Understanding how best learning for and in small business should proceed constitutes a worthwhile, yet challenging pedagogic project. Small businesses seem not attracted to, nor do they value taught courses that are often viewed as being irrelevant, inappropriate or inaccessible to small business workers. However, given that small businesses need to respond to new demands it is worthwhile understanding the kinds of pedagogic practices they adopt when learning to make changes. This paper reports the initial findings of a study of how 30 small businesses learnt to implement the Goods and Service Tax (GST). Interviews were used to understand the pedagogic practices that these businesses adopted when implementing the GST. In most cases, contributions to learning were identified in a movement from an initial reliance upon external contributions to a greater independence within the small businesses. The core of the learning process was most commonly reported as being mediated by localised support and expertise (e.g. experts, information, accountants, consultants) as the small businesses engaged with the task. Local contributions of different kinds played an important role in mediating the learning. From these findings, a model of learning in small business was generated whose wider applicability will be appraised through a second round of interviews with small businesses.

Introduction
Identifying how small businesses can learn effectively is central to governmental priorities (ANTA 1998) and address issues of social justice as small business workers are less likely to engage in structured training or be the subject of employer expenditure on training than their counterparts in larger enterprises. It also presents a challenging yet worthwhile project for those interested in understanding how to develop individuals’ vocational capacities. This paper identifies some pedagogic bases and practices by which learning for and in small business proceeds. These include the movement from a reliance on sources external to the small business, to a greater independence in acting. In particular, the developing capacity to act independently was often premised on learning mediated by localized sources. In particular, the capacity of the localised contributions to provide guidance that was pertinent, trusted and premised on some level of intimacy with the small business all seemed salient. The recent experience of small businesses learning to implement the Goods and Service Tax (GST) provided the context and opportunity to understand the learning of new tasks in small business. Small business workers were required to understand and implement the new taxation system and monitor in through submitting quarterly Business Activity Statements (BAS). For some businesses, it meant the adoption of systematic and/or electronic administrative practices, requiring extensive new learning. As this initiative was mandated for all small businesses, it provided an opportunity to identify some of the diverse bases for and processes of learning as they implemented the same procedures. However, the processes of analysis and verification adopted in the study also aimed to understand learning for small business in activities other than the GST, in order to appraise the outcomes more generally.

This paper commences with a brief review of what is already known about learning in small business. The review highlights a preference of small business towards workplace learning rather than for taught, formal, nationally accredited training as offered by the vocational education and training (VET) sector. The disaffection with participation in taught
courses reinforces the importance of generating approaches other than those through courses. However, learning in workplaces may require localised assistance and support to learn what is not known or knowable in the workplace. For this reason, it is important to identify how best small business learning can be supported and encouraged.

**Learning in and for small business**

Much is already known about small business perspectives on learning. Small business comprises a significant component of national economic activity and employment. About half of all private sector employment in Australia is provided by small businesses, which account for around 97 per cent of all private sector businesses (ABS 2000). However, over half of these businesses have no employees. Therefore, a large portion of small businesses’ concerns about their level of skills is about personal development (Kempnich et al 1999). The nature and size of small businesses means they have quite different organisational characteristics and skill development needs from larger enterprises.

**Lack of participation of small business in taught courses**

Small business commitment to structured VET is, at best, weak. Overwhelmingly, the data about accredited courses indicate that small businesses are reluctant to participate in or sponsor these courses (Billett & Cooper 1998; Gibb 1997). There are at least four reasons why ‘taught courses’ provided through national VET frameworks are unlikely to attract small business. Firstly, approaches to learning often deny the reality of small business because such approaches reflect large business or ‘industry needs’. For instance, small business management courses are criticized for their use of big business management theory and practice (Kempnich et al 1999). Small businesses are not little large businesses and have different priorities and needs. Secondly, courses that conform to national industry prescriptions may be of limited interest. These courses often lack a focus on the kinds of outcomes required by small business.

Thirdly, the pedagogic approaches of these courses are often misaligned with small business needs. For instance, Coopers and Lybrand (1994) identify qualities of a good ‘small business course’. These include courses being short, sharp and specific; available at a local venue; having flexible timing; interactive delivery; related to specific problems and opportunities; pitched at an appropriate level; linked to participants’ environments; and whose presenters have empathy derived from first-hand experience. 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; Roffey et al. 1996).

Finally, the market-based provisions of VET likely hinder small business participation in VET (Billett & Cooper 1997). Providing tailored courses to small business is unattractive to VET institutions that prefer enterprises with large numbers of employees engaged in the same courses or modules. Taught courses are unable to be individualised, tailored and localized to meet small business needs in cost effective ways. However, options for developing effective small business operations are not restricted to participation in taught courses. Learning also occurs as part of everyday work activities and through the opportunities that arise everyday in small business settings and the local community.

**Importance of the workplace and localised support for small business learning**

Internationally there is growing interest in workplaces as learning environments (Boud & Garrick 1999). For workers in many sectors of small business work, there is often no option than to learn in the workplace, because it constitutes the only location in which to learn workplace requirements. Recent research illustrates the preference of small business workers to learn in their workplaces (Coopers & Lybrand 1994; Kilpatrick & Crowley 1999; Raffo et
Small businesses nominate ‘learning as you go’ as the best means of gaining skills as small business owner/managers (Coopers & Lybrand 1994). This approach is preferred as it is held to be practical and hands-on; the easiest and quickest way to learn and occurs as part of work tasks. Interactions with others, particularly with other business owners, are held as effective means of gaining skills, mainly because it benefits the business and is industry-specific (Coopers & Lybrand 1994). In these ways, learning is held to be context specific and arising as a consequence of dealing with situated problems (Raffo et al. 2000).

However, while evidence identifies many useful contributions to learning derived from everyday activities in the workplace, these contributions alone may be insufficient. There are weaknesses to learning through just work alone that need to be addressed, including being able to access expertise external to the enterprise (Billett 2001). Thus, it becomes necessary to understand further how learning can best proceed in small businesses and in what ways combinations of support can contribute to the development of small business workers’ and owners’ capacities to perform more effectively.

Aims of the investigation
The overall aim of the empirical work was to investigate how learning in and for small business can be best organised. The recent Government mandated requirement for the implementation of GST and BAS presented a context and opportunity to understand how small businesses learnt to implement these externally derived initiatives. Key questions for the project included:

- 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?

Procedures
The procedures for this study focussed on identifying and understanding how small business operators had learned about the GST. Data were gathered to generate a model of learning for small business. A sample of 30 small businesses participated in the practical investigations. These comprised enterprises of different sizes (i.e. micro businesses with 1-3 employees to those which employ 20 employees), locations (metropolitan and non-metropolitan) and specialisations (i.e. a range of focuses on goods and services). Owners, managers and employees of small businesses comprised the informants interviewed for the study. The sample was drawn from the Brisbane metropolitan area as well as non-metropolitan areas in Queensland. Assistance in locating these small businesses was provided by the small business community and the government partner. The main source of data was that elicited through semi-structured interviews with small business staff. Each interview aimed to develop a narrative about how the small business had learnt to implement the GST and BAS. This included identifying who or what had helped, what had interfered or restricted the learning and understanding the level of learning achieved. Each interview was audio-taped and transcribed. From these transcriptions, 30 case studies were developed using headings that elaborated the processes of learning, judgements and justifications of different kinds of contributions to learning the concepts and procedures associated with the GST. Case studies were returned to participating businesses for comment and verification.

The next phase of the study involved an analysis of the case study data to identify (i) how small business workers learnt to implement the GST; (ii) particular contributions to their learning; and (iii) links between contributions to learning and particular learning outcomes. A tentative model of learning in and for small business was developed from this
data and is discussed in the next section. This model was validated and refined through a separate round of interviews not reported in this paper.

Findings

Data about how the 30 small businesses learned to implement the GST, is the key focus of this paper. The data have been used to advance a tentative model of learning in and for small business (see Figure 1). In reporting these findings, this section is divided into two main parts and refers to: (i) the focus of and goals for learning; and (ii) the processes of learning.

Focus of and goals for learning

Although engaged in achieving the same goal, the analysis of the case studies revealed variations in the focus of, goals for and the scope of the learning required by the small businesses. The differences in the tasks to be undertaken and the learning required are explicable through a consideration of four main factors. Collectively, these refer to the degree of readiness for the learning task. Firstly, there were distinct differences in the level of and kinds of business administration capacities within the small businesses. Some were well placed to learn this task because they already possessed the administrative skills required. However, others lacked these capacities.

Secondly, the levels of technological and infrastructural readiness were different. For some, the existing administrative infrastructure provided a platform to make incremental changes to implement and enact the GST and BAS. For others, the requirements of GST and BAS rendered the existing technology and infrastructure obsolete. For these businesses, new means of organisation and administration were required, sometimes extending to the restructuring of their existing administration processes.

Thirdly, there were differences in the small business operators’ interest in the task. For some, their businesses’ administration was, at best, an unnecessary evil; for others it was central to their business practice and personal interest. For instance, some of those engaged in professional practices (e.g. an optometrist and veterinarian) were not really interested in the task. They preferred to pay for expertise to assist with financial and taxation-related tasks. Others relied on family support, particularly a female business partner (often a wife), to administer the business. Other small business operators, whose vocational interest was more aligned to operating a business, were less interested in the actual focus of the business as long as it returned a profit. These operators tended to be intensively engaged in learning to implement the GST. In sum, individual small business operators’ interest was diverse. It ranged from those for whom engagement in the task was superficial to more intense, and addressed situations where the outcomes were to just comply or through to those where there was a need to understand and practice business in a way that exercised the taxation regime to the enterprises’ full advantage.

Finally, the level of the small business operators’ confidence to be successful in the task of learning was salient. Those who had accountancy skills proceeded and engaged with sources of information differently from those who lacked these capacities and confidence. Some informants’ confidence in proceeding was premised on their capacity to secure advice from close and trusted consultants, accountants and family members. The contributions of family members emerged as providing both advice that was trusted and valued, and also supported the confidence to proceed. Other small business operators’ confidence was constrained by the scope of the activities before them and the sense of isolation they experienced. For these enterprises, the task of learning to implement the GST seemed perilous. For others, it was a small adjustment to existing practices.

So, for some enterprises, the GST and BAS required significant changes to their work practice, while for others there was minimal disruption. Some enterprises had to integrate the use of computers within their daily work activities, requiring the development of new skills and making redundant others. For other enterprises it was a simple adjustment
to book-keeping activities (i.e. the placing of additional columns in a journal). So in understanding how learning in and for small business might proceed, issues of readiness for learning, the scope of the learning required, and individuals’ interest in and confidence to proceed with the learning were identified. Given the diversity of experience and readiness, any model of small business learning needs to accommodate differences in the scope of the learning tasks, the degree of support required, and the diverse base of learners’ readiness.

Process of Learning
The data were used to identify the kinds of support that the small businesses engaged with. The small business operators ranked the utility of particular contributions to learning and then justified and illustrated its utility. The contributions to learning included ‘Just getting in and doing it’, ‘Advice of other small business operators’, ‘Local networks’, ‘Consultants/tax specialists’, ‘Courses’, ‘Governmental support’, ‘Industry association’ and ‘Others’. These had been identified in the literature review. The small business operators ranked these contributions --- from Indispensable through to Irrelevant, with a Not applicable category. Table 1 presents the aggregated data of the ranking of these contributions. The contribution of family members to learning the GST/BAS was the most frequently nominated ‘Other’ category. Ten ‘Other’ categories (including the tax office website and hotline) were nominated but not included in Table 1 since each was mentioned by only one small business.

Table 1 – Overall contributions

<table>
<thead>
<tr>
<th>Contribution</th>
<th>NA</th>
<th>Irrelevant</th>
<th>Not useful</th>
<th>Useful</th>
<th>Very useful</th>
<th>Indispensable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just getting in and doing it</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>8</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Advice of other small</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>9</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>business operators</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local networks</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Consultants/tax specialists</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Courses</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Governmental support</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>12</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Industry association</td>
<td>8</td>
<td>6</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Others eg Family</td>
<td>1</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a small number of informants responded more than once to the above categories and some made no responses.

Table 1 also makes explicit differences in these contributions’ reported utility. ‘Just getting in and doing it’ and ‘Consultants and Tax specialists’ were consistently ranked the highest in utility, with 23 and 24, respectively, of the 30 respondents claiming them to be either Indispensable or Very Useful. ‘Advice of other small business owners’ and ‘Local networks’ were more likely to be seen to be of low utility. Although ‘Courses’ carried the highest frequency of being judged Not applicable, it was found that when they were accessed they were likely to be viewed as being of greater rather than lower utility. This finding is useful. Robinson (1997) claimed that despite the reported disaffection of small businesses for taught courses, (see Coopers & Lybrand 1994, 1995) the majority reporting that disaffection had not attended any courses. Here, small businesses participating in VET courses expressed satisfaction with their participation. Both ‘Government support’ and ‘Industry associations’ also shared a mixed review of their utility with similar numbers referring to high and low utility. Among others that were reported Not applicable were ‘Local networks’ and ‘Industry associations’.

Overall, the two contributions most consistently reported as making the strongest contributions were ‘Consultants and Tax Specialists’, and ‘Just getting in and doing it’. The former is perhaps not surprising given the particular learning task. However, it emphasises and exemplifies the need to access expertise from outside the enterprise to secure knowledge
not available within it and/or is not likely to be learnt by deduction or trial and error alone. Yet, this external contribution is contrasted with the other highly ranked contribution – ‘Just getting in and doing it’ which is a contribution located within the small business and in the interest of the operatives. That ‘just getting in and doing it’ was nominated by so many small businesses operators reflects current research which holds that learning in and at the workplace is an important means of gaining new workplace skills (Coopers & Lybrand 1994; Kilpatrick & Crowley 1999; Raffey et al. 2000) as individuals engage in the process of constructing meaning and developing procedural capacities through engaging in conscious goal directed activities.

The data on ‘Other contributions’ warrant further mention. Distributions in the frequency of the perceived utility of other contributions suggest wide differences in perceptions of their value. That is, contributions that were of little utility for some small business operators 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 to the small business. Some are remote from small businesses (e.g. government support, ATO web-site and help line, Industry associations etc), others are more local (e.g. Local networks, family support, courses, accountants and (some) consultants) and others are located within the small business (e.g. just getting in and doing it, book keeper, other staff). So there are different kinds of contributions to learning that can be understood in terms of their location and also the scope and limitations of their contributions.

Towards a model of small business learning

The findings revealed diverse learning processes in the 30 small businesses, even given their different starting points and scope of the required learning. However, there were some important similarities in the learning processes across the small businesses. In learning to implement the GST, they all commenced by formulating goals and proceeded to develop the capacities required to implement the initiative (see Figure 1). In this figure, at the top, reference is made to how the small business operators perceived the task and elected to engage in it. This, and their readiness shaped how they proceeded. Overall, they were identified as engaging in three iterative phases of learning: (i) initial approximations of the task; (ii) improvement through practise until (iii) independent performance of tasks (or maturing capacities) was achieved. The initial approximation of the task was the phase where small businesses initially attempted to implement the GST and enact the BAS. It is here that local mediation was most valued. That local mediation was particularly useful when it was provided by sources that understood the particular requirements of the enterprise and could guide the passage towards independent performance. The importance of practice cannot be underestimated. It was through engagement in activities associated with the implementation of the GST and BAS (just doing it) that procedures were refined and learning occurred through problem solving and ‘trial and error’. As participants’ knowledge and experience widened, some of them reported being more confident and able to address new problems and tasks, with decreasing need to refer to external sources of information. For many of these small businesses, the goal was to develop a capacity that would free them from a dependence upon outside expertise. These phases led to independent performance as depicted in Figure 1 as a maturing capacity to act independently. In most cases, small business operators came to rely less on external advice as they learnt to be more or less independent in securing their goals. Those businesses who delegated matters pertaining to the GST and BAS to bookkeepers and accountants outside of the business were in the minority.

The findings from this study demonstrated a clear movement from a reliance on external sources of advice and support to the development of an internal capability. Some small operators relied less on external advice and processes than others. Others had always
relied on external sources of advice, and would continue to after the implementation of the GST and BAS. The pace, appropriateness and timeliness of advice and assistance were identified as key bases for effective support of these small businesses’ learning.

However, the key basis for this learning was localised form of support that could provide relevant and pertinent advice premised on an understanding of the small businesses’ needs. Localised support through experts, family, and other small businesses made the most important contributions to learning at different times and in different ways. All have implications for how learning, in and for small business might best proceed. They emphasise the need for pedagogic practices to occur in small business workplaces supported by locally-available expertise. That expertise is most helpful in supporting small business in their learning when it offers technical expertise. However, when this expertise is coupled with an intimate understanding of the enterprise’s needs and is experienced through trusted relationships it is most useful. Perhaps this is why the contributions of trusted partners within families were so frequently acknowledged. These findings suggest that if both the economic and social goals of enhanced participation by small business are to be realised that options such as localised arrangements for learning support need to be encouraged and acknowledged.

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Figure 1– Bases for learning in and for small business

**Individuals’ bases for tasks engagement and learning**
- Value individuals place on the task
- Individual’s interest in the learning task

**Perceptions of the task**

**Engagement**
- Energy directed towards the task.

**Goal formation**
- Initial approximation of task
- Improvement through practice
- Maturing capacities

**Initial reliance on assistance from sources outside the enterprise**
- Increased reliance on resources within the enterprise

**Sources of learning**
- **Localised** – networks, other small businesses, Experts courses, governmental support, industry association
- **Externally to small business community** – Goals for learning
- **In the small business** – Maturing capacities

**Ongoing development**