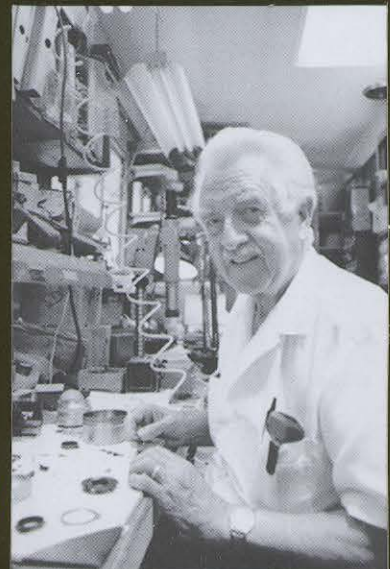




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**THE HUMAN SIDE
OF ENTERPRISE**

QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT

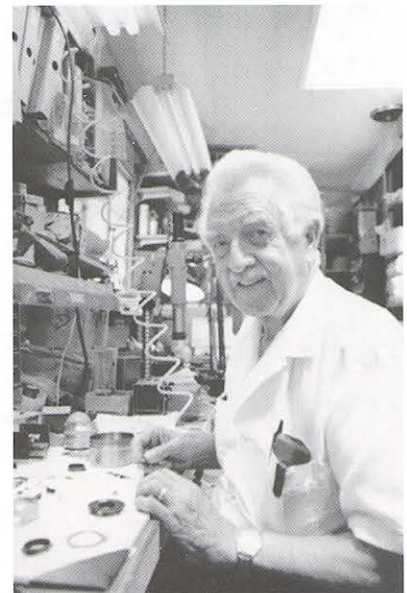


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Issue number 2 • Volume 9 2001

LLOYDS TSB

SMALL BUSINESS RESEARCH TRUST



**THE HUMAN SIDE
OF ENTERPRISE**

The Human Side Of Enterprise

QUARTERLY SMALL BUSINESS
MANAGEMENT REPORT

SMALL BUSINESS RESEARCH TRUST
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WEB VERSION: INTRODUCTION

The Lloyds Bank/TSB-sponsored series of small business management reports commenced in 1992, and concluded in 2009. In total, 53 reports were published over a period of 17 years.

Our target audience comprised the owner-managers of independent small businesses, typically employing fewer than 50, and based in mainland UK.

The series originated from a longitudinal study of small business management, undertaken by the Polytechnic of Central London (now University of Westminster), and culminating in: *The Management of Success in 'Growth Corridor' Small Firms*, (Stanworth, Purdy & Kirby, Small Business Research Trust, 1992).

THEMES

The themes were wide-ranging – including such as entrepreneurship, work & stress, employment strategies, and the environment – a full list is shown overleaf.

INSIGHT

In addition to asking questions and supplying the respondents with a range of answer options, the corresponding questionnaire was included as an appendix to each report so that readers would know exactly what questions had been put to respondents.

We also sought qualitative information – in the form of verbatim comments about the key theme – to help elaborate on whatever related challenges respondents felt they were facing at the time.

Finally, the findings are primarily intended to be indicative rather than definitive – partly due to the sample size, which is, on average, 111 for the 2003-09 reports.

PUBLISHING FORMAT

The reports were published in hard copy form, obtainable via subscription. Initially

by the Small Business Research Trust, and from 2003, by the Small Enterprise Research Team (SERTeam), both research charities based at the Open University.

Regrettably, SERTeam ceased operating in 2009, and so in 2010 the authors felt that the more recent reports would find wider interest if they were made freely available in Acrobat format via the Internet – especially with the UK economy set for a protracted journey out of recession, and with the government in turn refocusing on smaller businesses to aid the recovery.

It is worth mentioning that the series commenced as the UK economy emerged from the early 1990s recession.

In 2015, the earlier reports were also converted (1993 to 2003), with the full series made available at Kingston University: <http://business.kingston.ac.uk/sbrc>

SUPPORTING INFORMATION (WWW)

In later years – as the world-wide-web developed and an increasing number of sources of information became more readily available – suggestions for online sources of related material were included.

N.B. For reports 2003 onwards - where successfully validated, the web links (URLs) were enabled in 2009. And in the case of many invalid web links, an alternative was offered, but not where the organisation appeared defunct and an obvious replacement was not traced.

**John Stanworth, Emeritus Professor,
University of Westminster**
<http://www.westminster.ac.uk/schools/business>

**David Purdy, Visiting Fellow,
Kingston University**
<http://business.kingston.ac.uk/sbrc>

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Quarterly Small Business Management Report
ISSN 0968-6444

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- 4 Government & RegulationsApril 2001

2001/02 (Vol.9)

- 1 Marketing & Sales.....July 2001
- 2 The Human Side of Enterprise Oct 2001
- 3 Health Issues January 2002
- 4 Premises.....April 2002

2002 (Vol.10)

- 1 Networking in BusinessAugust 2002
- 2 The EuroDecember 2002

Lloyds TSB & Research Team
Small Business Management Report
ISSN 1478-7679

- 3 Crime Against Small Firms June 2003

Lloyds TSB & SERTeam
Small Enterprise Research Report
ISSN 1742-9773 No.2 (Vol.1) onwards

2003-04 (Vol.1)

- 1 Small Firms And PoliticsOctober 2003
- 2 Pensions February 2004
- 3 Work-Life Balance..... July 2004

2004-05 (Vol.2)

- 1 Education & EnterpriseOctober 2004
- 2 Made in Britain February 2005
- 3 Management & Gender Differences..... July 2005

2006 (Vol.3)

- 1 Local or Global ?.....January 2006
- 2 Managing IT May 2006
- 3 Networking in Business September 2006

2006-07 (Vol.4)

- 1 Owner-Manager Flexible Working..... December 2006
- 2 The Ageing Workforce..... April 2007
- 3 Travel & Transportation..... August 2007

2008-09 (Vol.5)

- 1 The London 2012 Olympic And Paralympic Games..... April 2008
- 2 Competition: Small Firms Under Pressure.....January 2009

WEB VERSION PUBLISHING

<http://business.kingston.ac.uk/sbrc>

Certain content needed to be re-set, e.g., the figures in the earlier editions, but the report body content is intended to be identical to that in the printed original. This web version - an Acrobat document - is derived from the original DTP text and will permit searching.

LIABILITY DISCLAIMER

The information and analysis in each report is offered in good faith. However, neither the publishers, the project sponsors, nor the authors, accept any liability for losses or damages which could arise for those who choose to act upon the information or analysis contained herein. Readers tracing web references are advised to ensure they are adequately protected against virus threats.

HIGHLIGHTS

This is the thirty-fourth in a series of small business management reports based on surveys of a panel of small firms, mainly in manufacturing, retail/distribution and business services. The focus of this survey was on **The Human Side of Enterprise**. The principal findings were as follows:

- **'Entrepreneurial Success' as viewed by owner-managers – 'Growth of profits' came out top for a third of respondents (34%), followed by 'Keeping customers satisfied' (21%), and then 'Survival' (12%).**
- **Many SME manufacturers are simply looking to survive – 24% of manufacturing firms recorded that 'Survival' represented success for them.** In contrast, none of the retail/distribution respondents felt this way: the most widely supported option in their sector was 'Keeping customers satisfied' (36%).
- **Gender differences – Men were more likely than women to view 'Growth of profits' as success (37% against just 22%), whilst women were more likely than their male counterparts to stress 'Keeping customers satisfied' (30% against 20%).**
- **Greatest sources of frustration in business – 'Complying with regulations' (45%) and 'Difficulties with business growth' (41%) emerged most strongly.**
- **Changes in frustrations with firm size – Frustrations relating to suppliers not keeping their promises were less widely felt as the employee size-band for the respondent firms increased, but **problems concerning employees were increasingly evident amongst the larger firms.****
- **Respondent age and experience – Problems with employees appear to reduce sharply as age of respondent increases, as do problems with 'Persistently late-paying customers'. Greater experience in human issues that comes with age may be a contributory factor.**
- **Achievements offering greatest satisfaction – 'Achieving a good set of financial results' topped the list with 76%, followed by 'Expression of gratitude from a customer' (66%), 'Recruiting/keeping good members of staff' (49%) and then 'Winning a big order' (45%).**
- **Recruiting/keeping good members of staff – There was an awareness amongst respondents of this critical issue, **increasing markedly through the rising employee size-bands.****
- **Respected business values – The most admired traits or values were 'Integrity' (64%), 'Reliability' (60%), and 'Loyalty' (41%). In contrast to a perceived decline in behaviour and values by some, there is still a hunger for what might be called standards of 'common decency'.**

continued ...

- **Respected business values and individual characteristics** – The lower ranked traits were more individualistic: ‘Ingenuity’, ‘Conscientiousness’, ‘Courage’, ‘Tenacity’ and ‘Optimism’. Arguably individual strengths which all people have to some degree but which they idealise in others.
- **Disliked business values** – The least admired traits were, in descending order, ‘Dishonesty’ (96%), ‘Defeatism’ (50%), ‘Selfishness’ (41%), ‘Aggressiveness’, ‘Indiscipline’, and, ‘Recklessness’.
- **Business values in different industry sectors** – ‘Reliability’ and ‘Conscientiousness’ emerged strongly amongst the retail/distribution respondents, and there was a 100% rejection of ‘Dishonesty’ amongst the business services and retail/distribution sectors.
- **Business values and gender differences** – In terms of differences between the sexes, the **male respondents** could be characterised as **favouring ‘Integrity’ and Ingenuity’, but disliking ‘Indiscipline’ and ‘Recklessness’**. Whereas the **women favoured ‘Reliability’, ‘Loyalty’, and, ‘Conscientiousness’, but disliked ‘Dishonesty’ (100%), ‘Selfishness’, and, ‘Aggressiveness’**.
- **Personal motivation** – In an attempt to explore the personal relationships with their businesses, respondents were asked to select or reject each of four statements, which queried the need for: independence, an opportunity for significant wealth enhancement, generating an impact beyond a normally limited sphere of influence, and, a quest for success and immortality. There were marked differences between the sexes, where **72% of male respondents agreed with “This business is my baby, I want to see it survive, develop, and outlive me” (a quest for success and immortality)**, and **65% of the women agreed with “I really believe in the importance of what I’m doing, I couldn’t make such a difference in any other way” (generating an impact beyond a normally limited sphere of influence)**

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ACKNOWLEDGEMENTS

The Small Business Research Trust wishes to thank all responding firms for their time and effort involved in participation in the production of this Management Report. The Trust acknowledges the help provided by David Purdy, The Open University, and The University of Westminster, in designing the survey, processing data and analysing the results.

The Small Business Research Trust is particularly pleased to acknowledge the generous support provided by Lloyds TSB in sponsoring the research, analysis and presentation of this report. However, it is important to note that any opinions expressed in this publication are not necessarily those of Lloyds TSB.

Report Author – Professor John Stanworth (University of Westminster)

Series Editor – David Purdy

Lloyds TSB

The Small Business Research Trust

MANAGEMENT ISSUES

The emphasis of our Quarterly Management Reports is on monitoring the key management problems and practices of smaller business, with an emphasis on survival and success. Accordingly, each issue of the Lloyds TSB/Small Business Research Trust Management Report addresses one or more highly topical small business management issues. In this survey we focus on ***The Human Side of Enterprise***.

THE SAMPLE

This report is based on responses received from a panel of over 350 small businesses situated in the Northern, Midland and Southern regions of Britain. Respondents are predominantly small firms with fewer than 50 employees, drawn mainly from the manufacturing, business services, and retail/distribution sectors of the economy. The precise distribution of firms varies from survey to survey, but typically over half of the participants employ fewer than 10 people.

RESULTS

The questionnaire completed by sample firms appears at the end of this report as an appendix. This survey was carried out during August 2001.

SMALL BUSINESS RESEARCH TRUST

The Small Business Research Trust (SBRT), founded in 1983, is an educational research charity, aiming to advance the education of the public in relation to small and medium-sized enterprises in the United Kingdom and Europe. Further details may be found at www.sbirt.co.uk

PAST SURVEYS

1993 (Vol.1)

- No.1 *Surviving The Recession*
- 2 *Using Your Time*
- 3 *Management Style*
- 4 *Financial Management*

1994 (Vol.2)

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- 3 *Management Succession*
- 4 *Customers & Competitors*

1995 (Vol.3)

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- 1 *The Impact of Holidays*
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- 4 *Exit Routes*

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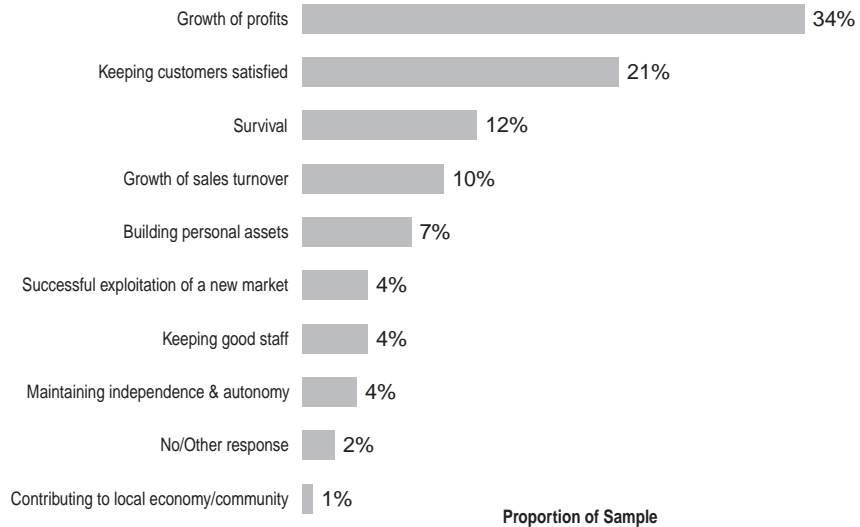
- 1 *E-commerce*
- 2 *Sources of Finance*
- 3 *Transport & Government*
- 4 *Government & Regulations*

2001/02 (Vol.9)

- 1 *Marketing & Sales*

The pursuit of growing profits does not appear to be a 'Holy Grail' for many female owner-managers

Fig 1 - RESPONDENTS' DEFINITION OF OWN 'SUCCESS'



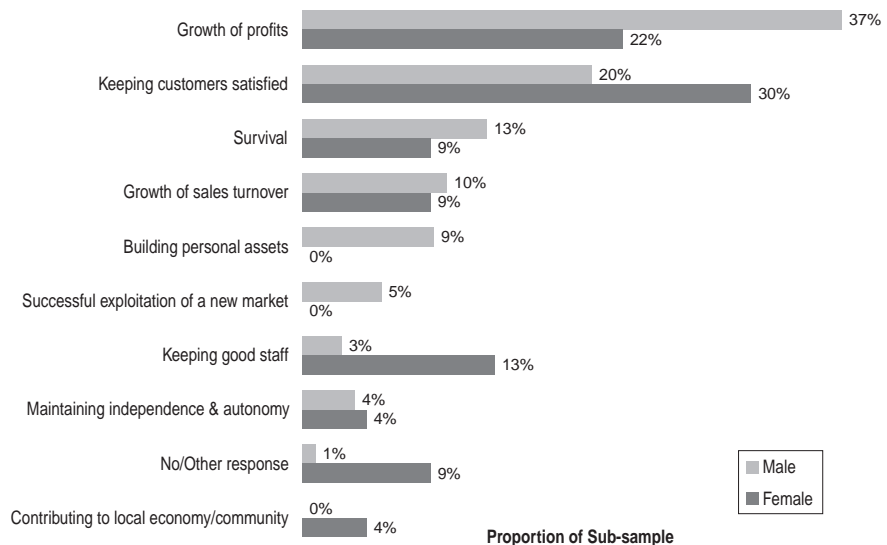
THE HUMAN SIDE OF ENTERPRISE

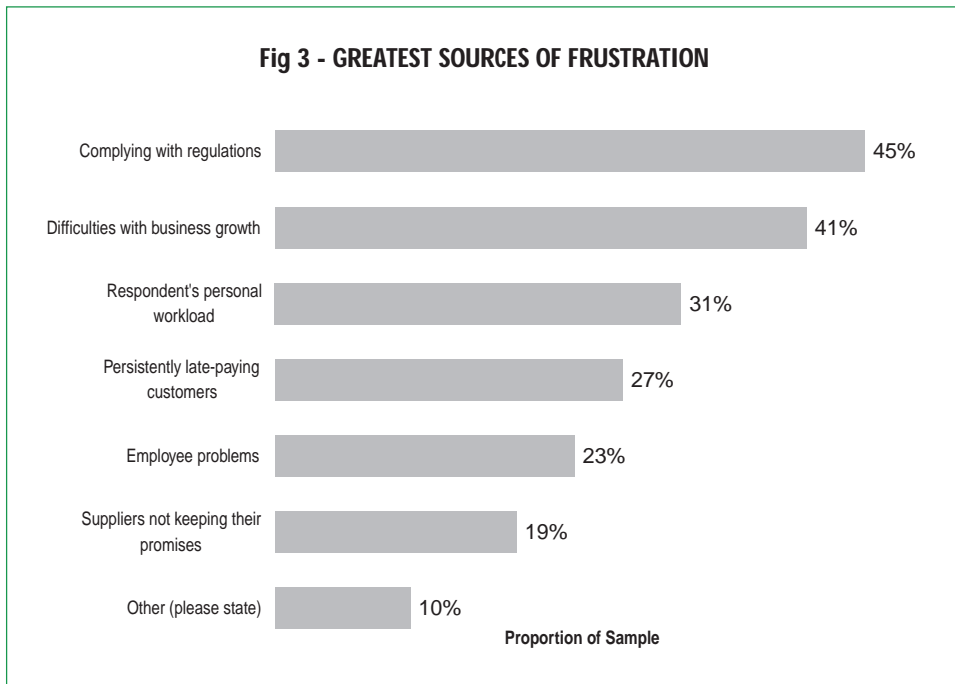
In the small business, perhaps more so than almost anywhere else, the human factor is all-important, not only in terms of relationships between those involved, but also in the motivational issues, personal satisfactions and frustrations that both drive and drain those located at the centre of events.

Measures of 'Business Success'

Respondents were asked to select one factor from a list of options that was closest to their definition of 'success'. In **Figure 1** 'Growth of profits' features most strongly, being selected by around one-third (34%) of respondents, followed by 'Keeping customers satisfied' (21%), 'Survival' (12%), and then 'Growth of sales turnover' (10%). No other single factor broke the 10% barrier.

Fig 2 - RESPONDENTS' DEFINITION OF OWN 'SUCCESS': By Gender





A sector analysis revealed some interesting variations. For instance, respondents in the retail/distribution sector put 'Keeping customers satisfied' as their top priority (36%). And manufacturing sector respondents, much more so than the other sectors, tended to stress sheer 'Survival' very strongly (24%). Respondents said:

"Generally, the motive of small business owners – particularly in manufacturing – is to survive, against all the odds. Making a decent living for one's family is the over-riding concern."

"Government and the general public do not support UK manufacturers. The global economy is a good thing but not to the detriment of home-based companies and employees."

Probably the most dramatic variations to emerge from the sub-sample break-downs related to gender differences. As can be seen from **Figure 2**, men were more likely than women to stress the importance of 'Growth in profits' (37% against just 22%) whilst women were more likely than their male counterparts to favour 'Keeping customers satisfied' (30% against 20%).

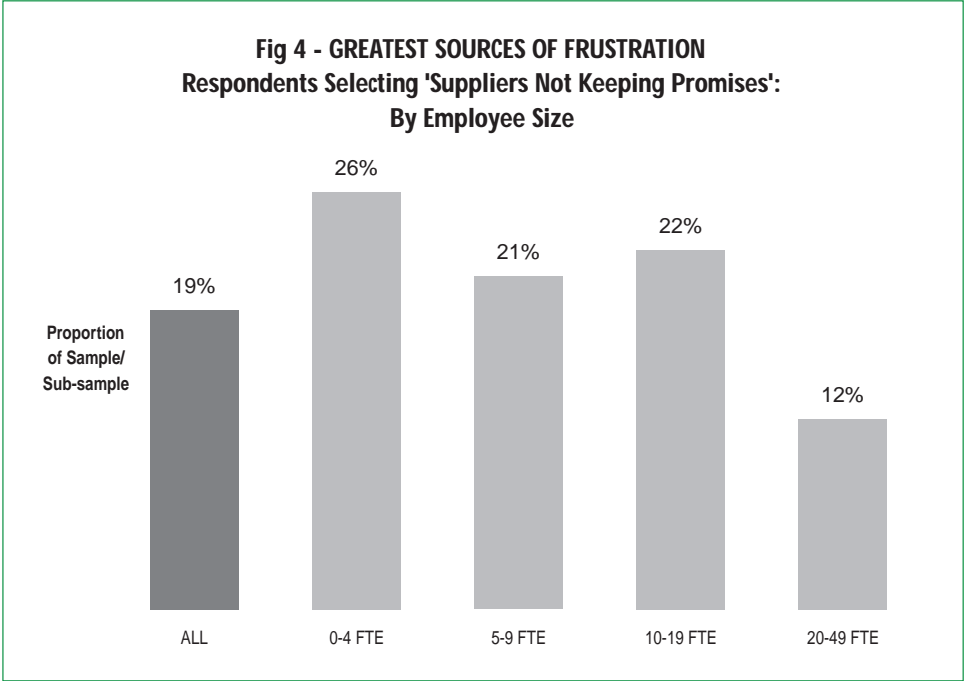
Greatest Frustrations

Respondents were asked to identify the factors which caused them the greatest frustration. 'Complying with regulations' (45%) and 'Difficulties with business growth' (41%) emerged most strongly (**Figure 3**). Specific 'other' sources included:

- Bad weather
- Daily 'fire-fighting'
- Exchange rate
- Government bureaucracy
- Government funding changes
- Heavy taxation
- Interference by university who own the company
- Lack of financial and human resources
- Phone calls from so-called experts trying to sell their services
- Poor banking services
- Sexism in the respondent's industry
- VAT & Inland Revenue: complying with payment dates – no flexibility

Of course, the manner in which this question was framed does not mean that coping with regulations was necessarily the main problem facing respondents, just that it was mentioned most frequently as a cause of frustration. Comments regarding the issue of business regulation included:

Not surprisingly, employee problems were more widely felt amongst larger firms



"The passion, frustration, worry, long hours ... you cannot understand until you have tried it yourself and then asked 'why bother ?' "

"Why do people think you are rich if you have your own business. They cannot see the risks and hard work for very often little reward."

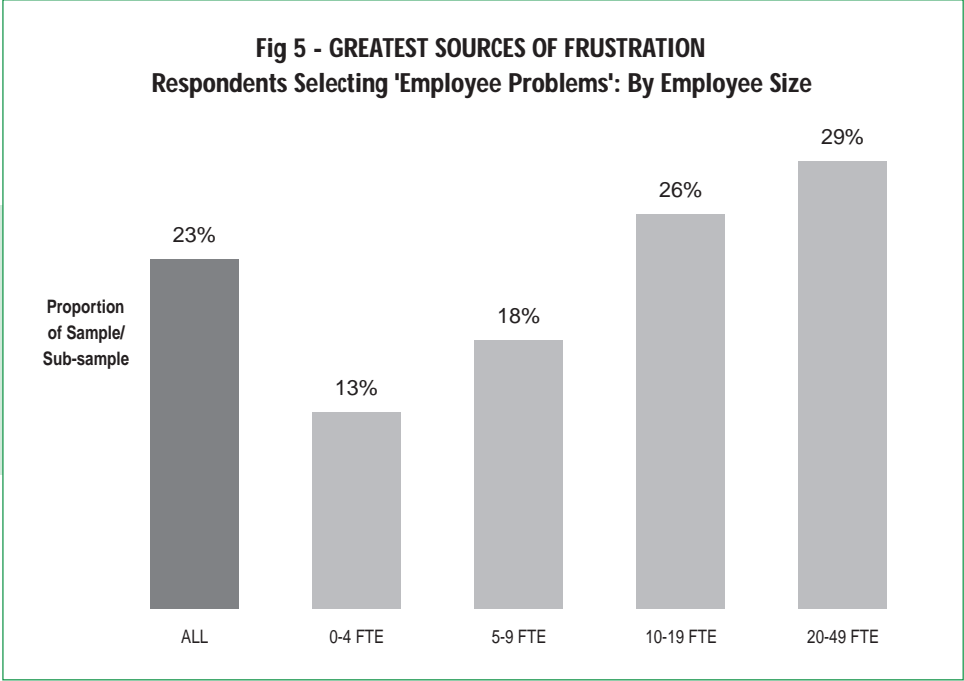
"There is too much red tape. Also, manufacturing and engineering are

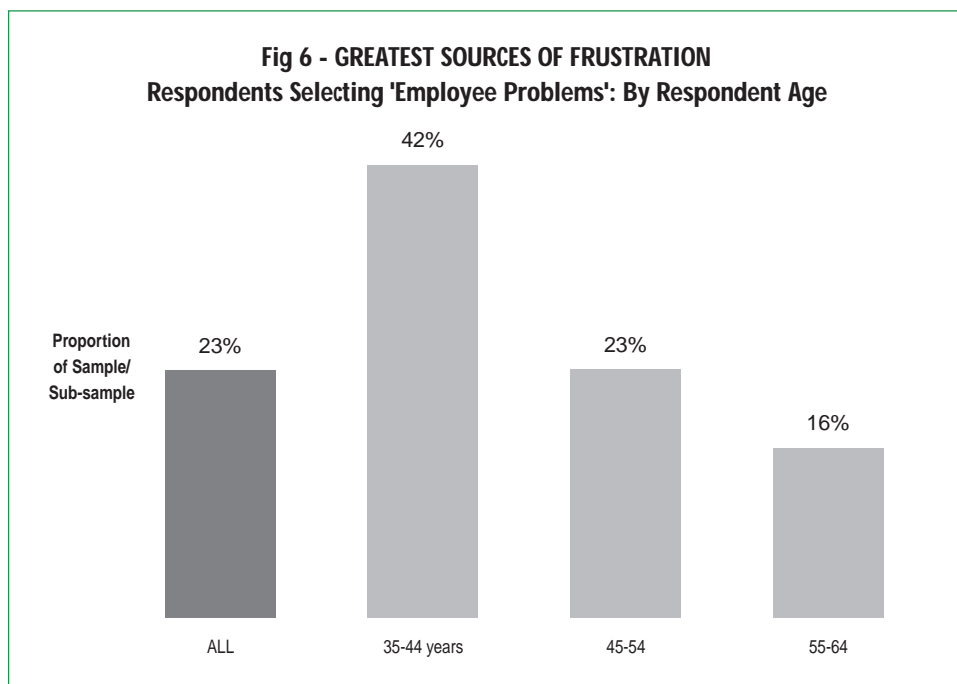
being destroyed by the current handling of the economy."

"Legislation and red tape is soul-destroying."

"There is too much red tape and European interference."

"I'm in a small business with lots of humble pie and very little cream."





Is age & experience a useful antidote for employee difficulties?

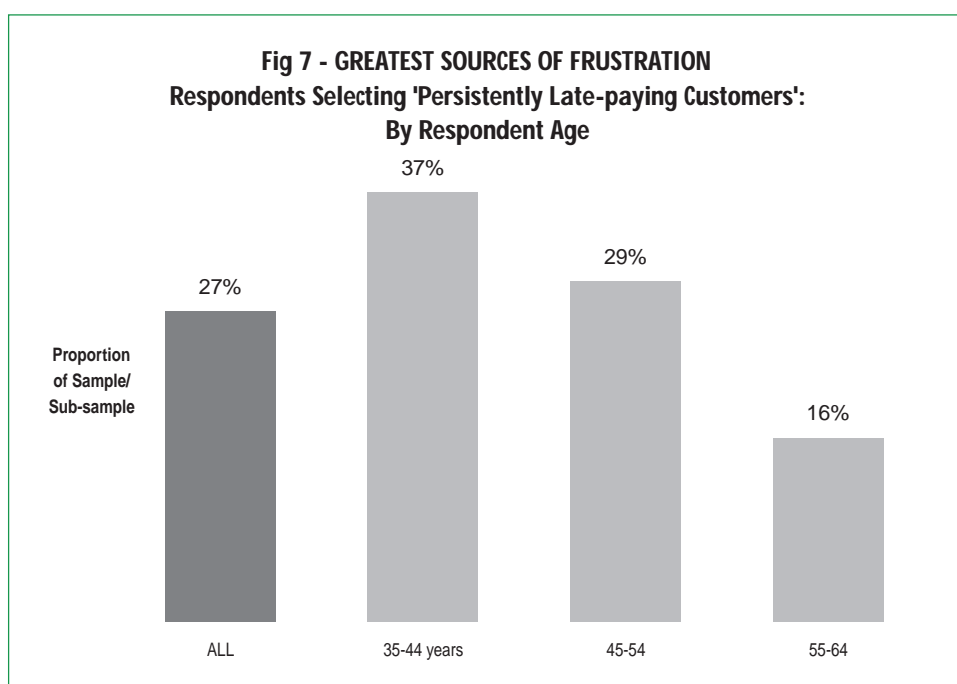
"Many small business owners make huge sacrifices for their business, staff and community, which tends to go unappreciated."

"The Government – ugh!"

Figures 4 and 5 indicate that there were strong variations relating to size of firm. Namely, that the frustrations relating to suppliers not keeping their promises actually reduced noticeably with an

increase in size of firm, but that problems concerning employees increased. These results would appear logical since, as firms get bigger, they are likely to gain more power over their suppliers as a result of their larger and more frequent orders. Staff problems, on the other hand, are likely to increase with the growth in workforce size.

Figures 6 and 7 illustrate some fascinating links with the age of the respondents. Problems with employees appear to reduce



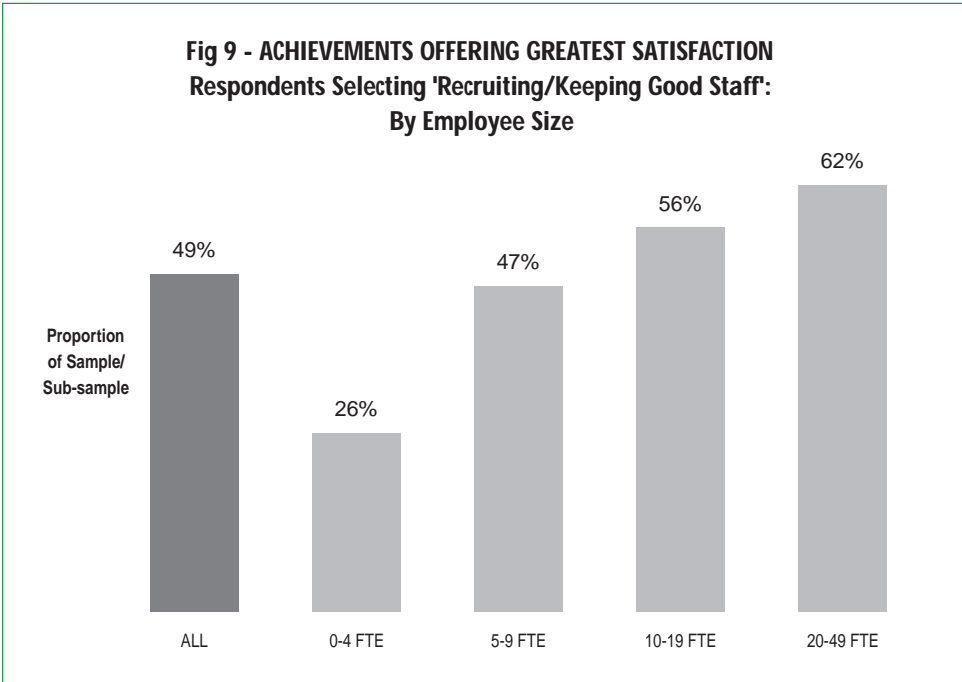
Customer gratitude close behind a good set of financial results



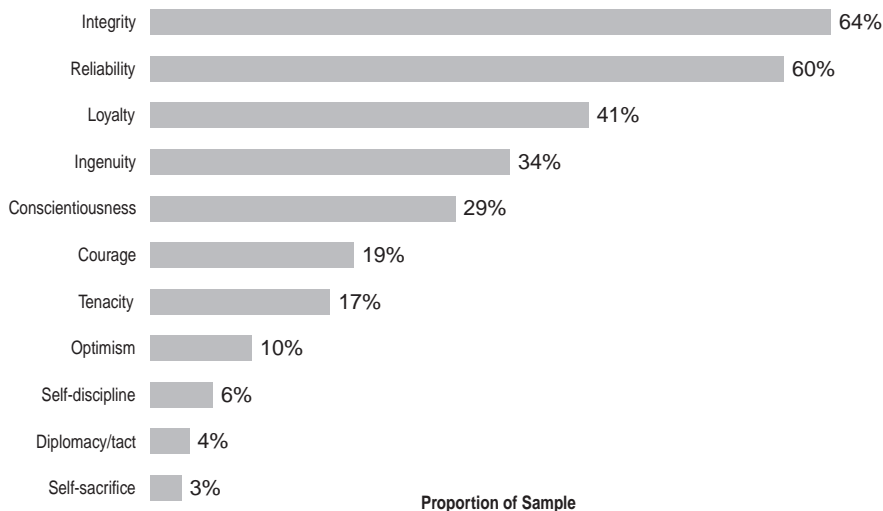
sharply as age of respondent increases and so do problems with 'Persistently late-paying customers'. We can only guess at the background reasons here but the greater experience in human issues that comes with age suggests itself as a key factor, as does, perhaps, simply the respect that others have for older and more experienced members of society in general and the business community in particular.

Greatest Sense of Satisfaction

When asking respondents what gave them their biggest sense of satisfaction, **Figure 8** shows that 'Achieving a good set of financial results' topped the list with 76%, followed by 'Expression of gratitude from a customer' (66%) , 'Recruiting/keeping good members of staff' (49%) and then 'Winning a big order'(45%).'Other' responses comprised:



**Fig 10 - MOST ADMIRED TRAITS IN BUSINESS
(3 Selections Per Respondent)**



Integrity and reliability two cornerstones of good practice in business ?

- Carrying on family traditions
- Project completed satisfactorily
- Happy staff
- Satisfied team
- Students between jobs
- Surviving

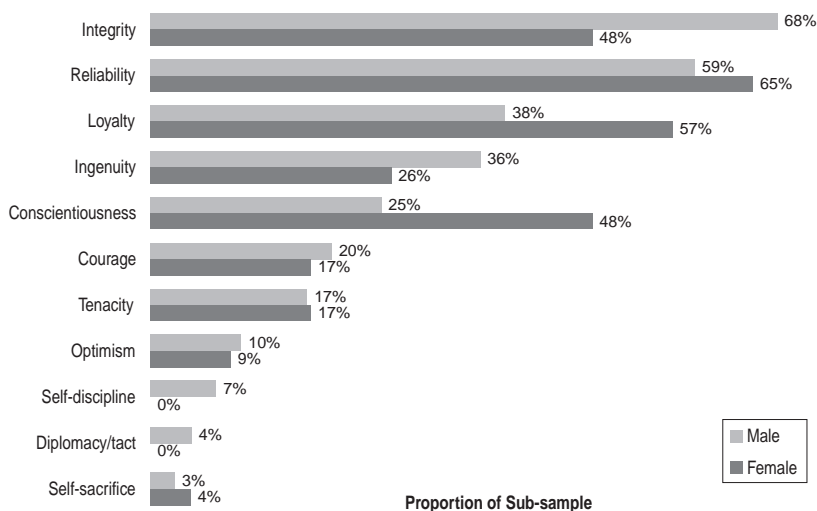
staff obviously become increasingly important.

Most Admired Business Traits

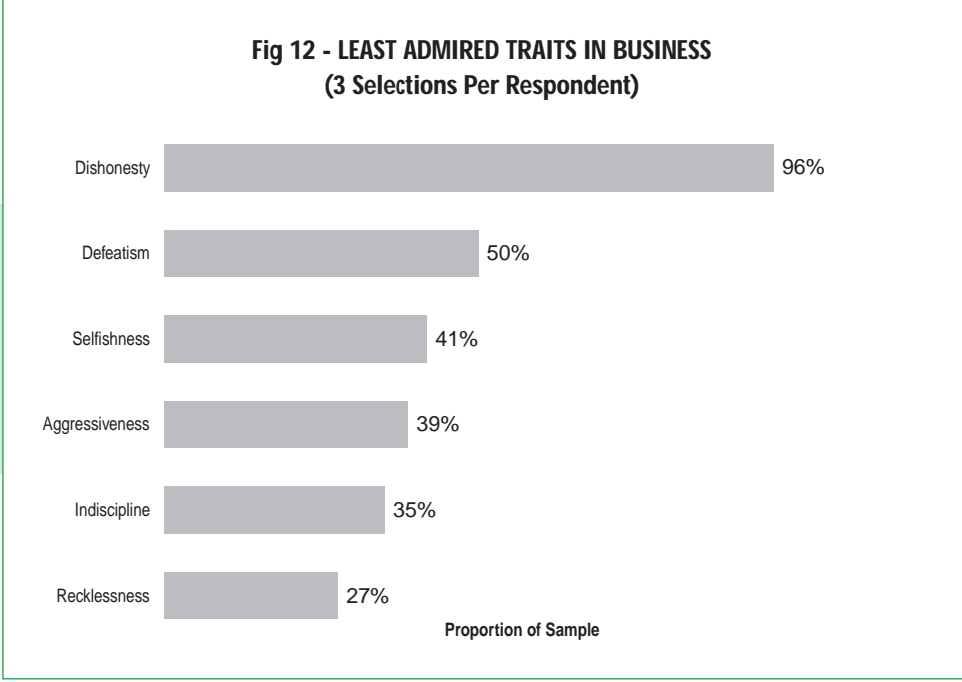
In **Figure 10**, it is immediately noticeable the most admired and respected traits are 'Integrity', 'Reliability, and 'Loyalty'. The common theme running through these three main traits is, essentially, that of 'do as you would be done by'. Thus, in the jungle of everyday life and business in

When the results were analysed by size of firm, the most dramatic finding (**Figure 9**) came in the form of the rapid growth in importance of 'Recruiting/keeping good members of staff'. As firms grow, valued

**Fig 11 - MOST ADMIRED TRAITS IN BUSINESS
(3 Selections Per Respondent): By Gender**



*“The cheque’s
in the post
– honest”*

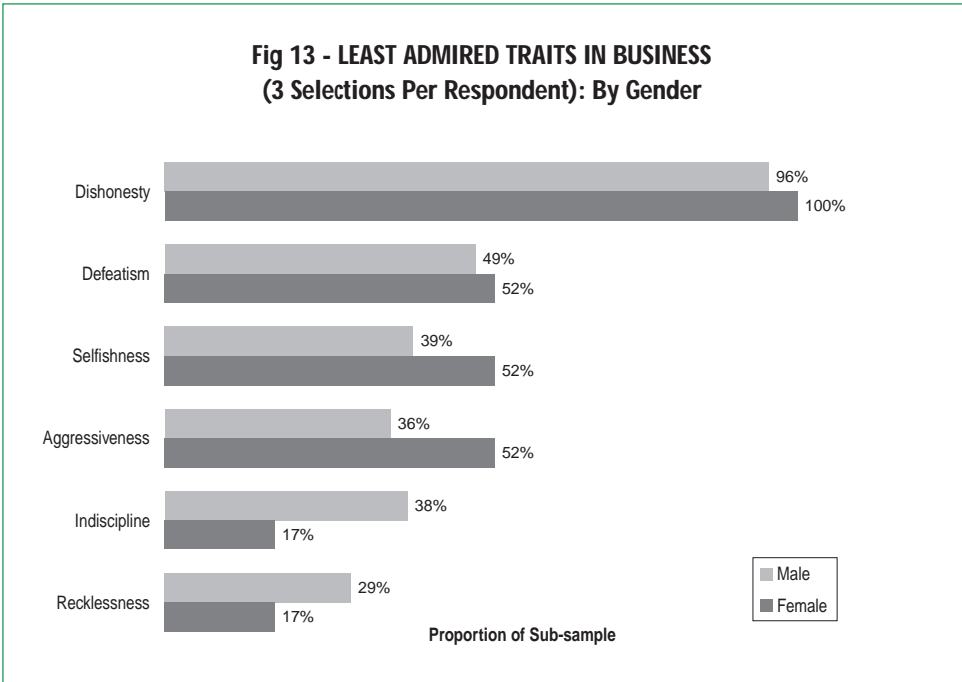


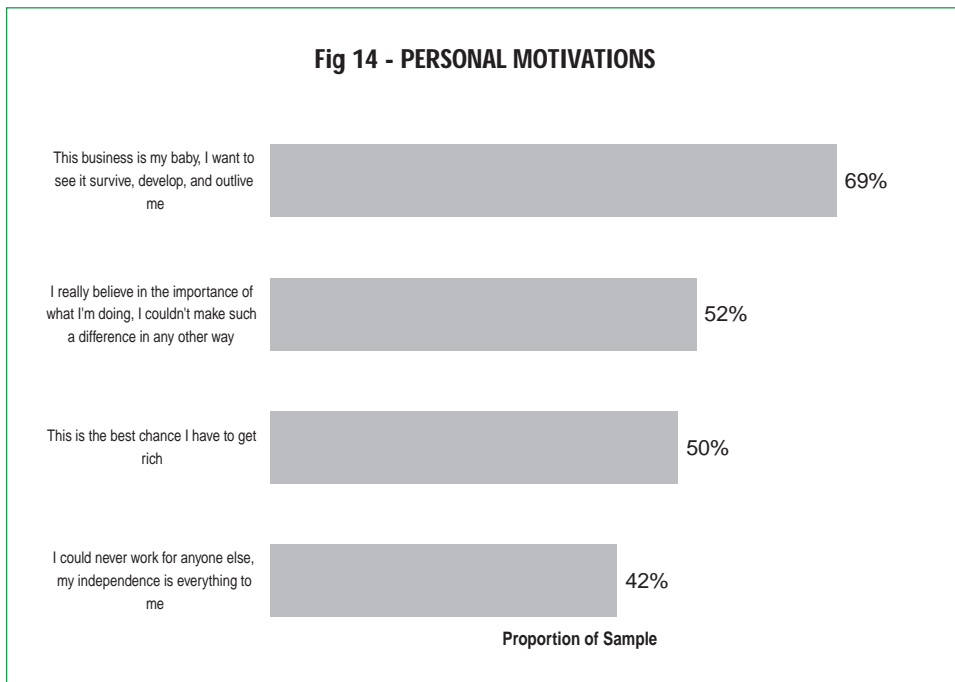
particular, there is a hunger for what we might call standards of ‘common decency’. There is such a thing as ‘society’ after all !

The next batch of traits are more individualistic - ‘Ingenuity’, ‘Conscientiousness’, ‘Courage’, ‘Tenacity’ and ‘Optimism’. These might be summarised in terms of individual strengths which we all have to some degree and idealise in others.

There were some sector differences here with ‘Reliability’ and ‘Conscientiousness’ emerging very strongly amongst respondents from retail/distribution and ‘Courage’ coming through strongly from the business services sector.

However, the largest differences to emerge (Figure 11) concerned the gender issue. Whilst men in the sample rated ‘Integrity’ and ‘Ingenuity’ higher than their female counterparts, the women, by way of





contrast, rated 'Loyalty' and 'Conscientiousness' rather more highly.

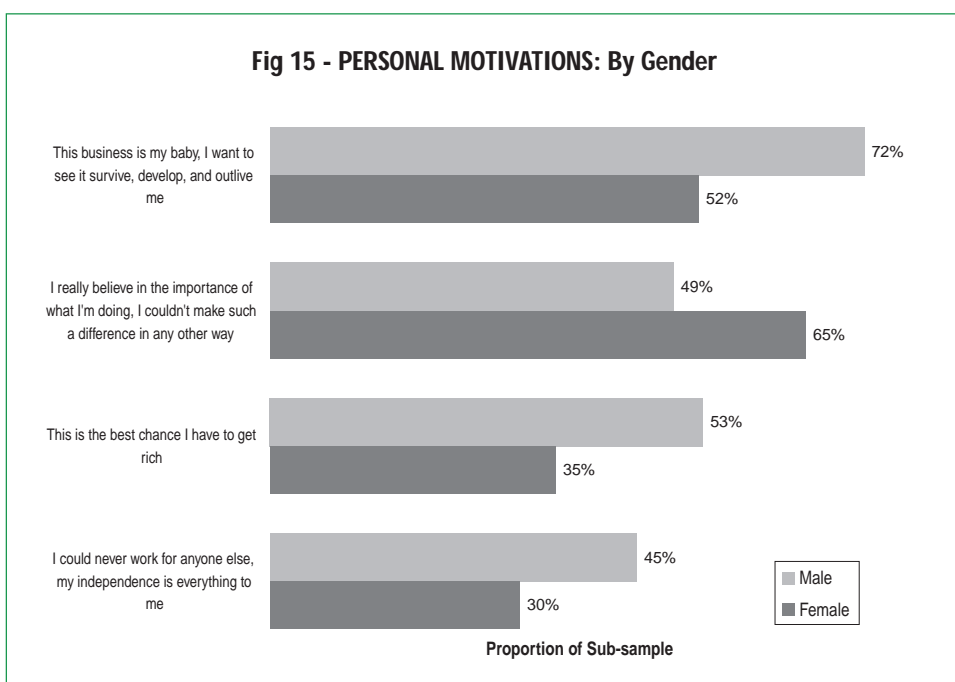
Least Admired Business Qualities

After asking respondents to identify their most admired business traits (above), they were then asked then for the reverse – their least admired traits. As can be seen from **Figure 12**, the traits least admired were, in order, 'Dishonesty', 'Defeatism', 'Selfishness', 'Aggressiveness', 'Indiscipline'

and, finally, 'Recklessness'. Perhaps somewhat surprisingly, there were few age-based differences here. There were, however, some gender variations. In **Figure 13**, it appears evident that women disliked 'Selfishness' and 'Aggressiveness' even more so than their male counterparts.

Personal Motivation

In an attempt to explore respondents' personal driving relationships with their



Women find less scope for fulfilling career objectives & life options ?

businesses, they were asked to select or reject each of four statements:

- “This business is my baby. I want to see it survive, develop, and outlive me.” (a quest for success and immortality)
- “I really believe in the importance of what I’m doing. I couldn’t make such a big difference in any other way.” (generating an impact beyond a normally limited sphere of influence)
- “This is the best chance I have to get rich.” (seeking an opportunity for significant wealth enhancement)
- “I could never work for anyone else, my independence is everything to me.” (pursuing a need for independence)

Figure 14 shows the proportions agreeing with each one and indicates that they found acceptance in the order just described immediately above. However, **Figure 15**, revealing a gender breakdown, suggests that male commitment levels to three of these four statements was higher than that of their female counterparts. The strongest female response by far came out in the form of their support for the statement:

“I really believe in the importance of what I’m doing. I couldn’t make such a big difference in any other way.”

This would seem to indicate that, for the women involved, small businesses perhaps offered less scope for fulfilling career objectives and life options.

RESPONDENTS’ COMMENTS

These commence on p.17

REFERENCES: THE HUMAN SIDE OF ENTERPRISE

The following references are offered as an aid to readers interested in seeking further information via the world-wide-web. The coverage is not intended to be definitive,

and inclusion here should not necessarily imply either agreement or disagreement with the views expressed via these sources. Some web sites have appeared before, but there is usually a section noted with interests relevant to the theme of this report.

Special care should also be taken with material obtained from **outside** the UK, for example, the USA, where different legal issues may apply. N.B. Some pages may contain links to other WWW pages offering related material. Tip: The WWW links were functional at the time of going to print, but the world wide web is in a state of constant change. So if later problems arise with a link, edit the link back to the home page – e.g. reduce <http://www.bized.ac.uk/fme/xyz.htm> to <http://www.bized.ac.uk/> – and look for a similar topic heading there.

● About.com – Small Business Information (USA and others)

“Who are the About Guides ? ... our Guides know their subjects as well as anyone. Together they have gathered and created hundreds of thousands of pages of content to share with users. Whether they’re providing insight and guidance, initiating discussions, moderating chats or writing articles, it is their knowledge, commitment and passion that enable About to provide our millions of regular users with the most human online experience. About Guides live and work in over 20 countries and celebrate their interests in over 700 topics.” About.com has a small business information section, including links/topics on:

- The Angry Employee ... Managementminutes.com tells you what to do when an angry employee storms into your office.
- Difficult Negotiations, Difficult People ... Guidelines from the Negotiation Newsletter for dealing with conflicts, problems, and disagreements, and bringing a problematic negotiation to a conclusion that is satisfactory for everyone.

- Employee Relations FAQ ... A look at the most commonly asked questions with the possibility to find much more detailed articles examining questions in more depth.

- HR [human relations] Bookmark - An e-zine devoted to all topics dealing with HR.

- HR Page for Small Business ... Looks at hiring, policies and procedures, compensation, benefits and recordkeeping. All geared towards small business.

(<http://sbinformation.about.com/cs/humanresources/>)

● **BBC Education Online:**

'Working with others'

Training in keyskills for different sectors and industries: This particular section comprises:

Resources

- An introduction to skills for working with others

- How to work with others

Case studies from the 'Back to the Floor' programmes, e.g.

- The staff feel unappreciated

- Finding out what your colleagues really think of you

- Workers who aren't allowed to talk

- Boss meets his staff for the first time

(<http://www.bbc.co.uk/education/work/trouble/floor/keyskills/others.shtml>)

● **Biz/ed**

"Biz/ed is a unique business and economics service for students, teachers and lecturers". Human Resource Management - Further Explorations and Connections: "This section contains a selection of 'meta' sites, i.e. sites which reference other sites relevant to the broad subject of human resource management. Many of these sites are run by enthusiastic individuals in both academic institutions and commercial companies."

(<http://www.bized.ac.uk/fme/3-12.htm>)

● **Inc. Magazine (USA)**

"Inc magazine online has small business resources to help you and your business grow. Search our site for business advice and small business resources." They have produced a *Guide to Motivating Employees*, with selected articles on:

- Corporate Culture as Motivation

- Practical Perks

- Recognition

- Noncash Incentives

- Motivation = Fast Growth, According to inc.com Mentors

- Motivation by Compensation

- Further Reading

"Unfortunately, motivating people is far from an exact science. There's no secret formula, no set calculation, no work sheet to fill out. In fact, motivation can be as individual as the employees who work for you. One employee may be motivated only by money. Another may appreciate personal recognition for a job well done. Still another may work harder if she has equity in the business. But you can boil down employee motivation to one basic ideal – finding out what your employees want and finding a way to give it to them or to enable them to earn it."

(<http://www.inc.com/>)

● **Small Business Service**

"If you run a small business in the United Kingdom or you are thinking about starting one up – then this website is for you. Whatever stage your firm has reached, we have information and facilities here that will help your firm to prosper and grow. This website is provided by the Small Business Service – an agency of the UK Government. You can also get advice and information from our Contact Centre and from our network of local providers." Training & Development: "The New Deal, operated by the Department for Work and Pensions, provides financial support towards salary and training costs for companies employing young and long-term unemployed people. ... The

Department for Education and Skills (DfES) - which has responsibility for education, training and life-long learning – operates a range of training initiatives for small businesses, including the Small Firms Training Loan scheme. This scheme can help you to finance either a training programme itself or some consultancy advice about training. DfES's Modern Apprenticeships is a vocational training scheme which aims to help employers equip new staff with the craft, technical and junior management skills necessary to the success of their business. ... The DfES website has more information on initiatives that can help you train your workforce." Covers:

- Business Benefits
- Management Skills
- Investors in People
- Skills & Qualifications

(<http://www.businesslink.org>)

● **SocioSite – Management Section (Netherlands)**

"The SocioSite is designed to get access to information and resources which are relevant for sociologists and other social scientists. It has been designed from a global point of view – it gives access to the world wide scene of social sciences. The intention is to provide a comprehensive listing of all sociology resources on the Internet. ... The SocioSite is a project based at the faculty of Social Sciences at the University of Amsterdam. And therefore it provides access to all the educational and research programmes of the Sociology Department. But the SocioSite covers a lot more." There is a management section covering:

- HRM - Human Resource Management
- Knowledge Management
- Management Journals
- (web) Mailing Lists in Management
- Professional Associations
- Quality Management

(<http://www.pscw.uva.nl/sociosite/>)

● **SOSIG**

"The Social Science Information Gateway (SOSIG) is a freely available Internet service which aims to provide a trusted source of selected, high quality Internet information for students, academics, researchers and practitioners in the social sciences, business and law. It is part of the UK Resource Discovery Network." There is a Business section, and also others on Entrepreneurship, Human Resource Management, and Organisational Management. Internet resources are listed by type, and are accompanied by a summary description for each item:

- Editor's Choice
- Articles/Papers/Reports (collections)
- Articles/Papers/Reports (individual)
- Bibliographic Databases
- Companies
- Data
- Educational Materials
- Government Publications
- Governmental Bodies
- Journals (contents and abstracts)
- Journals (full text)
- Mailing Lists/Discussion Groups
- News
- Organisations/Societies
- Research Projects/Centres
- Resource Guides

Sample entry: Small Business Research Trust "The SBRT is based at the Open University Business School in Milton Keynes, UK. Founded in 1983, it is "an educational research charity, aiming to advance the education of the public in relation to small and medium-sized enterprises in the United Kingdom and Europe." Details of its publications are give on the site, for example reports on ICT in rural areas of the EU, ethnic minorities in business, and lists of UK researchers on small businesses. These are generally published in paper form. As well as publishing, the SBRT is engaged in research projects and provides information to government, the media and commerce."

(<http://www.sosig.ac.uk/>)

MANUFACTURING

Advertising Calendar Manufacturer	<i>"Big business dominates the news at all times, [there is] not enough publicity."</i>
Catering Equipment	<i>"It is virtually impossible to survive as a small/medium business with all the legislation that has to be conformed to."</i>
Colour Cosmetic Products	<i>"Don't care if they do misunderstand."</i>
Design, Manufacture & Sales of Electronic Controls	<i>"Generally, the motive of small business owners - particularly in manufacturing - is to survive, against all the odds ! Making a decent living for one's family is the over-riding motivation."</i>
Electrical Engineering & Contracting	<i>"The constant changing of government rules and regulations, especially regarding employment issues makes it very difficult for small businesses to keep up - it needs to be simplified."</i>
Electronic Controls for Milking Machinery	<i>"The Government does little to encourage small business development - sadly [a] loss of opportunities."</i>
Fabrication, Welding, Machining, Special Purpose Machines	<i>"The reserves of many small businesses are generally inadequate to withstand a period of sustained losses without the position becoming terminal. Recessions/substantial bad debts - not an option !"</i>
Furniture Restoration	<i>"[I'm] In a small business where there is a load of humble pie with little cream."</i>
Graphic Reproduction & Print	<i>"They all understand but lack effective support."</i>
Kitchen & Furniture Manufacturers	<i>"Generally I think most people who own a small business want to do as good a job as is possible, and because of that, it is easy to be taken to the limit by legislation and financial institutions. And I honestly believe many have had enough and are preparing to leave while they can and their business is still intact."</i>
Kitchen and Bedroom Manufacturers	<i>"What is the definition of a moron - somebody who says 'It's alright for you, you have your own business'. The only people who can empathise with us are people who have been there, done it, got the T-shirt."</i>
Manufacturing	<i>"When someone goes bump on you and owes you money, naturally your cash flow is affected, but the tax man won't give you extra time for paying him, they won't accept 'excuses' as it was put to me."</i>
Mechanical Installation and Maintenance Service	<i>"Customs & Excise and the Inland Revenue obviously don't understand the general running of a business - cash-flow being the main feature. 'They' want paying no matter what !"</i>
Office Screen Systems	<i>"Why do other people think you are rich if you have your own business ? They cannot see the risks and hard work for very often little reward. I cannot expect others to understand what motivates me as I do not know anymore."</i>

MANUFACTURING continued

Printed Circuit Board Manufacture	<i>"The government - ugh !!"</i>
Printers	<i>"[There have been] Too many changes in industrial law and conditions."</i>
Printing	<i>"Many small business owners make huge sacrifices for their business, staff and community, which tends to go unappreciated."</i>
Printing of Computer Forms	<i>"Government is weak; full of has-beens who never will succeed."</i>
Process Engineering Support & Equipment Supply	<i>"The passion, frustration, worry, hours, effort, being everything from sales to human resources, you cannot understand until you have tried yourself and then asked 'why bother ?' A bit like being a mum really, I imagine !"</i>
Repairs to Electric Motors	<i>"[There is] Too much red tape. Also manufacturing and engineering is being destroyed by the current handling of the economy !!!"</i>
Specialist Electronic Instruments	<i>"There is no point in commenting. If they haven't been there/done it, they will never understand what it is like to be a small business owner."</i>
Staircase Manufacturer	<i>"Legislation and red tape is soul-destroying !!"</i>
Sub-contract Engineers	<i>"[There is] Not enough help for SME, i.e., government."</i>
Textile Yarns	<i>"The assumption that small businesses are almost automatically profitable is demotivating."</i>
Timber Fire Doors	<i>"[There is] Too much red tape and European interference."</i>
Turned Parts Manufacturer	<i>"Government, general public do not support UK manufacturers. Global economy is a good thing but not to the detriment of home-based companies and employees."</i>

BUSINESS SERVICES

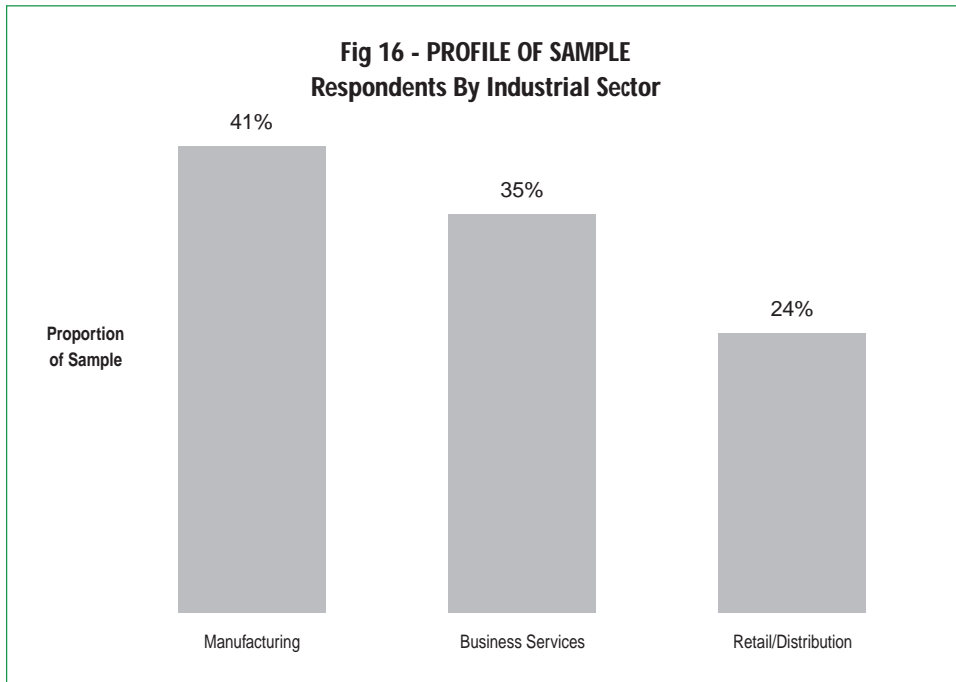
Accountancy, Audit, Tax & Management Consultancy	<i>"A small business must be recognised to survive in a competitive market; most government organisations do not understand this mentality because have they not and will never experience it."</i>
Analytical and Consulting Chemists (Industrial)	<i>"[There are] Too many restraints and regulations. Too many people telling others how to do their job !"</i>
Architect	<i>"[We are] Personally OK. Generally - [there is] a great deal to be learned by all sectors."</i>
Architects & Designers	<i>"Government and larger organisations talk a lot about 'value for money' but dismiss the idea that SMEs can provide it."</i>
Audit Accountancy and Taxation	<i>"There is now only one word for employment legislation - 'ridiculous' !"</i>
Chartered Accountants	<i>"It is difficult for anyone to understand the pressures of running a small business in a competitive and regulated environment if you have not previously done so. There is always a certain amount of jealousy of successful small business owners and the public in general do not recognise the contribution they make to the economy."</i>
Chartered Civil Engineer	<i>"New regulations (almost) always place disproportionate burdens on SME relative to large nationals/multinationals."</i>
Commercial Cleaning	<i>"I do not believe that the government are genuinely concerned for small business. They just pay lip service."</i>
Computer Software For Exporters	<i>"Despite protestations to the contrary, government totally underestimates the negative impact of the complexity of its income tax, national insurance and regulatory systems."</i>
Consultant Naval Architects & Marine Engineers	<i>"We are easy targets while big companies get away with so much because of their muscle."</i>
Food Technology & Quality Consultant	<i>"The government needs to have 'hands-on' managers to advise them on business issues of the small companies. Their legislation burden is costly and time-consuming."</i>
Independent Financial Advisers & Insurance Brokers	<i>"Government red tape and regulations are the greatest hindrance to growth and additional staff recruitment."</i>
International Freight Forwarding Services	<i>"We get little help from government but as soon as you start to make money the taxman is there for his slice !"</i>
Legal and Debt Recovery Services	<i>"People seem very jealous of any outward signs of success and the government takes far too much !"</i>
Management Development Courses/Consultancy	<i>"The major weakness is that the term 'small business owner' is not homogenous ! So loads of different motives apply."</i>
Management Training	<i>"[There is] Too much paperwork (VAT etc.)."</i>

BUSINESS SERVICES continued

Non-Destructive Testing	<i>"Misconception: most successful SMEs rely on teams - not owner-managers as often reported."</i>
Public Relations	<i>"The government doesn't have a clue what it's like running a small business. They talk about helping small business, but that's all it is - talk. All they do is face us with bureaucracy, red tape, cost burdens. We deserve better for the contribution we make to the UK's economy."</i>
Public Relations & Marketing Consultancy	<i>"Government still needs to recognise the need for greater risk/reward ratio."</i>
R & D Consultancy	<i>"[There is] Too much regulation with associated costs."</i>
Secretarial Recruitment	<i>"This is no longer a 'nation of shop-keepers' - it is a nation of small businesses and the government ought to support this and encourage this entrepreneurial spirit with tax concessions and pernicious legislation against late payers of invoices !"</i>
Software House	<i>"I'm not sure if an understanding of motives is relevant, but I do feel that the benefit to the community of small businesses as a whole is undervalued."</i>

RETAIL AND DISTRIBUTION

Computer Software	<i>"[The] Government has no understanding of the cash dynamics of business."</i>
Computer System Reseller	<i>"I am fighting to get even the SBS [Small Business Service] to acknowledge the problem of late payment."</i>
Domestic Furnishings & Lighting	<i>"The media's constant trend to show the independent retailer as a 'crooked cowboy' is an ongoing handicap."</i>
Florist	<i>"There is a mistaken belief that everyone that is self-employed is wealthy."</i>
Flowers, Pot Plants, Shrubs	<i>"Most big business was started by small business. Don't stifle them at birth with red tape."</i>
Hairdressers	<i>"They fail [to] understand [the] pressure put on us by paperwork."</i>
Hardware and Pet Store	<i>"Small business owners have two motives, either ego or greed. If the former, then much satisfaction can ensue. If the latter, then probably more success but less happiness. We do it for ourselves but generally I feel that media, government etc., will only ever think that greed is our only motive. Why should we want them to feel any differently ?"</i>
Importing of Speciality Foods	<i>"Small businesses are simply 'mere bagatelles' - [of] very little importance, very little clout, [and] your passing (into oblivion or financial ruin) will not rate a tear or comment."</i>



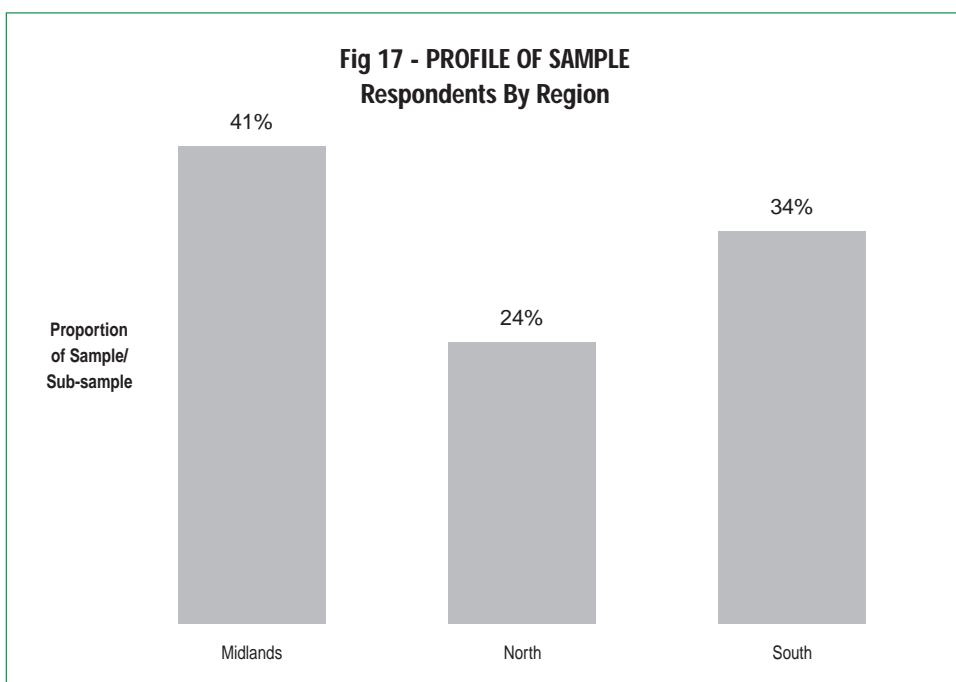
APPENDIX 1 - ADDITIONAL INFORMATION

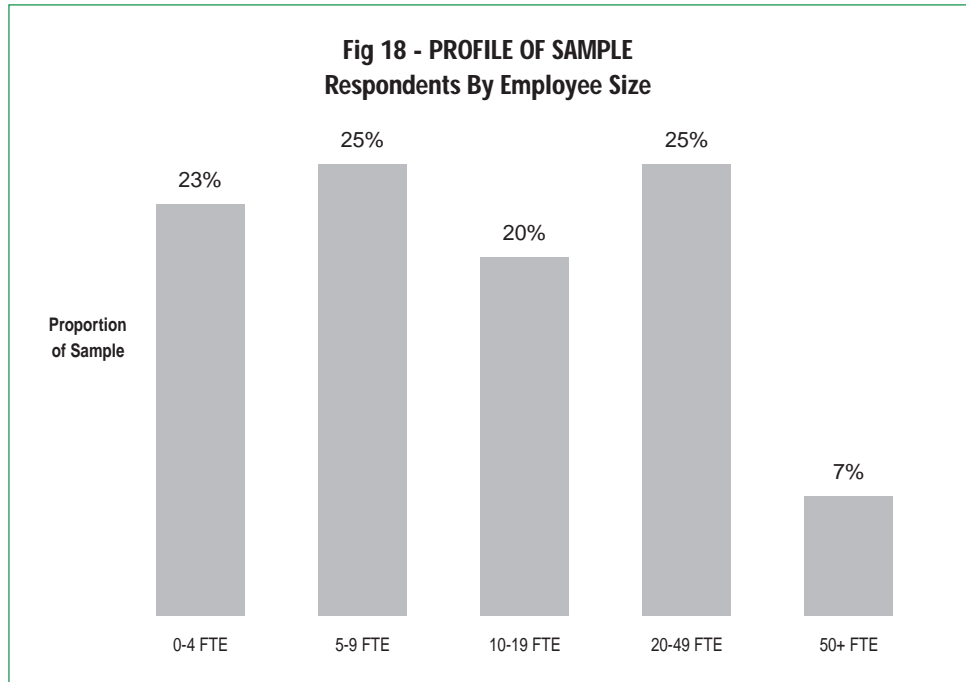
As an aid to the interpretation of the various figures (histograms), we have included some further information about the firms responding to this survey.

The analyses involve key variables, and **industry sector** and **employee size** are those most frequently used as

they are reasonably reliable indicators and less prone to misinterpretation. Other variables have also included **region**, **sales growth**, **respondent age** and **sex**.

Industrial sectors – based on the descriptions supplied by respondents, each firm is coded according to the Standard Industrial Classification (SIC 1980). Firms are then grouped into manufacturing, business services, retail/distribution. From 1996 onwards, firms falling outside these 3





bands – previously classified as ‘other’ – are now allocated to the foregoing sector which offers the closest match.

Regions - firms are also classified according to their physical location, namely, North, Midlands and the South.

Employee size - finally, firms are placed in bands according to the number of employees. Each part-time employee is assumed to be equivalent to 40 per cent of a full-time employee (‘FTE’ = full-time equivalent). All of the surveys to date have received only a small number of responses from firms with 50 or more FTE employees. These responses have been **included** in the breakdowns for the **sectoral** and **regional** analyses, but have been **excluded** as a ‘50+FTE’ band in the **employee-size** analyses (the ‘All’ band in each histogram includes all usable responses regardless). This is because a percentage breakdown band based on just two or three firms may not be representative of this size of business.

Figure axes/scales (histograms) - each figure uses a linear scale, with reference to a common zero axis, e.g. running horizontally across the bottom of each column, as in the figure above.

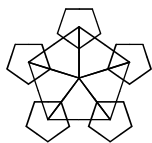
Distribution of firms

The highest proportion of respondents is in manufacturing (41%, previously 43%), followed by business services (35%, see **Figure 16**). Previously, the samples have contained the largest proportion of firms in business services, but the composition has shifted slightly due to the introduction of additional respondents to the sample late 1998, and again, mid-1999.

In this survey, the Midlands region has the largest representation, with 41% of the sample’s respondents (previously it was the Southern region, at 39%, see also **Figure 17**).

Historically, the manufacturing and business services firms in the samples have tended to be larger, in terms of employees, whereas the firms in retailing/distribution have had fewer full-time equivalent employees. Likewise, the sample has been biased towards the smaller businesses, but since 1999 there has been an increase in the 20-49 FTE firms (**Figure 18**).

As on previous occasions, the sample is predominantly male (83%).



This questionnaire will take approximately 5-10 minutes to complete – most answers require only a single tick. All information received will be treated in complete confidence. PLEASE DESPATCH AS SOON AS POSSIBLE.

MANAGEMENT ISSUE: The Human Side of Enterprise

1 a) Please indicate the number of people working in your business (including yourself): Full-time : _____ A Part-time (16 hours/wk or less)..... : _____ B

b) Your age last birthday: 16-24 years..... A 25-34..... B 35-44..... C 45-54..... D 55-64..... E 65 or over..... F

c) Your gender: Male M Female..... F

2 Entrepreneurial success – Currently, which one of the following options most closely constitutes business ‘success’ for you ? Just ONE ✓ only Successful exploitation of a new market..... A OR Contributing to local economy/community B OR Building personal assets..... C OR Keeping customers satisfied..... D OR Keeping good staff..... E OR Growth of sales turnover..... F OR Survival G OR Growth of profits H OR Maintaining independence & autonomy..... I

3 Greatest sources of frustration – Which of the following cause you the greatest sense of frustration: ✓ Against all which apply Persistently late-paying customers A Suppliers not keeping their promises..... B Employee problems..... C Your personal workload D Complying with regulations..... E Difficulties in getting the business to grow as expected F Other (please state)..... G

4 **Personal satisfaction – Which of the following achievements give you the greatest sense of satisfaction:**

✓ Against all which apply

- Recruiting or keeping good members of staff..... A
- Winning a big order..... B
- Achieving a good set of financial results C
- Buying a new company car for yourself..... D
- Winning a dispute with the authorities E
- Making a major investment in the business..... F
- An expression of gratitude from a customer G
- Other (please state) _____ H

5 **Which three of the following values or traits do you most admire in the world of business generally:**

✓ Against 3 options

- Ingenuity A
- Courage B
- Tenacity C
- Loyalty D
- Integrity E
- Diplomacy/tact F
- Conscientiousness G
- Self-discipline H
- Reliability I
- Optimism..... J
- Self-sacrifice K

6 **Which three of the following values or traits do you least admire in the world of business generally:**

✓ Against 3 options

- Aggressiveness A
- Defeatism..... B
- Recklessness C
- Selfishness D
- Dishonesty E
- Indiscipline F

7 **Personal motivation – Please indicate against each statement whether you either generally agree or disagree with the sentiment expressed:**

Just ONE ✓ for each statement

Agree Disagree

- I could never work for anyone else, my independence is everything to me A
- This is the best chance I have to get rich..... B
- This business is my baby, I want to see it survive, develop, and outlive me C
- I really believe in the importance of what I'm doing, I couldn't make such a difference in any other way D

1 2

8 **Small business motives – If you feel that the media, government or general public consistently fail to understand the motives of small business owners, then please comment:**



Lloyds TSB
Business



**SMALL
BUSINESS
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