in and doing it’ is an important phase in their learning. Others, not having the confidence or capacities believed necessary to attempt the task, found it necessary to seek assistance from other sources. The types of assistance and the level of reliance upon these sources will be discussed in the third part of the model below.

The next stage of the learning and development is the *initial approximations of the task*. At this stage, all operators, regardless of their capacities, will begin to practise the task in some way. This stage defines a period of trial and error, characterised by learning from mistakes. It allows the worker to gain more practical knowledge about what needs to be done in order to achieve the goal set. The model is structured in such a way as to guide the learner from one stage of development to another. The stages are depicted as being interconnected, but because the process of learning is iterative as well as linear, there are arrows within the model, indicating that the transition may be forward to the next stage of learning, or indeed back to an earlier phase. For example, some workers may find it necessary, after attempting initial approximations of the task, to revisit the identification stage to adjust the goal or to seek out further sources of assistance.

After differing periods of time in this phase, the learner moves to the next stage of the learning and development stage, to what the model terms the *improvement through practice* stage. This engages the learner in further opportunities to practise the required skills and to gain a higher level of expertise.

The last stage of the model, the *independent performance of task* depicts the stage whereby the learner has achieved the goal and operates as an independent performer. Depending on the nature of the task and the level of engagement of the small business operator, this stage may serve as the end of the learning phase, or it may indicate that the learner is ready to set a new goal and therefore return to the goal-formation stage with a new task to be identified.

Contributions to learning

Another important part of the model is the assistance provided to the learner along the pathway towards developing the capacity to achieve workplace goals. This assistance may be provided by sources external to the business, or may be drawn from within the enterprise itself. The model represents this assistance as *contributions to learning and development* which supports the four learning and development stages described above. There is a movement along this scale from dependence upon external sources (initially) to reliance upon internal sources within the business.

In the example of learning to implement the goods and services tax, for instance, assistance from external sources may consist of technical expertise drawn from the Australian Taxation Office, or the hands-on assistance offered by the Australian Taxation Office field officers. The advice may be specific accounting information provided by an accountant external to the enterprise, or information on establishing a computerised administration system. Internal sources of assistance include the developing capacity of the individuals, but also may be sought from staff within the company who have knowledge of the task or have developed specific capacities suited to achieving the goal. As small business operators progress through the stages of *initial approximations of the task*

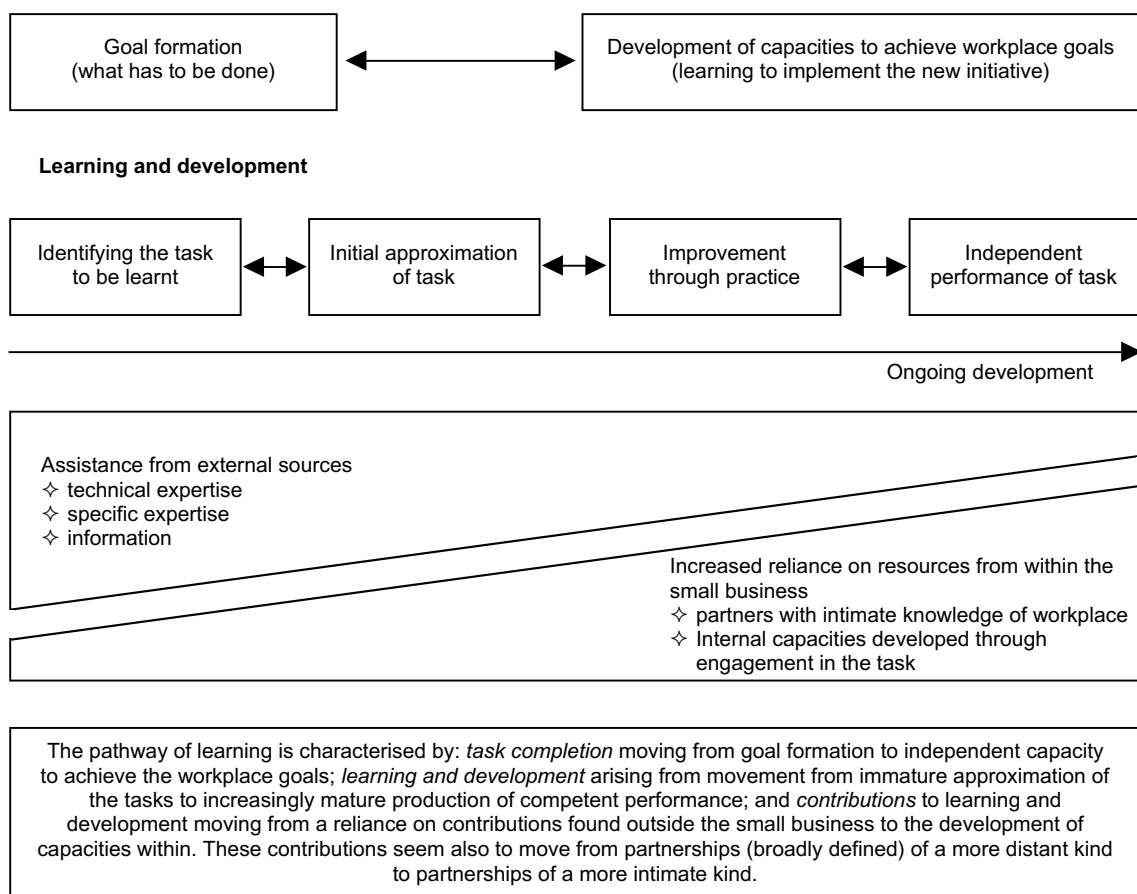
and *improvement through practice* there will be greater reliance on internal sources, principally their own, to assist the goal completion.

To summarise the model, it depicts learning broadly, as a movement from goal setting to goal achievement in relation to an identified task. There is an identification stage of learning where the small business worker identifies what has to be done, and this too is a movement through initial approximations of the task and improvement through practice to a stage where the learner manages to independently perform the task. This progression is not always achieved in a linear fashion, but may be done through revisiting any of the previous stages as required. This is supported by the learner seeking and gaining assistance and guidance from external sources of expertise. Just as there is a movement from setting the goal to achieving the goal, and movement from identifying the task to be learnt to independently performing the task, so too there is a movement from reliance on external expertise to the development of capacities and skills within the business as the principal source of assistance required.

Phase three: Trialling and validating a model for small business learning

The goals of this phase are twofold: firstly, to verify the kinds of contributions to learning that are captured in the model; and, secondly, to ascertain the usefulness of the model to kinds of learning associated with the goods and services tax and business activity statement, and other learning incidents.

Figure 4: Towards a model of learning in small business



In relation to the first goal, the scenario-testing involved asking small business operators and proprietors to consider:

- ✧ how the model that they were shown explained the process by which they learnt the goods and services tax
- ✧ the applicability or otherwise of the model to other recent learning experiences.

Data gathered from the initial round of interviews contributed to the questions for the validation interview, which was trialled by means of a pilot interview prior to this phase (see appendix D for this schedule). Procedurally, phase three comprised three distinct activities: selecting and negotiating interviews with 10–15 small businesses of different sizes, location and activities; conducting the interviews; and revision of the findings from phase two.

Selecting and negotiating interviews

In order to validate the usefulness of the model for learning in and for small business, 15 enterprises were selected across a range of specialisations. The majority of participants for phase three were drawn from a different state so that the transferability of data could be tested. To this purpose, the assistance of an interstate chamber of commerce was requested. From this field, 15 small business enterprises which were prepared to comment on the model and its usefulness were selected to be interviewed. Eleven small business operatives from New South Wales were interviewed. None of these had been involved in the original interviews. Four participants from the first round of interviews were also involved in this validation stage. Details of these enterprises follow in table 6.

This table depicts the location, size, number of employees and specialisations of enterprises involved. The left-hand column indicates the state in which this enterprise operates. The column to its right (size) describes the number of employees, including the owner(s), currently working in the business on either a part-time or full-time basis. The column to its right indicates the number of enterprises according to selected location and size. The final column titled ‘specialisation’ records the core business of the individual enterprises for that category. The selection includes enterprises from the sectors of retail, human services, tourism, information technology, beauty therapy, brokerage and business management. This sample also included several home-based businesses. In the sample, there are four small business operatives who were involved in the initial round of interviews.

Table 6: Refining and validating the model

Location	Size	No.	Specialisation
Qld	<5	5	Computer sales/service,* independent bookstore,* beauty therapist, stock broker, health consultant*
Qld	>5	1	Independent grocer*
NSW	<5	6	Accommodation manager, florist, business centre manager, mortgage broker, web designer, accommodation owner/manager
NSW	>5	3	Retailer, travel agent, real estate director
		15	Total participants

Note: * Involved in the initial round of interviews

Conducting the interviews

The interviews with these small businesses comprised three distinct steps. Firstly, the small business operators were asked to recall an interlude of learning other than the goods and services tax or business activity statement (for instance, the installation of a new computer program, new product etc). They explained the learning experience, highlighting the process and the kinds of knowledge involved in this learning. Secondly, the interviewer then discussed the model with small business operators, explaining its key components. Thirdly, the operators were then asked to comment on how this model reflected the learning process in their small business during the implementation of the goods and services tax and business activity statement. Feedback from the small business

operators was used to refine the model. The small business operators were also asked to consider how their recent learning experience was reflected in the model (*what happened*) and to what extent it represented what should have occurred (*what should be*). Variations of learning as explicated by the model were considered. A copy of the interview schedule is available in appendix D.

Revising the model

In the final step of phase three, participants were invited to offer suggestions regarding ways in which the model could be altered or refined in order to better reflect their recent experience of learning. These suggestions were adopted and contributed to the development of another model of learning.

Quality assurance

The quality assurance of the project was managed through a number of different forums. The conduct of ethical research was authorised and monitored through the Ethics Committee of Griffith University and Queensland University of Technology. This process requires satisfying these committees that the conduct of the research conforms to the human research ethics. Progress reports on the conduct of the research are also required to be submitted. An advisory committee, comprising small business representatives from the Office of Small Business and the investigators, was used to maintain the standing, focus and quality of the project.

Concluding comments

In sum, the key strengths of the research design reside in the use of actual learning incidents in small business to develop and validate a view of how learning for small business proceeds. It represents a descriptive and analytical account of how learning proceeded in a selection of small businesses. The use of case studies generated rich and descriptive accounts of learning incidents which largely validated much that was previously known from the existing literature. Insofar as the procedures identified 'what should occur' as well as 'what did occur', the procedures seek to counter the legitimate criticism that can be advanced against a purely descriptive account. Two factors reinforce the standing of the method. Firstly, the informants reiterated much of what was already known about small business learning (for example, categories of contributors). This suggests that many of the premises upon which the research was conducted are intact. Secondly, the consonance across the two sets of interviews support the findings.

Throughout the project there has been an attempt to engage small businesses of different size, location and specialisation in an attempt to capture the diversity of bases upon which small business operators' learning proceeds. This is useful in understanding the diversity of approaches adopted to learning in small business. Of course, the procedures can only claim to refer to small businesses and ones of similar kinds to those investigated. Nevertheless, the procedures that sought to extend the scope of the findings to other circumstances may be relevant and applicable to other contexts.

A weakness of the project is suggested in that data were gathered in only two states of Australia. While there was an attempt to cover the diversity of types of small businesses, it could be claimed that there exists a lack of generalisability because of the relatively small number (45 enterprises) of the sample. However, overall, what is reported in the findings is consistent with a number of other studies of learning in small business.

Appendix B: Schedule for case study interviews

Learning for and in small business

A research project funded by the National Research and Evaluation Committee of the Australian National Training Authority

Conducted by Griffith University and Queensland University of Technology in conjunction with the Office of Small Business, Department of State Development in Queensland

This project aims to understand how learning in and for small businesses can best proceed. It is using the national implementation of the Goods and Services Tax (GST) and the Business Activity Statements (BAS) by small businesses as means to understand how learning in small businesses occurs and should best be organised. Your co-operation with this project should assist the way policy and practice towards small business learning can best proceed.

The Enterprise

No		State	
Metropolitan/Non metropolitan		SB category	
1.1 What is your role or position within the organisation?			
1.2 What is the key focus of your business activities?			
1.3 How many years has the business been in operation?			
1.4 How many FT and PT staff work in the enterprise?	FT	PT	
1.5a How many staff had to learn about the GST? N=	1.5b Which staff were they		
1.6 Why did these staff have to learn about the GST?			
1.7 Were you involved in the collection of sales tax?	Yes/No		

2. Learning to implement GST and BAS

2.1 How would you describe how prepared your enterprise was to cope with the demands of the GST and BAS prior to their implementation?
2.1a – GST
2.1b – BAS
2.2 – What did you have to learn to implement the:
2.2a – GST (e.g. system development, procedures, automisation of business administration, reporting procedures)
2.2b – BAS (e.g. submission of reports through the internet)

2.3 Could you tell the story of how you learnt to handle the demands of the GST and BAS and illustrate what for you were critical moments (e.g. successes or frustrations) along the way?

2.3a GST –

2.3b BAS –

2.4a What were the three most difficult things that you had to learn?

(i)	Why?
(ii)	Why?
(iii)	Why?

2.4b How did you ultimately learn these things?

3. Contributions to learning

3.1 - Overall, considering the examples above, please weight the contributions to learning about GST and BAS from the following

a) Just getting in and doing it						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
b) Advice of other small business operators						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
c) Local networks						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
d) Consultants/tax specialists						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
e) courses						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
f) governmental support						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
g) industry association						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable
h) Other (state)						
	NA	Irrelevant	Not useful	Useful	Very useful	Indispensable

3.2 - Can you please illustrate the usefulness or otherwise of each of those you nominated

a) Just getting in and doing it	
b) Advice of other small business operators	
c) Local networks	
d) Consultants/tax specialists	
e) Courses	
f) Government support	
g) Industry associations	
g) Other (state)	

3.3 Was there any particular combination of these contributions that was particularly important? (e.g. professional advice and opportunity to practice)

3.4 If you were to advise another small business about the ideal way to learn about the GST and BAS, what would you suggest?

What, if any, have been the 'spin-offs' from learning to implement the GST and BAS?

In what ways should support from peers and local networks be organised to best assist small business development?

Thank you for your contribution to this research activity.

Appendix C: Example of case study

Case study 1: Information technology business getting the system right through working at it systematically and talking over tennis

The business

Frank, his wife and son are co-owners and co-directors and sole employees of a small business which sells computers and computer-related technologies and peripherals to individuals and businesses. They also provide training for software applications. So the business sources, builds and tailors hardware, software and support to individuals and companies. Sometimes, that support also extends to updating systems and maintaining peripherals such as printers or point-of-sale equipment. The business has been operating since 1986 and the son's activities have recently led to an increase in the activities and scope of the business's operation. Frank takes the key responsibility for the administration of the business, which included getting to know about and lead the implementation of the goods and services tax. This included adapting existing systems he had previously developed. This concern for administrative responsibility has arisen from a career in public sector administration and also in other small business and community and professional-related administrative activities. The latter includes being the administrator for the local tennis club. 'I'm also very fastidious about that (administration) so I'm quite a good record keeper'.

Much of the work conducted in this business was to adapt and develop electronic systems to ease the demands of the implementation of the goods and services tax. The business does not have a particularly complicated financial structure, but there was a concern that the cash flow had to be managed in order for funds to be available to make the quarterly tax payments. So a key task was to adapt the business's systems to accommodate the changes required to administer and report quarterly the goods and services tax component of the business. This included managing the cash flow for the business.

Preparedness for the change

The preparation for coping with the goods and services tax was directed by a realisation that the business had to make arrangements prior to the first business activity statement being requested, and yet there was a concern that not all the preparatory work had been completed. The base preparation was undertaken through reading the goods and services tax information provided by government and considering how it would impact on other business and community activities. Initially, the task did not seem very daunting. 'It meant we were going to have to put another ten per cent on the goods and services we sold.' The difficulty was understanding the concepts behind the goods and services tax and how they related to the particular business needs. In particular, it was realised that greater precision would be required when dealing with component parts (for example, parts of computers) which, in some situations, would attract the goods and services tax directly and in others needed to be claimed and accounted for by the client. Frank was also helping some other small business operators out with the goods and services tax, and understanding how credit as well as liability for the goods and services tax was accrued was an important principle that needed to be considered. However, some of these operators seemed to have difficulty grasping this concept, including the need for an Australian business number (ABN).

By the time of its introduction, the preparation for the business activity statement was not as advanced as Frank would have liked. The reason was the difficulty understanding the principles associated with the calculation and reporting the goods and services tax through the business activity statement. Although familiar with accounting procedures, Frank felt that the process was not one where he as owner could be very intuitive. He recalled some of the other small business contacts as having the same problem. It was only through undertaking the task that he was able to understand the requirements, and importantly, how he needed to organise his electronic systems to meet the requirements. Also, through his interactions with other small business operators, principally through the tennis club, Frank was able to hone his understanding of the goods and services tax in applying its principles to the business practices of his associates at the tennis club.

Learning to implement the goods and services tax

Firstly, it was important to understand the principles under which the goods and services tax is collected and reported. This was achieved through reading material sent by the government and considering how these principles operated in different kinds of enterprises. Frank was able to access a lot of information and by considering how it applied to his work, small business, and also to neighbours' and friends' small businesses, he was able to develop a rich understanding of those principles. With the business activity statement, it again required system modification that necessitated evaluating the requirements of the business activity statement and making appropriate modifications. Although there were commercial accounting packages available, Frank preferred to modify his existing system.

The kind of development that Frank engaged in was made possible by his habits of preparedness, which included reading and evaluating material provided by the government and systematically attempting to make sense of it through considering how it would relate to his business and community activities. The quality and consistency of the information helped. Frank did not specifically use the services of his accountant to implement the goods and services tax, although he took the opportunity provided by the annual visit to confirm and clarify a few issues. It was through a process of working through the task that Frank came to understand some of the complexities and the simplicities of the goods and services tax and refine his approach to it. He was very self-reliant and directed in his implementation and learning. Most difficult tasks were understanding the construct of the business activity statement, and then adapting his accounting software to accommodate these requirements. The other difficult task was making sure discipline and precision were exercised by staff (particularly a very entrepreneurial son). So for instance, it was necessary to ensure that each receipt for goods purchased included the amount of goods and services tax the business had paid. These difficult tasks were learnt through systematically working through the available material to understand its requirements and adapting existing electronic systems and then refining work practices.

Particular important contributions to learning the goods and services tax

In terms of contributions to his learning, Frank rated as indispensable *just getting in and doing it*, because understanding was developed through putting into practice the information supplied by government. Very useful was the limited advice provided by his tax consultant. A seminar organised by his tax agent was very useful and timely as it assisted with the preparation of the first business activity statement. Advice from the government, which included the printed information provided and the advice of staff within the tax office was also useful. Conversations with other small business operators were rated as useful because Frank learnt new things and tested out and developed further his own knowledge through its application to scenarios raised by other small business operators.

'These were very useful in terms of sorting it out in your own mind'. In these ways, he found local networks to be quite useful.

In terms of the combination of experiences found most useful, Frank suggested that it would, in all likelihood, vary according to needs and preferences. For him the combination of getting in and doing it, working through the information provided by the government (including discussions with tax office staff) and engagement in discussions with other small business operators was useful.

Lessons learnt

It all depends on the capacities of the individuals involved. Frank suggests that his existing capacities permitted his independent approach to learning how to implement the goods and services tax. However, others might find it less easy if they lacked the kinds of administrative and technological skills he possessed. This judgement arose from Frank's work with and advice for a number of other small business operators whose capacities differed widely, for instance, those operators who rely on their partners as bookkeepers who did not have the existing capacities to deal with learning a task that was not intuitive. Associated with the capacity to work and learn independently on this task was the confidence to proceed. As the processes were new and the requirements were also novel for many of these operators, their confidence to proceed was not always high. Referring to one of the wives of these operators he stated that '... she just doesn't have the capacity to do it. She's terrified of doing something wrong and being caught out'.

Other outcomes for the small business

Frank's systems have been changed to accommodate the new requirements and have caused the enterprise to use greater discipline with cash management in order to have the reserves required to make the quarterly business activity statement payments. In particular, the staff's understanding of the disciplines required to manage the business have improved, thereby benefiting the business. This development is exemplified in what is taken to be a more effective use of money.

Contributions of local networks

Frank proposed that many small businesses have quite unsophisticated business systems. This is because they don't have the time or inclination to develop these systems. They lack basic concepts such as cash flow that is essential to operate a small business. He proposed that they also lack basic common-sense approaches to enterprises. Frank elaborated on the key role that discussions at the local tennis club had played over the number of months. Many of the members were small business operators and it was through weekly discussions with them that many of the issues associated with the implementation of the goods and services tax were raised and addressed. It was through this forum that Frank was able to test out many of his own developing understandings and share these in different ways with club members. Also, this forum permitted Frank to gauge the (limited) level of understanding that many of the members had about the administrative side of small business operations. Because of these members' long associations with each other, they were able to share information and confidences in ways that might not have been possible in other forums. So the tennis club became a test bench for Frank's understanding and a forum through which ideas were traded among the members.

Appendix D: Schedule for verification interviews

Learning in and for small business: Verifying and refining the model

Introduction

Thank you for giving us your time today. We are currently engaged in a nationally funded research project to understand how best learning in and for small business might progress.

So far, we have spoken at length to many small businesses about how they learnt to implement the GST and BAS. From these we have developed a model of how small business learning might best proceed.

Our purpose in talking you today is two fold. We wish to get you to appraise our understanding through your reflections on this model and to test it out using your experience of a learning event that was different than the GST.

1 A recent learning experience

Could you please describe a recent instance of learning that occurred in your small business?

- ✧ What was the process that occurred and what learning goals were realised?
- ✧ Would you describe this learning as being ideal – if not what would have been the ideal means of learning that task/service/goal?

2 Our tentative model of learning for and in small business

We would like to describe the key features of the model of learning for and in small business.

- ✧ Could you comment on the degree by which this describes how your learning of the GST and BAS should best proceed?

3 Extending the model

Going back to your recent learning experience, could comment on how this model explains or illustrates how this learning occurred.

- ✧ In what ways does the model account for what occurred?
- ✧ In what ways does it fail to account for what happened?
- ✧ To what degree does the model exemplify what should have occurred rather than what happened?
- ✧ What changes would you make to our model?



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