An Empirical Investigation of Employee Training and Development in Greek Manufacturing Small and Medium-sized Enterprises (SMEs)

ANTONIOS PANAGIOTAKOPOULOS

Submitted in accordance with the requirements for the degree of Doctor of Philosophy

The University of Leeds
Leeds University Business School

May 2009

'The candidate confirms that the work submitted is his own and that appropriate credit has been given where reference has been made to the work of others'

'This copy has been supplied on the understanding that it is copyright material and that no quotation from the thesis may be published without proper acknowledgement'
ACKNOWLEDGEMENTS

First of all, I would like to thank deeply Nikoletta Mastrogianni, my Soul Mate, for her great support, love and understanding during my Doctoral study. She has always had the patience to share all the sad moments with me, whereas her love and continuous encouragement helped me to surmount all the difficulties associated with doing a PhD. She had a major positive impact on my work and without her I would not have completed this research effort.

I am forever indebted to my parents and my sister for their understanding, endless patience and support, as well as encouragement when it was most required. They taught me pivotal moral values from where I drew my strength during the years of my Doctorate. Their love has been a vital component of my personal and professional development. I am also grateful to Nikoletta’s family for their valuable support and encouragement. My brother-in-law deserves my special thanks for being always on my side.

I want to express my deep gratitude to my best friends Nikos Karanikolas, Christos Koufos, Manolis Kotronakis and Dimitrios Ntalianis for helping me emotionally to complete my long-lasting studies. Their profoundly optimistic attitude towards my Doctoral research encouraged me to carry on through these years. My close friend Dimitrios Koutouvalas is also thanked for his precious help, as well as insightful comments and suggestions at all times.

I would like to gratefully acknowledge the enthusiastic supervision of Professor Mark Stuart and Dr Christopher Forde during this work. Their constructive criticism, continuous guidance and rich feedback contributed significantly to the development of my academic career. Doing a Doctorate is more than just learning the scientific facts and obtaining the findings presented in the thesis. It is a unique training and learning experience that enables individuals to build up analytical thinking and study everything with a critical eye. I wish to thank my supervisors for directing me to realise that and develop the required skills and attitude.
The research for this thesis has benefited incredibly from discussion with various academics from Leeds University Business School over the years. In particular, I would like to thank Dr Robert McKenzie and Dr Steve Vincent for their insightful input throughout the first year of my PhD.

I extend my sincere thanks to all the respondents who participated in this research project and to all my friends who work in the Greek manufacturing industry and offered me great assistance. Furthermore, I would like to thank all the high-ranked policy makers who agreed to be interviewed and gave me a lot of advice and practical instruction in various issues around my empirical work.

Also, I would like to thank all these people who are not named in this page but who contributed to varying extents to the successful completion of this thesis.

Finally, I owe my special thanks to my beloved grandmother Stamatia Kostopoulou, who died a few years ago. She was a great mentor in my life and a source of inspiration.

Antonios Panagiotakopoulos,
May 2009
ABSTRACT

Skills are increasingly identified by policy makers as a central means to address social and economic challenges at national and supranational levels. The present study looks specifically at the Greek economy and explores the determinants, nature and extent of skills development in Greek manufacturing SMEs, notably in the textile sector.

The research involved three main stages. First, interviews were conducted with high-ranked industrial policy makers in Greece to gain an understanding of the key problems facing Greek manufacturing industry, and to identify the policy measures introduced to promote skills upgrading and industrial competitiveness. The policy agenda was then interrogated 'in practice', through complimentary survey and case study research of textile SMEs.

The study argues that current policy intervention neglects the workplace and production context in which skills are created and mobilised, which acts to impede the policy agenda of a viable skills strategy. The study reveals that a narrow skills supply strategy is adopted by the Greek government and policy action is based on simple targets for the accumulation of human capital. It is strongly believed by decision makers that publicly-funded boosts to stocks of qualifications will push the Greek economy onto a new, higher skilled, higher value added pathway. Yet, the demand for skills, which appears to be the real problem, is not considered. The research shows that the vast majority of textile employers do not demand a highly-skilled workforce and that formal HRD interventions are not their preferred method of skills development. In contrast, informal learning activities seem to serve as the key vehicle to help Greek SMEs meet their skill needs. This suggests a new agenda for policy intervention.

What is being contested in the present study is the tendency by Greek policy makers to depict skills as a panacea for a range of social and economic ills. As such, there is an immediate need for a more open debate about what skills can contribute as part of wider strategies to help improve the economic performance of Greece and the competitiveness of SMEs specifically.
VET has a role to play, but its nature, scope and relationship with other policies needs a lot more thought. Greek policy makers need to construct a more sophisticated and integrated approach to developing social and economic policies wherein skills play a part rather than carry the entire weight of policy.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>LIST OF TABLES</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABBREVIATIONS</td>
<td></td>
</tr>
</tbody>
</table>

## CHAPTER 1: INTRODUCTION

1.1 Foreword .......................... 1
1.2 Statement of Problem .............. 2
1.3 The Case of Greece ................. 6
1.4 Significance of the Research ....... 7
1.5 Research Questions ................. 11
1.6 Organisation of Study .............. 11

## CHAPTER 2: HUMAN RESOURCE DEVELOPMENT AND COMPETITIVENESS IN THE SMALL BUSINESS CONTEXT

2.1 Introduction ....................... 14
2.2 Skill Formation Systems .......... 15
    2.2.1. Skill Formation Systems and the Small Firm 19
    2.2.2 Small and Medium-sized Enterprises Defined 22
2.3 Characteristics and Values of Small and Medium-Sized Enterprises .......... 24
2.4 Human Resource Management in Small and Medium-Sized Enterprises .......... 28
2.5 Training and Development in Small and Medium-Sized Enterprises .......... 32
    2.5.1 Driving Forces for Training in Small and Medium-Sized Enterprises 37
    2.5.2 Barriers to Training in Small and Medium-Sized Enterprises .......... 42
2.6 Conclusion .......................... 46
### CHAPTER 5: THE STATE OF TEXTILE SECTOR IN GREECE: PROBLEMS AND POLICY RESPONSE

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Introduction</td>
<td>106</td>
</tr>
<tr>
<td>5.2 The Greek Manufacturing Industry</td>
<td>107</td>
</tr>
<tr>
<td>5.3 Training and Human Resource Management in Greek Manufacturing Firms</td>
<td>114</td>
</tr>
<tr>
<td>5.4 The Textile Sector in Greece</td>
<td>118</td>
</tr>
<tr>
<td>5.4.1 Historical Perspectives</td>
<td>118</td>
</tr>
<tr>
<td>5.4.2 The Greek Textile Sector from 1990 to Present</td>
<td>119</td>
</tr>
<tr>
<td>5.4.2.1 Trade Union Responses to Firm Closures and Position of the Social Partners</td>
<td>126</td>
</tr>
<tr>
<td>5.5 Major Problems Facing Greek Textile SMEs</td>
<td>128</td>
</tr>
<tr>
<td>5.6 Policy Measures Towards Greek Textiles</td>
<td>131</td>
</tr>
<tr>
<td>5.7 Discussion of Policy Measures</td>
<td>138</td>
</tr>
<tr>
<td>5.8 Conclusion</td>
<td>140</td>
</tr>
</tbody>
</table>

### CHAPTER 6: TRAINING PRACTICES OF GREEK TEXTILE SMEs: SURVEY EVIDENCE

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Introduction</td>
<td>143</td>
</tr>
<tr>
<td>6.2 Background of Participant Organisations</td>
<td>144</td>
</tr>
<tr>
<td>6.3 Training and Development Policy and Extent of Training provision within Greek Textile SMEs</td>
<td>146</td>
</tr>
<tr>
<td>6.4 The Nature of Training Activity in Greek Textile SMEs</td>
<td>150</td>
</tr>
<tr>
<td>6.4.1 Training Needs Analysis</td>
<td>150</td>
</tr>
<tr>
<td>6.4.2 Methods of Training Delivery</td>
<td>152</td>
</tr>
<tr>
<td>6.4.3 Training Evaluation</td>
<td>155</td>
</tr>
<tr>
<td>6.5 The Determinants of Training in Greek Textile SMEs</td>
<td>157</td>
</tr>
<tr>
<td>6.5.1 Driving Forces for Employee Training</td>
<td>157</td>
</tr>
<tr>
<td>6.5.2 Barriers to Employee Training</td>
<td>161</td>
</tr>
</tbody>
</table>
6.6 Comparison and Discussion of Training Strategies Adopted by SMEs Operating in the Greek Textile Sector

6.7 Conclusion

CHAPTER 7: THE NATURE OF HRD IN GREEK TEXTILE SMEs AND EMPLOYER ATTITUDES TOWARDS SKILLS DEVELOPMENT: CASE STUDY EVIDENCE

7.1 Introduction

7.2 WEAVIX
    7.2.1 General Information
    7.2.2 Organisation of Training
    7.2.3 Nature and Extent of Training
    7.2.4 Reasons for Training or Not Training
    7.2.5 Benefits of Employee Training
    7.2.6 Summary

7.3 WOOLTIL
    7.3.1 General Information
    7.3.2 Organisation of Training
    7.3.3 Nature and Extent of Training
    7.3.4 Reasons for Training or Not Training
    7.3.5 Benefits of Employee Training
    7.3.6 Summary

7.4 YARNEXIL
    7.4.1 General Information
    7.4.2 Organisation of Training
    7.4.3 Nature and Extent of Training
    7.4.4 Reasons for Training or Not Training
    7.4.5 Benefits of Employee Training
    7.4.6 Summary
7.5 KNITTCO

7.5.1 General Information 203
7.5.2 Organisation of Training 206
7.5.3 Nature and Extent of Training 208
7.5.4 Reasons for Training or Not Training 211
7.5.5 Benefits of Employee Training 212
7.5.6 Summary 213
7.6 Comparison and Evaluation of the Training and Development Activity in the Case Study Firms 215
7.7 Conclusion 225

CHAPTER 8: CONCLUSIONS

8.1 Introduction 228
8.2 Employee Training in Greek manufacturing SMEs 229
8.3 Original Contribution of this Research 235
8.4 Suggestions for Future Research 238

BIBLIOGRAPHY 240
APPENDICES 277
LIST OF TABLES

Table 2.1: The Role of SMEs in Europe-19 (2003 data) 19
Table 2.2: European Commission's Definition of SMEs 23
Table 4.1: Economic Activity (in million euros) 72
Table 4.2: Greece and the EU-15: Inflation (%), Unemployment (%) and Public Debt (% of GDP) (Data as of 2007) 72
Table 4.3: Unit Labour Costs (ULC) for the Whole Economy (annual % change) 73
Table 4.4: Employment-Unemployment 75
Table 4.5: Level of Educational Attainment in Greece (1995-2005) as % of the Population 84
Table 4.6: Level of Educational Attainment in the Greek Manufacturing Industry (1995-2005) as % of the Persons Employed in the Industry 85
Table 4.7: Classification of SMEs in the Greek Context 96
Table 4.8: Number of Organisations in Greece (by enterprise category) 98
Table 5.1: Share (%) of the Greek Manufacturing Industry in GDP (1990-2005) 108
Table 5.2: Employment in Greek Manufacturing (1990-2005) 108
Table 5.3: Greek Manufacturing: Distribution of Companies by Employment Category (Data as of 2002) 109
Table 5.4: Unit Labour Costs and Productivity (annual % change) in Greek Manufacturing (1997-2005) 110
Table 5.5: Greek Manufacturing: Industrial Production Index (IPI) 111 (annual % change with base year 1996)
Table 5.6: Occupational Levels of Workers in Greek Manufacturing (1995-2005) as % of Persons Employed in the Industry 113
Table 5.7: Production Index in the Greek Textile Sector (annual % change with base year 1996) 121
Table 5.8: Number of Organisations (by employment category) in the Greek Textile Sector (1995-2002) 121
Table 5.9: Turnover and Gross Profits (in thousands euros) in the Greek Textile Sector (2000-2003) 122
Table 5.10: Employment in Greek Textiles (1995-2005) 124
Table 6.1: Survey Sample and Percentage Response Rate 144
Table 6.2: Formal Written Training Plan (% of firms) 146
Table 6.3: Provision of On-the-job and Off-the-job Training (% of firms) 148
Table 6.4: Training Needs Assessment (% of firms) 150
Table 6.5: Reasons For Not Assessing Training Needs (% of firms) 151
Table 6.6: Methods of Training Provision (% of firms) 152
Table 6.7: Reasons for In-House Training (% of firms) 153
Table 6.8: Training Techniques Used (% of firms) 154
Table 6.9: Training Evaluation (% of firms) 155
Table 6.10: Reasons For Not Evaluating Training Provision (% of firms) 156
Table 6.11: Driving Forces For Employee Training (% of firms) 158
Table 6.12: Barriers To Employee Training (% of firms) 162

LIST OF FIGURES

Figure 1: The Greek Education System 89
ABBREVIATIONS

Account for Employment and Vocational Training (LAEK)
Athens Chamber of Commerce and Industry (EVEA)
Athens Chamber of Small and Medium Sized Industries (VEA)
Centre of Planning and Economic Research (KEPE)
Centres for Vocational Training (KEK)
Centres of Consultation and Guidance (KE.SY.P)
Economic and Social Council of Greece (OKE)
Economic Chamber of Greece (OEE)
European Centre for the Development of Vocational Training (CEDEFOP)
European Industrial Relations Observatory (EIRO)
Federation of Greek Industries (SEV)
Federation of Greek Private Employees (OIYE)
Foundation For Economic and Industrial Research (IOBE)
General Confederation of Greek Small Businesses and Trades (GSEVEE)
General Secretariat for Adult Education (GGEE)
Greek General Confederation of Labour (GSEE)
Hellenic Fashion Industries Association (SEPEE)
Hellenic Open University (EAP)
Hellenic Organisation of Small and Medium Sized Enterprises and Handicraft (EOMMEX)
Hellenic Research and Technology Organisation (ELKEDE)
Human Resource Development (HRD)
Labour Force Employment Organisation (OAED)
Institute of Labour of the Greek General Confederation of Labour (INE-GSEE)
International Monetary Fund (IMF)
National Accreditation Centre of Vocational Training and Support Services (EKEPIS)
National Employment Observatory (EPA)
National Labour Institute (EIE)
National Statistical Service of Greece (ESYE)
National System for Linking Vocational Education and Training to Employment (ESSEEKA)
Offices of Consultation and Career Guidance (GRA.S.E.P)
Organisation for Economic Co-operation and Development (OECD)
Organisation for Vocational Education and Training (OEEK)
Small and Medium-sized Enterprises (SMEs)
Technical Vocational Schools (TEE)
Technological Education Institutes (TEI)
Vocational Education and Training (VET)
Vocational Training Institutes (IEK)
World Trade Organisation (WTO)
CHAPTER ONE: INTRODUCTION

1.1 Foreword

Intensified international competition and rapid technological progress pose significant challenges for national systems of skill formation. The implications of such dynamics for changing workforce skill requirements underscore the central research questions of this study. More specifically, this study looks at the skills development process within industrial small firms in the context of an advancing economy in order to understand how workers develop their skills, which are considered crucial for boosting national competitiveness.

Given the huge wage differences between the industrialised world and the third world, policy makers frequently assert that the best route for developed and advancing economies to maintain their competitiveness is to situate their industries at the high-skill, high-value added end of the global market (Mason, 2005; OECD, 1999b; Stavrou-Costea, 2005). This, it is suggested, is equally important for attracting high-end multinational corporations and for the upgrading of skill levels of smaller businesses so as to enable them to compete (Ashton and Green, 1996; Tamkin et al., 2004). To this end, employee training and development has attracted much attention in the management literature since it is viewed as a key factor in developing a skilled workforce (Brown and Lauder, 1996; Harrison and Kessels, 2004).

Against this backdrop, this study explores the nature and extent of employee training and development in small and medium-sized manufacturing organisations in Greece and explains the key variables affecting such provision. In terms of the nature of training, the research investigates in particular the extent to which such organisations are applying a systematic approach to training and development and the extent to which they are using informal training activities.
The study reveals the contradiction between the desire of the Greek government to move its industry onto a high-skill, high-value added trajectory and the realities of training within Greek industrial organisations. The research makes an important contribution in two main respects. First, it informs the current literature about the nature of human resource development (HRD) in small firms in advancing countries, as well as the factors that affect the propensity of SMEs to train. Second, it contributes to the knowledge base of skill formation systems in advancing economies, where our current understanding is more limited.

1.2 Statement of Problem
Since the 1990s, a policy consensus has emerged across the advanced capitalist world stressing the pursuit of a high-skill, knowledge-based economy and learning society (Ashton and Green, 1996; Institute for Employment Studies, 2004). In the industrialised world and in many developing countries too, it is believed that human resource development is the answer to numerous economic and social problems, ranging from competitiveness, productivity and economic growth to unemployment and social exclusion (Brown, 1999; CEDEFOP, 2004; Lloyd and Payne, 2002).

At the same time, there has been a broad range of criticisms about the limitations of such an approach, which rests on the simplistic notion that better skill formation systems cause better economic performance (Crouch et al., 1999; Lloyd and Payne, 2002; Rainbird, 2000). Many commentators have stressed that, at a national level, the relationship between skill formation and economic performance is shaped by broader institutional factors such as, government, organisations, labour market regulation, the education and training system, the financial and banking system and the industrial relations system within which processes of skill formation are embedded (Ashton et al., 1999; Finegold and Soskice, 1988; Finegold, 1991; Glynn and Gospel, 1993; Keep et al., 2006; Keep and Mayhew, 1998; Lauder, 1999; McNabb and Whitfield, 1994; Stuart, 1996).
Several 'sceptical' voices question whether the rules of international competition have really changed so fundamentally that there exists only one viable 'high-skills' route to competitiveness and profitability for advanced capitalist economies (Ashton and Green, 1996; Brown and Lauder, 1996; Green, 1992; Heyes and Stuart, 1994; Keep and Mayhew, 1996, 1999). These approaches emphasise the links between social institutions, production strategies and performance and stress the fact that the low-skills, low-wage route to profitability remains a viable proposition for many companies and sectors.

Despite the existence of alternative forms of competition and a more constrained perspective on how capitalism is changing, it is argued that the 'high skills route' remains for policy makers a viable option, as well as a more desirable one in social terms; indeed, under the 'high-skills path', the benefits of business success are widely distributed in society, as most workers gain higher wages and skills, whereas along the 'low-skills path', firms may continue to prosper but rewards are confined to employers and a limited number of high-skilled professionals (Finegold, 1999; Green, 1998; Mayhew and Neely, 2006).

Similarly, Streeck (1989) and Crouch et al. (1999) have stressed the necessity of a high-skill strategy and the need to maximise the role of high-productivity labour if living standards in the advanced countries are to be sustained and improved. The challenges posed by the rise of low-cost producers in other parts of the world can be met only if labour in the advanced countries has high level of skills, which will differentiate it from the capacities of workers in the newly industrialising countries. Several other authors have pointed out that productivity gains and innovation cannot be achieved on the basis of low-skilled work (Booth and Snower, 1996; Brown, 1999; De Silva, 1997; Mason et al., 1996; Muhlemeyer and Clarke, 1997).
In this context, much published research and policy action in the field of HRD has focused on the supply side of the training market. Research has been driven by the perceived need to reform the public provision of training to create a more highly skilled national workforce upon which enterprises can draw to improve their competitiveness. Little, however, is known about the demand side. In particular, processes of training at enterprise level have remained relatively unexplored (Heyes and Stuart, 1994; Rainbird, 2000; Smith and Hayton, 1999). Yet, the workplace is enormously significant as a site of learning, both for accessing formal opportunities and for many informal learning opportunities, which result from the nature of work and from social interaction with work groups (Coffield, 2000; Forrester et al., 1995; Rowden, 2007; Skule, 2004).

Although the connections between skill development and competitiveness are unclear, continuing training is increasingly recognised by academics and policy makers around the world as a key variable affecting both employee productivity and adaptability (Cosh et al., 1998; Rainbird, 1994, 2000). Despite the importance of workforce training for all business organisations, the majority of the literature in the HRD field continues to emphasise large firms. Little attention is devoted towards understanding how SMEs approach training and generate models of effective practice. This gives a distorted picture of the industrial landscape, masking the fundamental importance of SMEs as a source of employment and as contributors to a dynamic economy (Hendry et al., 1995; Sengenberger et al., 1990; Storey, 1994).

A range of authors have bemoaned the lack of attention within the HRD literature that is given to SMEs and have pointed out that such under-representation seems inappropriate when the scale of the small business sector is considered (Bacon and Hoque, 2005; Hendry et al., 1991; Hill and Stewart, 2000; Johnson, 2002; Jones, 2004, 2005; Lange et al., 2000; Matlay, 1997; Patton et al., 2000; Reid and Adams, 2001; Reid and Harris, 2002; Scott et al., 1989; Skinner et al., 2003; Westhead and Storey, 1996, 1997).
A number of aspects of training and development have the potential to be of particular interest to SMEs both because of their restricted resources and the need to be responsive to fast changing demands of the marketplace (Hill, 2002; Kerr and McDougall, 1999). Highly motivated and developed staff, with effective transferable skills are more likely to be able to meet the demands of the fast changing environment that is typically associated with small businesses (Jones and Goss, 1991; Penn et al., 1998; Reid and Harris, 2002).

Recent studies have shown that training and development is deemed crucial for the 'upskilling' of small business employees in order to increase their ability to produce high quality goods and services (Jayawarna et al., 2007). Moreover, it contributes significantly to small firm survival and growth by enabling small and medium-sized enterprises to meet skill shortage needs, it raises employee confidence, it promotes a good atmosphere at work, it increases workforce flexibility, trust and loyalty, it reduces staff turnover and leads to product and service innovation (Devins et al., 2004; Kitching and Blackburn, 2002; Way, 2002; Wilkinson, 2000).

The debate over the nature of competitiveness is central to questions of economic survival and welfare. The focal point for these debates concerns the question of national routes to a high skills economy. Policy makers and academics place workforce training at the heart of these discussions since it is seen as essential to equip employees with the skills required to make themselves more productive and adaptable. When tastes and technologies are changing rapidly, adaptability is crucial for keeping labour employed and productive. In that respect, the present study, which looks at Greece, attempts to examine both the role of HRD and the limits and possibilities of a high skills strategy in the context of an advancing economy.
1.3 The Case of Greece

To an advancing country such as Greece, the need for better-trained employees is even more acute at a time when the Greek government is attempting to close the gap with average European Union living standards and provide employment opportunities for all (OECD, 2005a, b). The Greek economy boasts higher wages than developing countries but has lower labour productivity compared to the developed ones. The quality of human capital plays a key role in productivity growth, but the Greek economy suffers from a lack of high-skilled workers (Bank of Greece, 2007, 2008). Employment and productivity do not make a sufficient contribution to Greek economic growth due to inadequate mobilisation of unused human resources, the relative lag in taking up and using information and communication technologies and lack of investment in knowledge (Bank of Greece, 2008; Economic Chamber of Greece, 2005).

Nowhere is this more acute than in the small business sector, particularly for those SMEs in the manufacturing sector, which experience fierce national and international competition (SEV, 2005a). The main problems facing such firms are widely acknowledged in political and academic circles, and include low product quality, high production costs, low capital investment, organisational inadequacies, lack of skilled personnel and weak supportive structures (EIRO, 2006; EOMMEX, 2000; Greek Ministry of Economy and Finance, 2003; IOBE, 2005; Liagouras et al, 2003; Liargovas, 1998; Mihail, 2004; OKE, 2001; Salavou et al, 2004; Spanos et al., 2001). Such problems in conjunction with competitive pressures from low-cost producers in developing countries have led to the closure of many firms and high levels of labour displacement (INE-GSEE, 2005a, b; OKE, 2003; SEV, 2005b).

This study focuses on the Greek textile sector. The rationale for this is that the particular sector constitutes one of the leading segments of the Greek manufacturing industry, but it is a sector currently experiencing a severe economic and structural crisis. A number of indicators, such as, the production index, level of employment, number of firms, import/export performance and gross/net profits reveal that the
competitiveness of the Greek textile sector has deteriorated dramatically since 2000 (IOBE, 2005, 2006; OKE, 2001, 2003; SEV, 2005b). In order to survive it is frequently argued by policy makers that the textile sector needs to develop a more careful and systematic approach to the planning and implementation of training and development programmes. This is important in terms of responding quickly to technological and product change, as well as in terms of more social concerns such as worker retention and employability (INE-GSEE, 2005a, b; KEPE, 2004; SEV, 2006; Voulgaris et al., 2005).

Against this backdrop, this study will address some fundamental concerns around the importance of training and development to business strategies. It will ascertain the significance or otherwise of workforce training on the deployment of organisations’ resources in order to achieve the organisational objectives focusing on small and medium-sized enterprises. Moreover, it will inform the existing literature on whether failure to fund and provide staff training can only deepen the competitive disadvantage faced by small businesses, in both the domestic and international markets.

1.4 Significance of the Research

Europe’s competitiveness depends strongly on its small businesses, which are a key source of jobs, a breeding ground for business ideas and a driver of entrepreneurship (Floyd and McManus, 2005; Gazzola, 2003). Despite their importance, the existing literature in relation to HRD in SMEs appears to be too limited in sound descriptive surveys and sparse in analytical research (Johnson, 2002). Although SMEs are included in several HRD survey samples, they are rarely analysed specifically or separately (Reid et al., 2002).
However, small and medium-sized firms are not ‘scaled-down’ versions of large firms (Westhead and Storey, 1996: p. 18) and they face different motivations, constraints and uncertainties from their large counterparts. As a result, HRD practices in such firms are different from those in large establishments and hence, these organisations should be analysed specifically in academic research (Gilbert and Jones 2000; Harrison, 2002; Joyce et al., 1995). As Matlay (1997) notes, attempts to down-scale and forcibly fit large-scale training strategies to resource-starved small businesses may result in drawing misleading conclusions regarding the nature, extent and determinants of staff training in small and medium-sized organisations.

Empirical evidence in existing studies relating to employee training in SMEs draws mainly from samples of SMEs in advanced countries such as the U.S.A and U.K (Heneman et al., 2000; Johnson, 2002; Stewart and Beaver, 2004). Few studies have appeared in the literature utilising data from advancing economies (Stavrou-Costea, 2005; Tanova and Nadiri, 2005). This raises important questions on the transferability of conclusions across national settings. The economic, political and social institutions differ among countries and differences in national socio-economic conditions may affect the nature and extent of employee training in small organisations. Therefore, imitation in the sense of taking a set of policies from one country and installing them to another, neglects questions of context. The conditions, problems, challenges, strategies and implementation difficulties facing small business firms in advancing countries are quite different than those researched in the developed world (Makridakis et al., 1997).

Advancing countries are considered significant engines of world growth as they represent large potential markets, and the home of leading global brands and innovation (International Monetary Fund, 2008). Furthermore, the advancing countries of Europe are considered key players in making the European Union (EU) the most dynamic and competitive knowledge-based economy in the world according to the Lisbon strategy (European Communities Commission, 2000a).
It is therefore, important to explore HRD in such contexts in order to understand how it can help advancing countries raise their living standards. With this in mind, Greece presents a very interesting case for empirical work in the area of HRD in small firms given the fact that it is an advancing economy in the Euro area, as well as the dominance of SMEs in the particular country (SMEs represent 75 percent of the workforce of the private sector and 60 percent of total employment) (EOMMEX, 2006, online). This research explores the current status of training and development activity in Greek manufacturing SMEs, with specific reference to the textile sector.

A detailed consideration of the literature reveals that there is no empirical knowledge of training in Greek manufacturing SMEs and, as a result, there is no accurate information about the extent of training which employees receive in such firms (EIRO, 2006; Papalexandris et al., 2001; Papalexandris and Chalikias, 2002; Powell et al., 2000; Vouzas, 2004). Equally crucial is the absence of research on the drivers of industrial training in Greek small firms, as well as on the kinds of problems and barriers that small business owners face in their attempts to organise effective training programmes. In the absence of reliable data, efforts for change can only take place by trial and error. Therefore, this research will break new ground in a number of respects.

First, it will investigate the nature and extent of workforce training activity in Greek manufacturing SMEs. Extant knowledge about company training in Greece is very limited due to the delayed development of HRM in the country, as well as the absence of an adequate pool of HRD professionals and academics. The primary data collection effort carried out by this research is expected to supplement the small body of evidence about the incidence, extent and patterns of enterprise training in Greece. This, in turn, will help us understand how HRD interventions in SMEs can contribute to the economic development of advancing countries.
Second, this research study will explore how owners or managers in these organisations decide upon investments on training and development. It is suggested in the small business literature that owners' attitudes and interventions can play a decisive role in the implementation of successful training and development programmes. In view of this, small business owners' perceptions towards employee training will be assessed to understand their impact on training decisions in the context of an advancing country.

Third, it will provide decision makers of manufacturing industry organisations in Greece with scientific evidence characterising the nature and the magnitude of the problems and obstacles that SME owners face in their efforts to design and implement effective training programmes. Such information could play a positive role in the full appreciation of the issue in question and in its ultimate resolution. Some pioneering work is also expected to be generated on the impact of these problems on the nature and extent of training activity.

Finally, it will identify and examine the factors that determine the level and intensity of training in Greek SMEs. Existing studies around the forces that trigger training have concentrated on large organisations. However, this research operates from the premise that small firms are not microcosms of large firms, and as such require separate treatment. It is inappropriate and inadequate simply to apply large-firm logic to small organisations. Therefore, this study attempts to deepen our knowledge about the reasons why some SMEs train and others not.

The study will fill a significant lacuna in the current academic literature with relation to HRD in SMEs and will provide fresh insights into the broad area of skill formation systems in advancing countries. Such countries often face distinct problems and unique challenges that require specific attention and the development of their own body of knowledge. As we move progressively away from a world in which national economies are relatively isolated from one another into an
interdependent global economic system, HRD research in advancing economies acquires a unique urgency.

This research is the first attempt to investigate how workers are trained in Greek small firms in order to develop their skills. This is important since skills are increasingly identified by policy makers as a central means to address social and economic challenges at national and supranational levels. In the case of Greece, it is also important to study the nature of HRD in the small business sector because SMEs employ a great part of the working population and thus, there is an urgent need to enhance their competitiveness.

1.5 Research Questions
The key research questions guiding the present study are as follows:

1. What is the nature and extent of employee training and development within Greek manufacturing SMEs?
2. How do owners or managers in Greek manufacturing SMEs decide upon investments with regard to training and development?
3. What factors drive or hinder the provision of employee training and development in Greek manufacturing SMEs?
4. How can employee training and development help Greek manufacturing SMEs face the challenges of the future?

1.6 Organisation of Study
The present study is structured as follows: In the First Chapter, the central research problem is outlined and the significance of the present study is discussed along with the research questions and objectives. In Chapter Two, a thorough critical review of the relevant literature is undertaken investigating the importance and the main characteristics of the small business sector along with the human resource management practices typically adopted by small organisations. The training strategies of small firms are also examined and the determinants of workforce training in SMEs presented. The research methodology adopted in this study is
discussed in Chapter Three, whereas in Chapter Four, the current state of the Greek economy and the sociopolitical context of the country are discussed and the contribution of the small business sector to the economic and social development of Greece is examined.

In Chapters Five, Six and Seven the findings from the primary research are discussed. More specifically, in Chapter Five, the Greek manufacturing industry and its human resources are examined with special reference to the textile sector through a series of qualitative interviews conducted with high-ranked policy makers. The chapter finds that the Greek government strongly supports a supply-side approach to solve the skills problem in Greece and improve the industry’s competitiveness involving investment in higher education to raise the skills of the population and subsidies to stimulate company training. Yet, the analysis suggests that such approach is unlikely to be successful because it does not take into account the limited employer demand for higher skills.

In Chapter Six, the results of a quantitative survey of 117 small textile enterprises are presented and discussed. The analysis shows that the vast majority of textile SMEs do not adopt a formal HRD approach and that systematic training is not a priority for such firms. The chapter questions the emphasis placed by policy makers on supply-side interventions arguing that most textile SMEs do not require a highly-skilled workforce and that experiential learning is adequate to meet their existing skill needs.

In Chapter Seven, an in-depth analysis of four case study textile firms is undertaken, which highlights the informal nature of the training activity within Greek industrial SMEs. The analysis shows that although small firm owners are encouraged by the government to invest in formal HRD activities, they continue not to be involved in systematic HRD efforts viewing formal training of their staff as an organisational expense. The findings from casework indicate that the policy measures in relation to HRD are based on a flawed view of how the labour market in Greece operates. The
main problem in the Greek labour market has been manifested in the failure by Greek SMEs to demand and employ well-educated workers. Yet, even those few firms that demand high-skilled labour seem to rely heavily on informal learning methods to develop their employees.

Finally, in Chapter Eight, a number of key conclusions are drawn, the novelty of this study is outlined and fruitful areas for further research are identified. In particular, it is stressed that the efforts of the Greek government to support a shift towards a high skill agenda for restructuring in textiles are doomed to failure not just because textile SMEs look to pursue low wage, low skill routes but because their method of skills upgrading is highly reliant on informal means of learning. The research argues that if policy intervention to move the Greek economy to a high skill path is to succeed, there is an immediate need for decision makers to understand the realities of small textile firms. The present study contributes to a better understanding of skill creation systems in advancing economies and identifies areas where changes and improvements can be made in the future.
CHAPTER TWO: HUMAN RESOURCE DEVELOPMENT AND
COMPETITIVENESS IN THE SMALL BUSINESS CONTEXT

2.1 Introduction
As noted in Chapter One, the HRD literature has tended to focus upon larger organisations in order to develop an understanding of workforce skills development. However, it has been acknowledged that a healthy small business sector is fundamental to a growing, competitive economy (ILO, 2003). As such, it is important to explore the training strategies associated with this type of establishments as they differ from large organisations substantially (Westhead and Storey, 1996). Against this academic rationale, this chapter critically reviews the HRM literature in the small business context, focusing on one important aspect of HRM, namely, training and development.

The chapter begins with a discussion around the perceived links between skills acquisition and economic growth outlining the key debates surrounding the topic. This leads to an examination of the conditions necessary to transform the demand for skills. In particular, it is stressed that an increased supply of skills has little impact on its own on creating employer demand for skills and qualifications. The chapter then proceeds to discuss the pivotal role that small businesses play in the global economy stressing that such organisations are key sources of employment and innovation. In the specific case of Greece, small and medium-sized enterprises are the backbone of the economy since they form 99.7 per cent of the total number of enterprises and they employ 75 per cent of the workforce of the private sector. The chapter moves on to provide an overview of the theoretical considerations regarding the various conditions unique to small companies. Despite the diversity of organisations categorised as small and medium-sized, the review attempts to identify several common values adopted by the majority of SMEs.
Given the importance of SMEs for the global economy, the remaining sections of this review examine the role afforded to small firms in the debates around skills development and economic success. Section 2.4 looks at the role and nature of HRM in SMEs discussing whether HRM practices exist in small companies or not and whether personnel methods are formalised or lack sophistication. This analysis lays the foundation for the subsequent discussion, which considers the nature of training and development activity in small and medium-sized organisations, followed by an investigation of some of the empirical evidence on both the drivers of enterprise training and barriers to small firm training. To this end, a number of determinants of both formal and informal enterprise training are discussed to provide an understanding of small firms' decisions to train.

2.2 Skill Formation Systems

Although there is much written about the term 'skill', there is a notable lack of consensus of what the term means (Holmes, 2000). As Payne (1999) argues, the term 'skill' includes a veritable galaxy of soft, generic, transferable and social skills, frequently indistinguishable from personal characteristics, behaviours and attitudes, which in the past would never have been conceived of skills at all. The notion of skill is now both broader and more conceptually equivocal than it has ever been. Nevertheless, some basic forms of consensus around 'skill' have been developed. In particular, it has been argued that 'skill' includes internalised capacities resident in the individual worker, it involves control over the labour process and it is socially constructed (Grugulis et al., 2004; Lafer, 2004).

Across the advanced industrialised nations, the view is paramount that the way to economic growth is via skill formation to maintain employment levels, raise labour productivity and hence, average living standards. The search for better institutions for fostering skill formation preoccupies policy makers (Brown, 1999; Koike and Inoki, 1990; Lloyd and Payne, 2002). Though education and training have indubitable importance in the contemporary global economy, this importance cannot be based on the simple assumption that better skill formation systems cause better
economic performance since this ignores the complex interactions of several institutional factors including labour market regulation, employment structures, systems of finance and power relations within firms (Buechtemann and Soloff, 1994; Crouch et al., 1999; Finegold and Soskice, 1988; Keep et al., 2006; Maurice et al., 1986).

Finegold and Soskice (1988), for example, have stressed that education and training is just one element of the socio-economic system and that change in just one part of this system is unlikely to be successful if the rest of the system remains the same. They illustrate this by reference to the 'low-skill equilibrium'. In this situation a number of mutually reinforcing mechanisms, emanating from a variety of sources, constrain the economy to a low skill level. Change in any one of these, which is aimed at increasing the level of skill formation will not succeed because the other forces, many of which operate outside the training market, will mitigate its effect. Keep et al. (2006) have also argued that policy investment in skills and people will fail to raise labour productivity unless it is made in relation to work organisation, building leadership and management, and creating positive workplace cultures, which are critical areas for ensuring that the productive potential of investments in skills, technology, and innovation are achieved.

The search for better institutions for fostering skill formation has been affected significantly by fundamental changes in the international economy during the last three decades, which forced many firms to switch from mass production to a new tactic known as 'flexible specialisation', according to Piore and Sabel (1984: 206). Increased competition from foreign markets due to globalisation and technological advancements made the production of large amounts of identical, cheap goods produced through a detailed division of labour, uncompetitive. Instead of investing huge amounts of money on the mass production of a single product, in many sectors firms now find it more profitable to build intelligent systems of labour and machines that are flexible and can quickly respond to the desires of the market (Amin, 1994). In such organisations, human capital constitutes a major component of business
success and employee training becomes a requirement (Gibb, 2002). However, this shift in production has been widely contested. Although this new production system based on high quality, quick response and high value-added product strategies is emerging in many countries (Mathews, 1993), a significant number of firms across large tracts of employment still choose to compete primarily on the basis of low price, standardised goods and services and a predominantly low-skill, low-wage and casualised workforce (Keep and Mayhew, 1998, 1999).

Evidence from the U.K and U.S shows that many employers enter and compete in markets by adopting a low value-added strategy remaining wedded to the low road of low skill and low wages (Grugulis et al., 2004). It remains debatable whether organisations have only one viable "high-value" route to competitiveness and profitability. For example, it has been argued that delocalisation of production to developing countries in order to reduce costs can be the preferred business strategy for many organisations operating in labour intensive sectors in advanced capitalist economies (European Foundation for the Improvement of Living and Working Conditions, 2004).

Despite the existence of alternative forms of competition, it is stressed that businesses in the more advanced capitalist states need to invest in innovation to face the fierce competition from low cost producers and achieve an above average return (Ashton and Green, 1996; Green, 1998; Mayhew and Neely, 2006). Rising labour costs in many labour intensive sectors (e.g. textiles, clothing) of the European industry prevent organisations from competing on the basis of low quality, low cost goods. In contrast, new technologies promise lucrative manufacturing applications and thus, industrial firms need encouragement to innovate. It has been shown that the most successful organisations in such sectors are those companies that rely on innovation and the creation of unique brands (Tronconi, 2003; World Trade Organisation, 2004). One way in which firms operating in labour intensive sectors can utilise this idea of specialisation is by the development of niche markets. In such markets, customers have a distinct set of needs and they are willing to pay a
premium price to the firm that best satisfies their needs. As a result, firms have a great potential for profit and growth (Kotler, 2003).

However, as noted in Chapter One, productivity gains and innovation cannot be achieved on the basis of low-skilled work (Brown, 1999; De Silva, 1997; Finegold, 1991; Muhlemeyer and Clarke, 1997). As such, Finegold and Soskice (1988), Ashton and Green (1996) and Keep (2003) have specified a number of institutional conditions necessary for a 'high-skills' road. These involve: the commitment of the ruling class to the goal of achieving a high level of skill formation and the innovative use of the productive system; a strong educational system which should produce high levels of basic competence in many core subject areas; the commitment of employers to pursue the high-skills route; an adequate regulatory framework in order to override the free market's inherent bias towards short-termism; the fostering of a more sophisticated consumer base that will demand high quality goods and services; a workforce committed to the goal of skill formation; and finally, a system in which on-the-job learning will be complemented by off-the-job training in the knowledge base of skills. Lloyd and Payne (2002) add that major shifts in the institutional and industrial policy framework are a necessary, but not sufficient, condition for the achievement of a high-skill strategy. To push through a major transformation in work organisation requires a fundamental shift in the balance of power within the workplace itself.

The above analysis shows that a number of policies would need to be implemented to shift organisations away from low-skill forms of competition. There is a need for a holistic approach to theorising skill formation, emphasising both the demand for, and supply of, skills. A skilled and well-educated workforce is a vital ingredient of any high skill economy, but equally important is the fact that there are enough skilled jobs for workers to do. Attention should focus on the institutional connections between government agencies, the education and training system, labour market regulation, systems of finance and industrial relations that help shape the skill trajectory of firms.
2.2.1. Skill Formation Systems and the Small Firm

Increasingly, small and medium-sized enterprises are seen to have an important role in the global economy. Indeed, it would seem that both national and local economies are largely constituted of smaller enterprises, with the addition of a minority of larger enterprises. The available data show that micro firms and SMEs account for more than 99 per cent of companies in the European Union. For example, in 2003\textsuperscript{1} there were more than 19 million micro enterprises and SMEs in Europe-19 (Table 2.1), providing jobs for almost 100 million people. In contrast, there were only about 40,000 large enterprises in existence, which accounted for only 0.2 percent of all enterprises but employ around 42 million people (Observatory of European SMEs, 2003b).

In the case of Greece, the contribution of SMEs to the economic development of the country is substantial. As Chapter Four will detail, small and medium-sized enterprises constitute 99.7 per cent of all organisations in the country representing around 75 per cent of the work force of the private sector and 60 per cent of total employment (ESYE, 2005).

Table 2.1: The Role of SMEs in Europe-19 (2003 data)

<table>
<thead>
<tr>
<th>Enterprise category (Number of employees)</th>
<th>Micro (0-9)</th>
<th>Small (10-49)</th>
<th>Medium (50-249)</th>
<th>Large (250 and over)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms (in thousands)</td>
<td>17,820</td>
<td>1,260</td>
<td>180</td>
<td>40</td>
</tr>
<tr>
<td>Employment (in thousands)</td>
<td>55,040</td>
<td>24,280</td>
<td>18,100</td>
<td>42,300</td>
</tr>
<tr>
<td>Turnover per enterprise (thousand euros)</td>
<td>440</td>
<td>3,610</td>
<td>25,680</td>
<td>319,020</td>
</tr>
</tbody>
</table>

*Source: Observatory of European SMEs (2003b)*

\textsuperscript{1} The year with the latest available data provided by the Observatory of European SMEs.
Several studies show that SMEs play a central role as an engine of productivity growth, job creation and competitiveness in domestic and global markets. The weight of the empirical evidence on employment generation is remarkably robust and indicates that the small organisation is a key employer in several economies (Floyd and McManus, 2005; Henriksen, 1999; Karmel and Bryon, 2002; Monat, 2002). In EU-19, small and medium-sized firms employ more than 50 per cent of the total workforce and generate the same proportion of financial turnover. U.S evidence shows that such firms employ about half the total workforce, while Japan has been reporting for many years that SMEs account for over 80 per cent of the workforce (Observatory of European SMEs, 2003b).

Small and medium-sized organisations are also important carriers of innovation whereby they establish a niche position in the marketplace in order to distinguish their products or services from the more standardised versions provided by large firms (Audretsch and Thurik, 2001; Hendry et al., 1995; Storey, 1994). Acs and Audretsch (1990), using the direct measure of innovative output (i.e. the total number of innovations per one thousand employees in each industry) from the U.S. Small Business Administration's Innovation Data Base, showed that U.S small firms have a better rate of innovative activity. In particular, while large enterprises in manufacturing introduced 2,445 innovations and small enterprises contributed slightly fewer, 1,954, small-firm employment was only half that of large-firm employment, yielding an average small-firm innovation rate in manufacturing of 0.309, compared to a large-firm innovation rate of 0.202.

Small firms have traditionally offered the benefit of being able to change production quickly and provide more differentiated products for consumers as traditional markets have become saturated. They can also offer a specialised personal service, thus further differentiating business activity (Hall, 1995). An increased number of small enterprises provide greater competition for new ideas and greater competition across enterprises can facilitate the entry of a new enterprise specialising in some particular new product niche. This is because the necessary complementary inputs
and services are likely to be available from small specialist niche enterprises but not necessarily from large, vertically integrated producers (Observatory of European SMEs, 2003b).

Evidence also shows that small firms are active players in the international arena. Rather than weak and vulnerable entities that may require subsidies, SMEs may not only thrive in new global markets, but may be a necessary component for enhanced economic well-being (Observatory of European SMEs, 2003b). For example, Wagner (1994) employed a longitudinal database consisting of 7,000 manufacturing German enterprises and found that the probability that an enterprise is an exporter increases along with enterprise size. However, an important caveat from his study is that there are many successful exporters among small enterprises. As Kohn (1997) further argues, the international diffusion of new innovations derived from small enterprises is significant and crucial for continuing improvement of global economic welfare.

Given the well-documented increase in the importance of SMEs within national economies, it is important to consider the activities of SMEs in relation to learning and skills development. As Johnson (2002) argues, if policy makers are to succeed in ensuring that the skill needs of their economies are met, they need to persuade and incentivise small firms to invest in their people. Specific SME research on skills development is rare and comparative information at international level is practically non-existent (Audretsch, 2003; ILO, 2003). In this context, the present study attempts to fill this lacuna by exploring the training strategies of SMEs in an advancing economy like Greece. The Lisbon European Council has recognised the key role that small businesses play in job creation and economic and social prosperity within the European Union and has endorsed the ‘think small first’ principle as one way to progress towards the Lisbon objectives (Observatory of European SMEs, 2003a).
The following sections focus on small and medium-sized enterprises and discuss their approaches towards workforce skills development. Specifically, the next section offers a comprehensive review around the existing definitions of SMEs, whereas section 2.3 outlines the key characteristics of such organisations. The HRM practices of small firms and their approaches towards HRD are discussed in sections 2.4 and 2.5 respectively.

2.2.2 Small and Medium-sized Enterprises Defined

Definitions of what constitutes a small organisation vary within the literature and defining SMEs is no easy task (Hill, 2002). Storey (1994) argues that there is no single, uniformly acceptable definition of a small firm because definitions which relate to 'objective' measures of size (e.g. number of employees, sales turnover, profitability etc.), when examined at a sectoral level, mean that in some sectors all firms may be regarded as small, while in other sectors there are possibly no firms which are small. Several criteria are used to define SMEs. For example, firms in the manufacturing industry have traditionally been categorised by number of employees, but retail firms by turnover. Yet, the most common criterion in the research studies to define SMEs and differentiate them from large firms is workforce size, though different thresholds are used.

In 2003, the European Commission agreed a common definition for small and medium-sized enterprises (SMEs) based on number of employees, which is summarised in Table 2.2. Following this, SMEs essentially involve organisations employing more than 9 and less than 250 people. However, for some countries including Austria, Belgium, Denmark, Greece, Ireland, the Netherlands, Norway, Portugal and Spain, this definition is not helpful, since virtually all firms and the vast bulk of employment and output in the aforementioned countries fall within this definition of SMEs. Hence, within these countries, the definition considers SMEs to be companies that employ less than 100 people (European Industrial Relations Observatory, 1999, online).
Table 2.2: European Commission’s Definition of SMEs

<table>
<thead>
<tr>
<th>Enterprise category</th>
<th>Headcount</th>
<th>Turnover or</th>
<th>Balance sheet total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-sized</td>
<td>&lt; 250</td>
<td>≤ € 50 million</td>
<td>≤ € 43 million</td>
</tr>
<tr>
<td>Small</td>
<td>&lt; 50</td>
<td>≤ € 10 million</td>
<td>≤ € 10 million</td>
</tr>
<tr>
<td>Micro</td>
<td>&lt; 10</td>
<td>≤ € 2 million</td>
<td>≤ € 2 million</td>
</tr>
</tbody>
</table>

Source: Adapted from European Communities Commission (2003)

There are many different ways to categorise small businesses. Different parts of the world have developed their own ways of defining and classifying small businesses to suit their own agendas. This lack of a widely accepted definition has made it very difficult to generalise the results of any research. It has been noted in the literature that there is no concept of a typical small business; instead the heterogeneity of the small business sector is stressed, as it is problematic to discuss the ‘small business’ as one category (Simpson et al., 2004; Watson and Everett, 1993).

The danger of many SME definitions is the assumption that there is a homogeneous small firm sector and all firms within it have similar characteristics. While size may be a factor, it alone is not sufficient to explain patterns of employment relations, for example. A variety of influences, both internal and external (e.g. ownership characteristics, sector characteristics, technology, economic indicators) explain behaviour (Goss, 1991). As Hill (2002: 124) notes, ‘small-organisation smallness is a multi-dimensional concept which may not always be judged from a size perspective alone and that, perhaps, there is no such thing as a typical small organisation’.

Due to the fact that the term ‘SME’ encompasses such a broad range of concerns, it is essential to define its constitution within a particular piece of research. In the Greek context, there is a total absence of a common statutory definition for SMEs. As noted in the report of the Economic and Social Council of Greece (OKE) on
SMEs (2001), the definition of small and medium-sized organisations has from time to time been the focus of confrontation due to its direct correlation with incentives, community programmes and state aid. In effect, the official definition adopted by policy makers in Greece is the one given by the Bank of Greece (2000) and EOMMEX (2000) and considers SMEs to be enterprises, which employ up to 100 salaried workers. For that reason, the present research study categorises SMEs by number of employees and defines them as the enterprises employing less than 100 employees (i.e. 0 ≤ Micro Firms ≤ 9 employees; 9 employees < Small Firms < 50 employees; 50 employees ≤ Medium Firms < 100 employees).

2.3 Characteristics and Values of Small and Medium-Sized Enterprises

Storey (1994) notes that small firms frequently lack the financial capital resources, as well as human capabilities required by an organisation to start, operate and grow. Similarly, Welsh and White (1981: 18) argue that the very size of small businesses creates a special condition, which can be referred to as 'resource poverty' that distinguishes them from large corporations and requires some very different management approaches.

Welsh and White (1981) argue that 'resource poverty' results because of various conditions unique to smaller companies. For example, small businesses tend to be clustered in highly fragmented industries such as, retailing, job shop manufacturing and wholesaling that have many competitors, which are prone to price-cutting as a way to build revenues. No matter that excessive price cutting quickly destroys profits. Furthermore, small firms normally struggle to access affordable and appropriate finance, which enables them to operate efficiently and finance potentially viable investments. Although banks are key providers of finance for most small firms through the provision of loans, unsecured bank finance is very limited. Cashflow-based lending is relatively rare and growing businesses rarely have unused security available. Despite the changing debt market, one of the main reasons small businesses fail to get the debt finance they need is their inability to provide adequate collateral. Even small businesses with high growth potential have difficulty raising
relatively modest amounts of risk capital needed to fund their ambitions for growth. External forces also tend to have more impact on small businesses than on large firms. Changes in government regulations, tax laws and labour and interest rates usually affect a greater percentage of expenses for small businesses than they do for large corporations.

Westhead and Storey (1996) state that the constraints and uncertainties small organisations face differ markedly from those facing larger firms. Many of the uncertainties felt by small companies can be attributable to a lack of power and influence in the marketplace, where it is not unusual for an SME to be reliant on a single, large customer for most, if not all, of its business. Such a relationship potentially places the small organisation at the mercy of its customer, subjecting the small firm to a state of continual uncertainty and vulnerability. In order to compensate for diminished control over its own destiny, and in an attempt to satisfy a seemingly unpredictable and ruthless market, the SME is more often than not obliged to operate within a short-term strategy adopting a reactive approach to the future.

A number of characteristics have been identified in the literature regarding small and medium-sized firms that differentiate them from their larger counterparts. Yet, it is not easy to provide an overall picture, given that SMEs differ substantially between countries and industries. For example, a distinction is made between ‘entrepreneurial’ and ‘traditional’ SMEs (McMahon, 2001: 210-211). As McMahon (2001) explains, ‘traditional’ SMEs involve small establishments that generally have few, if any, growth aspirations. Such firms choose to compete primarily on the basis of low price, standardised goods and services and a predominantly low-skill, low-wage and casualised workforce. They principally adopt cost-cutting strategies and exist to provide their owner/managers with a source of employment and income. In contrast, ‘entrepreneurial’ SMEs generally have ambitious growth aspirations. They adopt a system based on high quality, quick response and high value-added product strategies. They produce diverse product lines targeted at specific groups of
consumers and they are most often associated with entrepreneurial aptitude, international outlook and technical and commercial innovation.

Quantifying the weight of innovative SMEs in the total would be a complex operation, but if this heterogeneity is not taken into account, there is a danger that a distorted picture will be given (European Industrial Relations Observatory, 1999, online). Notwithstanding these differences between SMEs, and although the data are patchy, a number of distinctive aspects of employment and working conditions in SMEs can be identified, which are discussed next.

A small firm is typically one that has a relatively small share of its market, is administered by its owners in a personalised way, rather than through the medium of a formalised management structure, and is independent in the sense that it does not form part of a larger enterprise, and owner-managers are free from outside control in taking their principal decisions (Stanworth and Curran, 1976). However, this conceptualisation has been criticised. For example, many small and medium-sized firms frequently create niche markets, thus achieving quite a large market share (Hendry et al., 1995). The matter of administration is also contestable since once small firms exceed between 10 and 20 workers, they may begin to employ individuals to act as managers or supervisors (Storey, 1994).

Small and medium-sized firms usually offer poorer economic rewards, employment terms and physical working conditions and a lower level of job security compared to large enterprises (Curran and Stanworth, 1981; Scott et al., 1989). They have higher levels of labour instability and labour turnover, inadequate safety conditions, low profits, restricted finance and they lack market share (Atkinson and Storey, 1994; Bacon et al., 1996; Hendry et al., 1995; Hughes, 1997; Monat, 2002; Ram, 1994; Storey, 1994). However, they appear to offer more interesting work and satisfying social relations with colleagues and superiors, direct communication, a more direct relationship between individual effort and the objectives and performance of the organisation as a whole, more varied work roles with a chance to participate in
several kinds of work and infrequent industrial disputes (Atkinson and Storey, 1994; Hendry et al., 1995; Ingham, 1970; Monat, 2002; Rainnie, 1989; Ram, 1994).

The informal routinisation of personal control in small organisations and the unitary view of authority held by managers, as well as the absence of trade unionism are also some of the attributes identified in the small business sector. There are few strikes since the collective element needed for strike action is absent and conflict is expressed through more individual means such as absenteeism and labour turnover (Curran and Stanworth, 1979; Scott et al., 1989). Scott et al. (1989), for example, conducted an empirical study in the U.K based on 397 personal interviews with the owner managers of small firms (the majority of which employed 50 or less employees) where they found that the number of firms experiencing unionisation is very small. This reveals that trade unions may have very little influence in this sector.

Small organisations prefer to operate in an informal and flexible manner (Gibb, 1997; Lane, 1994; Matlay, 1999). This, in turn, may ensure better communication since the owner or manager is closer to the workforce and, therefore, better placed to deliver information and decisions personally and consistently to all employees, receive immediate feedback and assess the likelihood of success (Stanworth and Curran, 1976; Storey, 1994). In large corporations, in contrast, there is an urgent need to ensure that decisions made at the top of the organisation are delivered effectively through the ranks (Hendry, 1990; Hendry et al., 1995; Westhead and Storey, 1996).

The overall picture, which emerges from research in the small firm sector suggests that according to certain criteria such as wages, job security and hours worked, the quality of jobs is poorer in small firms than it is in large firms and that workers in large enterprises do enjoy a superior employment package. On the other hand, taking into account other dimensions of job quality such as, social relations and job satisfaction, there appears to be a considerable degree of workplace harmony with better communication and low levels of conflict in small and medium-sized
enterprises. As Wilkinson (1999: 207) points out, the existing literature tends to polarise into a ‘small is beautiful’ or ‘bleak house’ perspective, where on the one hand, a small firm with the ‘family’ atmosphere provides a better environment for the employee than it is possible in most large firms while on the other hand, small firms are dictatorially run with employees suffering poor working conditions and having little involvement in the running of the business.

However, these polarised views have been questioned. For example, workplace relations in SMEs may be complex and contradictory rather than simply either harmonious or autocratic (Ram et al., 2001). It should therefore, become clear that while greater realism has been introduced by small firm studies about their special attributes, the rich diversity of firms that come under that label complicates the issue of making generalisations about the main characteristics of such organisations given that they differ quite substantially, not just between countries, but also according to factors like sector, size, growth stage, ownership status (i.e. family owned and/or managed), competitive strategies and so on (Cassell et al., 2002; Storey, 1994).

2.4 Human Resource Management in Small and Medium-Sized Enterprises

Although published research indicates that effective management of human resources is one of the most important problems faced by SMEs (Gilbert and Jones, 2000; Heneman et al., 2000; Pettigrew et al., 1990), there is an acute shortage of research identifying the human resource practices in use in such establishments (Arthur and Hendry, 1990; Cassell et al., 2002; Way, 2002; Welbourne and Andrews, 1996; Wilkinson, 1999). This is mainly due to a number of difficulties, including definitional problems, the number and diversity of firms in this sector, standard error margins in the classification and conceptualisation of research samples and data collection difficulties (Matlay, 1997).
The bulk of the existing literature dealing with personnel issues specific to small businesses appears to be more conceptual in nature than empirical (Brand and Bax, 2002; Chandler and McEvoy, 2000; Deshpande and Golhar, 1994; Hornsby and Kuratko, 1990). However, the limited data suggest that HRM practices may be a leading cause of small business failures since inadequate and inefficient HRM in small firms has resulted in low productivity, and high dissatisfaction and turnover among staff (Mathis and Jackson, 1991; McEvoy, 1984). For example, McEvoy's (1984) study of 84 small businesses, employing between 25 and 250 employees, found that the owners who were not concerned about planning for HRM faced considerable difficulties in finding competent workers and then motivating them to perform.

Empirical studies have shown that the availability of quality workers is crucial for the survival and growth of SMEs as each employee comprises a large percentage of the workforce in the business and thus, small firms have to carefully implement human resource practices (Gilbert and Jones, 2000; Hayton, 2003; Heneman et al., 2000; Hornsby and Kuratko, 1990; Kerr and McDougall, 1999; Way, 2002). For example, Heneman et al. (2000), using empirical data from focus groups with 173 SMEs owners and survey data from 156 young SMEs entrepreneurs, found that SMEs owners view HRM decisions as very important to the growth of their enterprises. Their results revealed the importance to entrepreneurs of developing high-potential employees who can perform multiple roles under various stages of organisational growth and the matching of people to organisational culture. More recent evidence indicates that those SMEs that adopt more sophisticated HRM practices do report superior performance (Hayton, 2003; Way, 2002). Way (2002) studied 446 small U.S firms employing between 20 and 100 employees and found that HRM practices are associated with lower workforce turnover and higher productivity. The author showed that HRM practices enhance the ability of SMEs to select, develop, retain and motivate employees who produce superior output, which may be the key to the success of small firms.
Human resource management seems to be one of the functional roles handled by small business owners since personnel-related issues are usually limited when the firm employs only a few people (Heneman and Berkley, 1999; Little, 1986; McEvoy, 1984). Research suggests that human resource practices in SMEs tend to be fairly informal, short-term and opportunistic (Cassell et al., 2002; McElwee and Warren, 2000; Reid and Adams, 2001). Small firms have usually found it difficult to employ effective personnel management practices, and to contemplate the more sophisticated HRM practices associated with large businesses such as, formal recruitment methods, formal appraisal systems, structured training activities and employee development initiatives (Storey, 1995; Wilkinson, 1999). Recruitment is usually through networks of family and employee friends, off-the-job training is very limited and remuneration is subject to management prerogative (Arthur and Hendry, 1990; Bartram, 2005; Duberley and Walley, 1995; Gilbert and Jones 2000; Kotey and Slade, 2005).

Cassell et al.'s (2002) empirical study of 100 SMEs owners in the U.K provides evidence that owners of SMEs, rather than taking a coherent, strategy-based approach to the implementation of HRM, are taking a more 'pick and mix' contingency approach. The approach that SMEs take to HRM is fairly piecemeal and reactive, rather than proactive, holistic or systemic. Companies introduce new practices without a thorough consideration of how that practice will impact on the overall system. The authors note that this lack of consideration can result in a lack of effectiveness of a new practice. They conclude by saying that SMEs implement change programmes but in a less formal manner than big companies. This ties with McElwee and Warren's (2000) assertion that the challenge for growing small firms is to establish HRM policies and practices that are fairly flexible and do not extend bureaucracy in an arena of scarce managerial resources.
Although research evidence suggests that human resource practices tend to be fairly *ad hoc* in smaller firms, several studies have revealed that the personnel practices of smaller firms may be more sophisticated than the literature leads one to believe (Bacon *et al.*, 1996; Deshpande and Golhar, 1994; Hornsby and Kuratko, 1990; Storey, 1995). For example, Storey (1995) in reviewing the results of a survey based on 229 SMEs in Leicestershire points out that SMEs are prepared to experiment with new practices associated with HRM. Bacon *et al.* (1996), in outlining these findings in more detail, argue that within small companies, specific triggers such as, direct communication among workers, increased flexibility and flatter hierarchical structures can lead to a shift towards HRM and that small companies are implementing change programmes, albeit in a less formal manner than large companies. The authors argue that rather than taking the absence of large formal programmes to be a weakness of HRM in small organisations, it may be the source of competitive advantage of the smaller organisation since they carry greater meaning than the bureaucratic formal change programmes of larger organisations.

As the literature shows, there seems to be ambiguity concerning the nature of typical personnel practices found in the small business context and their impact on business success. Human resource management practices do exist in the small firm sector but company size seems to be positively related with the level of overall HRM sophistication. However, owing to the large number and diverse nature of SMEs, as well as the different definitions used by researchers to define the small enterprise, the findings cannot be viewed as generalisable to the whole population of small and medium-sized organisations. Most research studies are producing contradictory evidence and assumptions about the role of HRM practices in small firm success and thus, more empirical work is needed to determine the current direction of HRM for small and medium-sized enterprises. Furthermore, all research studies have been carried out in advanced countries. As such, in this study an attempt is made to bridge the knowledge gap that exists in relation to the nature of HRM in small industrial firms in advancing economies by exploring what HR practices are predominantly used by Greek SMEs and their level of sophistication.
2.5 Training and Development in Small and Medium-Sized Enterprises

Training and development represents any activity that develops skills, knowledge and behaviour and teaches employees how to better perform their present jobs, as well as prepare them for future responsibilities. Training activities may range from formal training courses run internally or externally, to informal on-the-job training by a supervisor (Stone, 2002). A key distinction is often made in the HRD literature to the different meanings of formalisation of training activity. The term ‘formal employee training’ refers to initiatives that can be identified by both recipients and deliverers as an intervention that has a structured mode of delivery and specific learning objectives, where the aim is to impact new awareness or knowledge of a workplace process or activity. After the training experience, the recipient should be able to demonstrate new skills and competencies. This is in contrast to ‘informal employee training’, which is a far more diffuse process and occurs throughout the organisation as individuals observe, imitate and learn from others on a fragmented and flexible basis (De Kok and Uhlaner, 2001; Garrick, 1998; Gibb, 2002; Patton and Marlow, 2002).

It has been noted in the literature that human resource development theory often suggests solutions relating to workforce training which are practical only for large establishments having personnel specialists with the time and experience to implement suggested delivery. However, a number of aspects of training and development have the potential to be of particular interest to small and medium-sized enterprises, both because of their restricted resources and the need to be responsive to fast changing demands of the marketplace (Hendry et al., 1995). The changing requirements at the workplace due to new technologies, as well as the subsequent changing structures of working organisation, the internationalisation of the market and difficulties in recruiting and retaining staff make the study of workforce training in the small business context a necessity if SMEs are to maximise their competitive edge using effective training and development practices (Storey, 2004).
Several empirical studies have shown that the relationship between training and small firm performance remains debatable (Birley and Westhead, 1990; Cosh et al., 1998; Storey, 2004; Wynarczyk et al., 1993). Patton et al. (2000), following a review of empirical evidence investigating the relationship between training and small firm performance, argue that the evidence indicating a strong relationship between them is inconsistent. However, whilst the task of identifying a causal relationship between training and performance is problematic, several authors have pointed out a number of benefits derived from training activity in SMEs (Aragon-Sanchez et al., 2003; Devins et al., 2004; Hendry et al., 1995; Jayawarna et al., 2007; Kerr and McDougall, 1999; Rowden, 2002; Storey, 1994; Way, 2002; Wilkinson, 2000; Wong et al., 1997). More specifically, they provide evidence that training increases the productive potential of workers, it helps small enterprises to meet skill shortage needs, it promotes a good atmosphere at work, it increases employee confidence, as well as workforce flexibility, it reduces staff turnover and it may also lead to product or service innovation.

Despite the aforementioned benefits of training to firm performance, research evidence suggests that small organisations are less likely than larger employers to provide formal training to employees. Given the resource constraints, the high levels of environmental uncertainty and the short time horizons within which most SMEs operate, it is unlikely to expend money and time on formal HRD activities (Brown et al., 1990; Cambridge Small Business Research Center, 1992; Hendry et al., 1991; Observatory of European SMEs, 2003a). Although small organisations may not be involved in formal training methods, a number of empirical studies have shown that they take a number of initiatives to improve their competence-base focusing mainly on non-formal training methods linked to ‘learning from others’ and ‘on-the-job’ practices (Birdthistle, 2006; Devins and Johnson, 2003; Doyle and Hughes, 2004; Hill and Stewart, 2000; Matlay, 1999). As Hill (2002) and Holden et al. (2006) explain, non-formal training practices have lower costs and can be easily integrated into the enterprise’s everyday activities.
More specifically, Hill and Stewart (2000) conducted multiple case-study-based empirical work within three small organisations in the North-west of England which revealed a high degree of unplanned, reactive and informal training activity in small firms. The authors suggest that where training and development does occur in SMEs, not only does it tend to be spontaneous and informal but it is also short-term and almost exclusively aimed at solving immediate workplace problems rather than the development of people. Similarly, Hankinson (1991), Vickerstaff (1992), Vickerstaff and Parker (1995), Harrison (1997) and Birdthistle (2006) note that research has shown a high degree of informal training activity in micro and small organisations, where there is typically unlikely to be a dedicated personnel manager or training officer. Formal training plans and budgets are absent, whilst firm owners or managers appear to have a monopoly on training decisions, including choice, quality and duration of staff training. Several other scholars such as, Hendry et al. (1991), Jones and Goss (1991), Atkinson and Meager (1994), Lane (1994), Joyce et al. (1995), Westhead and Storey (1996, 1997), Gibb (1997), Hughes (1997), Matlay (1997, 1999) and Cosh et al. (1998) have carried out empirical work around HRD in SMEs and have shown that in many small organisations formal training does not take place at all.

Atkinson and Meager (1994), drawing from a postal questionnaire survey of 3,289 small organisations (up to 200 people) in the U.K, as well as qualitative interviews with 120 small firm managers, suggest that training in small businesses is much more concerned with the spreading and distribution of existing skills throughout the workforce, than it is with skill formation and that this is achieved mainly, and sometimes exclusively, through informal means. Drawing on research based on interviews with 94 small firms (with 50 or fewer employees) in North-East England, Penn et al. (1998) reaffirm the informal approach to workforce training adopted by most SMEs and point to the dominance of learning from others as opposed to off-the-job training.
Kerr and McDougall (1999) and Lange et al. (2000) provide evidence regarding the informal nature of employee training in SMEs based on a number of qualitative and quantitative studies undertaken to investigate the attitude of Scottish SMEs towards learning and skills. They find that while some SMEs engage in training and development, only a very small minority adopts a human resource development approach, which locates training and development strategically in the plans of the company. They conclude that on-the-job training works for most small firms and employees learn in the context in which their skills are used and maintained. Formal training is very limited in SMEs since it seems to lack flexibility and cannot be tailored to the needs of small organisations. Their findings tie with Patton and Marlow's (2002) later study on 20 small manufacturing firms (10-49 employees) that found that training in such organisations is relatively unfocused and lacks any strategic intent.

Later studies by Johnson (2002), Kitching and Blackburn (2002), Doyle and Hughes (2004) and Jones (2004) confirm that SMEs are less likely than larger employers to provide or finance formal training for their staff. In particular, Kitching and Blackburn's (2002) detailed study shows that much training in small enterprises takes an informal character, with the emphasis on subtle forms of influence and guidance from employers and others at the workplace rather than structured forms of instruction. Training is often incorporated within routine working practices and is not an additional activity. Also, they stress that most training is undertaken in-house because it can be tailored to suit the specific requirements of worker and employer and can be delivered at times and in formats that are convenient to both parties. It is also relatively cheap in avoiding the financial costs of course fees and travel and accommodation costs associated with training away from the business.

A common view in the literature reviewed so far suggests that training provision is positively correlated with firm size. Employees in small firms are less likely to have access to structured training provision than their large firm counterparts. This reflects a view that training is defined as merely formal and mainly provided by
external sources (off-the-job training). However, there is a growing evidence to show that this reflects a narrow definition of training (Curran et al., 1997; Goss and Jones, 1992; Johnson, 2002; Kitching and Blackburn, 2002; Penn et al., 1998).

Widening the definition of training to include less formal ways of learning may reduce the gap between small and larger businesses. As Johnson (2002) explains, the extent to which there is a problem of limited training activity depends on the definitions and measures that are used. The more formal and quantitative the measure, the more negative is the picture painted of training in SMEs. Conversely, where the definition is broadened to include more informal learning activities, learning that takes place on-the-job and that does not necessarily lead to formal qualifications such as, learning by doing, teamwork, visits to trade fairs, dialogue with customers and suppliers, personal development meetings and staff meetings (Eraut, 2004; Garrick, 1998), the gap between SMEs and larger employers is reduced.

Marsick and Watkins (1990) differentiate between informal learning, and incidental learning. They suggest both forms of learning take place in non-routine on-the-job situations, but though interconnected are not exactly the same, since incidental learning is a subdivision of informal learning. Incidental learning occurs as by-product of some other every day activity within the workplace, and because of this can never be intentional or planned. On-the-job incidental learning is therefore manifest in employees learning from experience, learning from mistakes, and successes; learning by doing, including through trial and error experimentation; and in covert interpersonal experiments. Informal learning by contrast though also arising from every day activities, such as those occurring in the workplace can be both intentional and planned.
Thinking in broad terms about training and development leads to the conclusion that the common argument that smaller enterprises lack training underestimates the extent of informal training undertaken by SMEs. Overall, the available empirical studies show that the nature of training and development activity in SMEs mirrors the characteristics of SMEs themselves. That is, both SMEs and their training activities are essentially informal, reactive and short-term in outlook. Small employers tend to rely heavily on informal types of learning such as, learning by doing and learning through staff co-operation and interaction rather than on structured training practices. In this context, the notion of informal learning seems to be central to understanding the training strategies of SMEs.

The examination of the existing research studies around the nature and extent of training in the small business context reveals a number of shortcomings, such as an overly-narrow definition of 'training', a clear partiality towards quantitative methods of data collection and analysis, as well as a lack of research around small business owner/manager attitudes towards workforce skills development. In this context, the present study sets out to fill this knowledge gap, which still exists on the topic of training in the small business sector. The next two sections look at the determinants of training within the small business context in an effort to identify what triggers skills development in such establishments, as well as to understand the factors that inhibit HRD in SMEs.

2.5.1 Driving Forces for Training in Small and Medium-Sized Enterprises

There are a host of factors that affect the propensity of firms to train. It is therefore important to have an overview of the range of determinants of small enterprise training. This section is devoted to collecting the main factors impacting on companies' training behaviour that have been identified in the HRD literature.
The business strategy adopted by organisations appears to have a significant impact on the intensity of training activity. Firms that seek to upgrade product market strategies and enhance product and service quality generally maximise the opportunities for the entire workforce to both acquire and utilise higher levels of learning and skill. Major technological or product-market changes make an impact on training activity because they tend to signal a skill gap. New processes may involve quite fundamental changes to the way in which work is carried out and may, therefore, involve more extensive training in the enterprise (Jones, 2005; Pettigrew et al., 1988; Wong et al., 1997). As Keep (2000) and Ashton and Sung (2006) explain, skill formation and workplace learning are, in strategic management terms, normally third order issues in most organisations. First-order questions relate to competitive strategy. They impact upon second-order choices, which concern amongst other things, the nature of work organisation, job design and performance management systems.

Both the external labour market and the internal labour market also appear to influence the extent of training provision within organisations. This involves the experience and skills readily available outside and inside the firm. For example, labour market pressures in terms of skills shortages may lead organisations to provide either on-site or off-the-job training, whilst a reduction in employee numbers to improve productivity may lead to an expansion in the tasks and skills demanded of the remaining staff. More responsibilities usually require a multi-skilled workforce and these have an impact on training provision (Hendry, 1991; Reid and Harris, 2002).

Small firm owner/management commitment and a company philosophy supportive of training are critical driving forces of training activity (Day, 1998; Illeris, 2004; Leslie et al., 1997). The belief of the SME owner/management in the value of training influences to a large extent the training efforts of a firm since small firm owners determine the philosophy and strategic direction for the company as a whole, including training and development (Kerr and McDougall, 1999). Similarly,
Appelbaum and Walter (1997), Billett (1999), Macneil (2001) and Russ-Eft (2002), have highlighted a strong relationship between owner/managerial commitment and workforce skills development. They all note that owners, supervisors and managers can provide assistance to those for whom they have responsibility as they learn on-the-job, are able to provide a model of behaviours that workforce training aims to develop and can offer positive feedback on the use of skills developed through training. The authors note that owners' characteristics have a strong influence upon the decision to commission training initiatives. A range of variables including the owner's educational background, experience, growth orientation and motivation are critical when making decisions to train, as well as the way in which training is used throughout the organisation.

Furthermore, external sources of finance, health and safety legislation, customer quality requirements, as well as external training infrastructure all seem to be consistent drivers of increased training activity. Organisations interact with various external agents at different levels, which can determine the nature and intensity of company training. For example, the availability of grants for innovative training programmes may persuade some firms to make substantial investments in training infrastructure. Also, the development of national competency standards may have an effect in some companies, guiding the development of training programmes designed to meet these standards. Finally, a focus on improving customer service may lead to formal and informal training activity, usually delivered on-the-job (Hendry, 1991; Smith and Hayton, 1999).

Competitive pressures can also act as triggers to workforce training. Hendry et al. (1991, 1995) studied 20 U.K SMEs (25-500 employees) through the means of in-depth interviews and found that increased competition and changing market conditions may force small firms to keep their definitions of tasks and skills flexible. As a result, tasks are often put together in unusual combinations and jobs and skills are loosely defined and subject to change. In these circumstances, real day-to-day issues form the basis of learning. The authors argue that in most SMEs the desire for
new learning is generally associated with short-term economic and bottom-line pressures and workforce training is driven by problems that have the potential to adversely affect a firm’s stability.

The empirical evidence also shows that trade unions can determine the breadth and depth of workplace training and learning. Streeck (1992) suggests that if trade unions are able to close off routes to competitiveness based on low skills and low wages, this is likely to encourage employers to adopt alternative high skills, high wage strategies, and by implication, to invest in training that will improve the skill levels of employees. Heyes (1993) carried out a series of semi-structured interviews with management and trade union representatives in three private sector engineering organisations and found that unions have an influence on training decisions and outcomes, as well as on the skills strategy adopted by an organisation.

As Stuart (1996, 2007), Lloyd and Payne (2002) and Wallis et al. (2005) explain, power relations within the firm play a key role in the development of forms of work organisation and skill levels. Shifting towards a genuine high skill organisation involves workers being able to wrest from management a greater degree of control over the labour process. For most groups of employees, the ability to do so would be greatly enhanced by a shift in the balance of power towards labour more generally in society, and a government that is willing and able to provide a conducive regulatory framework at the workplace. In many workplaces, it would be trade unions, as the collective representatives of employees, who would need to play a major part in pressurising for these types of changes.

Matlay’s (1997, 1999, 2002) empirical work on 2,000 U.K SMEs finds that the market position of firm and the available training infrastructure also have an impact on small firms’ training decisions. Yet, the market positioning of small firms appears to be the most important aspect to affect their training activities. The market focus of an organisation and its perceived positioning in relation to competition largely determines the choice, quantity and quality of training. In this context, firms that
focus on low quality products and services rely mostly on reactive strategies and appear to have little need to train their workforce on a regular basis. Conversely, a focus on better quality products and services appears to involve a proactive human resource development approach, determined and influenced by Research and Development (R&D), innovation and niche market considerations.

Additionally, work organisation and job design can be major influences on the opportunities that employees have for training and learning. Forms of work organisation that are premised upon co-operation and collaboration between employees have significantly more potential to promote on-the-job learning than forms of work organisation that are based upon employees working in isolation (Eraut, 2004; Garrick, 1999; Marsick and Volpe, 1999; Osterman, 1995; Tamkin et al., 2004). The importance attached to 'social capital' is based on the widely held idea that the more people communicate and cooperate the more they are able to achieve (Baker, 2000). Similarly, jobs that are limited in scope and interest (i.e. routine and undemanding jobs that have narrowly defined tasks) provide opportunities for employees to acquire only limited knowledge and skills. In contrast, jobs that involve a wide range of tasks are more likely to stimulate workplace training (Illeris, 2004).

Clarke (2005) similarly suggests that more democratic workplaces characterised by open flows of communication, staff involvement in decision-making and clear organisational vision are likely to promote training. Jones and Hendry (1994), Ellstrom (2001) and Grugulis (2003) also argue that challenging work can provide the opportunity for workers to develop and hone skills. Put simply, the way that jobs are structured and controlled, the responsibilities that are given or withheld and the opportunities for learning and development within work will affect the skills that people can develop.
Performance reviews and appraisal schemes are also considered to be particularly important for stimulating workforce training since these enable employees to clarify their performance objectives, and, perhaps more importantly, identify the skills they need to develop in order to facilitate this. The provision of rewards for knowledge sharing, teamwork and on-the-job learning also has the potential to promote such activity (Ashton, 2004; Eraut, 2000; Rainbird, 2000; Santos and Stuart, 2003).

As the review suggests, there are various organisational and contextual variables that drive training within small firms. Among these are the competitive strategy adopted by firms, owner commitment towards staff development, skill shortages in the external labour market, trade union pressures for learning provision and so on. However, it should be stressed that the relationship between the above variables and training is not a mechanistic one. For example, firms may adopt a quality-based competitive orientation but with most employees doing repetitive work that requires minimal training. Therefore, while the existing studies have certainly enhanced and deepened our understanding of the drivers of training, it should be recognised this limitation, which concerns the mechanical nature of the causality between the dependent and independent variables. The next section looks at the barriers to employee training that have been identified in the HRD literature.

2.5.2 Barriers to Training in Small and Medium-Sized Enterprises

Small and medium-sized organisations suffer from a number of specific obstacles that make it difficult for them to engage in training activities. In their discussion on barriers to training take-up by SMEs, Westhead and Storey (1997: 63) highlight two main reasons: 'market forces' and 'ignorance'. The 'market forces' explanation refers to the different factors that influence the supply and demand of training. This perspective rests on the view that small businesses offer a less than optimal level of training due to their expectations that the returns to training would not exceed the costs of its provision. Market forces highlight the problems of organisational constraints such as, lack of time and limited financial resources available for HRD provision. On the supply side, delivery of tailored training programmes is
problematic especially when trainees come from different small firms. The fixed cost of providing a training programme is higher than that of a standard package to managers in large firms. Also, dependence on one or two customers, a common scenario among SMEs, is associated with relatively fixed management and employee skills.

The 'ignorance' argument refers both to the lack of awareness by small business owners of the importance of training for skills development and of the training opportunities available. The absence of empirical evidence on the direct link between workforce training and small enterprise success contributes to this ignorance on the part of small firm owners about the benefits of training. As Smith and Whittaker (1998) argue, encouraging SMEs to provide training and development opportunities is likely to be problematic owing to the absence of empirical data to support a causal relationship between training and business success. Yet, this lack of awareness of the values of training has wider implications for small business development due to the adverse effects of skill shortages on competitiveness.

Small firm owners’ negative attitudes towards employee training and its importance for business survival, as well as their attitudes towards short-term profitability are also among the barriers identified in the HRD literature (Hendry et al., 1995; Kerr and McDougall, 1999; Matlay, 1999, 2002). According to the authors, most SME entrepreneurs are pre-occupied by their active involvement in the daily activities of the enterprise. They are driven by short-term business pressures and are looking for quick and easy solutions that, very often, cannot be provided by some forms of competence development. This problem is often aggravated by the owner/managers' awareness of the failure risk of long-term investments in staff development.

SME entrepreneurs are very often reluctant to invest in people bearing in mind the possibility of skilled labour being 'poached' in imperfect labour markets, which in contrast may foster SMEs to 'buy in' skilled employees rather than invest in developing their in-house competence base. As Hendry et al. (1995) explain, 'poaching' (i.e. a risk that employees may move on taking the value of any training
investment too) appears to be a key barrier to training in the small business context due to the absence of internal labour markets and the poor economic rewards offered by such establishments.

The business strategy adopted by an organisation can also act as a barrier to workforce training. As Kitching and Blackburn (2002) explain, if a small company is competing on the basis of low cost strategies with little emphasis on product innovation, then employers are likely to demand few labour skills. Therefore, they will have few incentives to offer their employees training and development opportunities.

Employees themselves may be a barrier to the upgrading of their competence levels, especially if they are unconvinced of the benefits of training and learning, they are afraid of further responsibilities derived from them or they have limited time (e.g. persons with family responsibilities). Due to the low career development chances and the absence of a demonstrable link between small firm employees undertaking training and their earning capability, employees in small enterprises may show little enthusiasm for additional training (Johnston and Loader, 2003; Kerr and McDougall, 1999).

Finally, a significant obstacle that limits the ability of small firms to engage in formal training activities is that SME entrepreneurs are often not able to diagnose their own competence needs effectively. The entrepreneur’s limited information and contact with sources of competence results in a limited overview of the opportunities available and links to their workforce’s competence needs. Also, small firm owners are often critical about the quality of the existing supply of formal training and external advice arguing that it is not relevant to their specific business needs (Observatory of European SMEs, 2003a).
The review of the potential barriers to training and learning among small firms shows that there are numerous factors preventing HRD provision in such organisations ranging from conventional financial constraints, limited owner commitment and fear of poaching to more eclectic arguments such as, the role of individual uncertainties and potential misunderstandings of the role of training. The available studies indicate that better access to information on the applicability and usefulness of HRD to small firms can be crucial to overcoming the barriers to skills development that exists among such firms. The analysis suggests that a key challenge for policy makers in this area is to facilitate changes in owner attitude, improve access to training interventions and alter the current financial incentives for skills development.

The available evidence around the determinants of workforce skills development suggests that numerous factors can affect small firm training. Yet, an important factor to any discussion about training and development in the SME sector appears to be the small firm owners’ views in relation to HRD since firm owners determine the learning culture for the company. Despite the importance of owners’ attitudes towards HRD, there seems to be limited research around this issue. Existing evidence shows that some owners may be keen to ensure employee skill development and believe that developing their staff makes a real difference to their business; for others, workforce training is often little more than ‘a motherhood’ statement. Some view it as an operational expense rather than an investment while others are either not aware or yet to be convinced of the benefits of training. In this context, the present study attempts to fill this lacuna in the international HRD literature by looking at small firm owners’ views around employee training within an advancing economy.
2.6 Conclusion

The current chapter has reviewed the literature around skills development and competitiveness focusing on the small business sector in order to identify knowledge gaps, which the present study attempts to fill. The review starts by discussing the theory of skill formation systems. It looks at the relationship between skills development and economic growth and examines the fundamental impediments to the realisation of a high-skills economy, which lock a significant proportion of the workforce into low skill work. A number of key societal conditions necessary for the attainment of an ideal-type high-skills society are also discussed. Among the key conditions feature a value-adding rather than cost-cutting approach to productivity and competitiveness, the continuous development and investment in human capital and high levels of trust between employers and workers, which are embedded in the institutional fabric of society. The key argument that emerges from the discussion is that the relationship between skill supply and demand is not a mechanistic one. This means that an increase in the skill levels of the working population does not automatically affect employer demand for a skilled workforce.

The review moves on to discuss the relationship between small firm growth and economic, as well as social success. The discussion indicates that SMEs play a key role in the global arena, as they form a major source of employment and innovation. Evidence reveals that large enterprises are no longer the major providers of new jobs for many nations. Instead, most new jobs emanate from small enterprises. In the Greek case, more specifically, it is stressed that 99.7 per cent of all organisations are SMEs representing around 75 per cent of the workforce of the private sector and 60 per cent of the total employment.

Given the fact that small establishments are significant contributors to a dynamic economy, the role afforded to small firms in the debates around skills development and competitiveness is examined in the remaining sections of this review. Various existing definitions of SMEs are discussed, whilst the main attributes and values of small enterprises are outlined, including the uncertainties and constraints that such
organisations face. A key distinction between 'traditional' and 'innovative' SMEs is made to emphasise the heterogeneous picture of this sector. The more innovative SMEs are characterised by a high degree of process and product innovation and by the use of forms of work organisation, which require high functional flexibility and a skilled workforce. In contrast, traditional SMEs are characterised by poor working conditions, standardised production and a low-skilled workforce.

The nature of HRM in SMEs has also been discussed in this chapter. The empirical evidence shows that the availability of quality workers is crucial for the survival and growth of SMEs and thus, small firms have to carefully implement human resource practices. The discussion seems to suggest that HRM in such firms is fairly piecemeal and reactive, rather than proactive, holistic or systemic. Human resource practices in SMEs appear to be predominately informal, short-term and opportunistic; nevertheless, they may be effective in the small business context.

Furthermore, in the present chapter, the nature and extent of training activity in the small business context has been examined. The available empirical studies indicate that the characteristics of training and development in small organisations concur with much that is characteristic of SMEs themselves, that is, essentially informal and action-oriented aimed at solving immediate workplace problems rather than the development of people. Employee training is focused on the specific work practices of the business rather than on generic skills, learning is undertaken on work premises, there is very limited use made of external training providers and there is limited forward planning. However, it is suggested that such an informal approach may be in some cases rational from the point of view of the individual owner. Given the high failure rates of new SMEs and the short time horizons within which most SMEs operate, it is unlikely to be an optimal approach to expend resources on long-term planning of human resources. Moreover, each small organisation is unique in its composition and culture and therefore, not readily seduced by formality and standardisation.
The determinants of enterprise training, as well as the barriers to training and learning in the small business sector were discussed at the end of this chapter. Several factors seem to impact on the propensity of firms to train such as, product or market development, owner commitment towards staff training, technical changes, competitive pressures, the external labour market, workplace changes, recruitment of new staff, organisational culture and structure, job design and work organisation, management support, industrial relations processes, performance reviews, government support, legislation and quality initiatives. On the other hand, the most frequently mentioned barriers to training and learning in SMEs tend to be owners' negative attitude towards staff training, financial and time constraints, lack of management experience, lack of employee motivation due to the absence of internal labour markets and poaching concerns.

The literature review reveals that although there is much talk about the labour productivity of firms, industries and nations, there seems to be a lack of understanding around the mechanisms of productivity improvement at the workshop level. In particular, there is a lack of understanding around the ways individual workers in industry learn and acquire the skills, which are the basis of productivity and economic competitiveness at the national level. How effectively education and training are institutionalised in the industrial sector is one of the major factors which determine productivity, and hence the outcome of competition in the world market. Against this background, the present research study aims to fill this knowledge gap by investigating HRD in the context of an advancing economy. The study looks at how workers in SMEs are trained, as well as how they expand and deepen their skills and examines the factors that affect training provision in order to understand how HRD can help advancing countries such as Greece improve their competitiveness.
Furthermore, the literature shows that a number of contributions to the HRD literature have sought to examine the extent of formal training activity in large organisations and SMEs and assess in quantitative terms its impact on firm outcomes. However, there is scant research and understanding around owners’ perceptions of the relationship between training and performance, as well as around the nature of training and its connection with other HRM practices within small organisations. This study seeks to fill the aforementioned gaps by looking at small business owners’ attitudes towards HRD in the context of an advancing economy.

Finally, the literature review indicates that existing evidence in relation to skill formation systems and economic performance derives mainly from empirical work conducted in the advanced world. Most studies have explored the route to a ‘high-skills’ economy across advanced countries. Yet, there is very limited previous research in advancing economies looking at the conditions required for the achievement of a ‘high-skills’ society. The present study attempts to fill this knowledge gap by exploring the extent to which the ‘high-skills’ thesis is applicable to other contexts outside the developed world.

The next chapter looks at the research design of the present study. In particular, it describes and critically evaluates the research tools used in order to explore the training strategies of Greek industrial SMEs and examine the variables determining training provision.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
As noted in Chapter One, the main aims of this research are to explore the nature and extent of employee training and development provision in small-and medium-sized manufacturing organisations in Greece and the key variables that shape this. The purpose of this chapter is to present the methods and techniques that were employed to collect the data during the field research conducted in Greece.

The chapter begins with a discussion around the rationales for the chosen philosophical position and research approach along with a justification for the selected research strategies. The contents and processes of the techniques for data collection employed in this research are presented next, with discussions on the strengths and weaknesses of each technique and on the methods utilised to minimise their drawbacks. The chapter goes on to discuss a range of ethical issues associated with data collection along with the data analytic approaches. Finally, a number of difficulties linked to the fieldwork are outlined.
3.2 Research Philosophy
The philosophical position, which a research project adopts, depends mostly on the research questions a study seeks to answer. Taking into consideration the objectives of the present study, this research reflects the philosophical stance of realism. Realism is based on the belief that a reality exists that is independent of human thoughts but recognises that people themselves are not objects to be studied in the style of natural science (Carter and New, 2004; Saunders et al., 2003).

The study attempts to identify broader social forces and processes (e.g. government regulations, trade union activities) that affect small firm owners’ training strategies in the Greek context without their necessarily being aware of the existence of such influences on their interpretations and behaviours. Yet, at the same time, it recognises that business situations are a function of a particular set of circumstances and individuals and hence, it tries to discover the details of the situation in order to understand the reality behind them. As such, it aims to gain a deep understanding of small firm owners’ subjective reality in order to identify the processes that influence the nature of their views in relation to human capital investments.

3.3 Research Approach
In research practice, there is a common distinction between a deductive and inductive approach. The deductive approach develops a conceptual and theoretical structure, namely a ‘hypothesis’, prior to any empirical observation. The hypothesis is then tested through a comparison to the observed results (Jankowicz, 1995; Robson, 1993). In contrast, the inductive approach starts from the observation of empirical events and gradually comes to construct the explanation and theories based on that empirical observation (Easterby-Smith et al., 2002; Gill and Johnson, 1997).
The exploratory nature of the present study along with the absence of a theoretical framework around the nature and determinants of training in SMEs in the Greek context suggested that an inductive approach would be appropriate. This approach enabled the researcher to investigate both the HRD strategies of small organisations and owners’ attitudes towards HRD in order to build theory and bring new insights in the field of HRD. As stressed by Storey (1994) and Hendry et al. (1995), there is a serious lack of theory development around this topic. Similarly, Hill and Stewart (2000), having undertaken a comprehensive overview of existing research on training in small enterprises, point out that well-conducted exploratory research that attempts to develop new theory is notably absent from the body of knowledge relating to HRD in the small business sector. As a result, decision-making in relation to workforce skills development has been based on ignorance, guesswork and doctrine.

3.4 Research Strategy

As mentioned in Chapter One, the present study involves a general analysis of a single industry located within a national policy context. In effect, therefore, it could be argued that in this research a case study approach was adopted to answer the research questions and meet the research objectives. The case study approach relied on multiple sources of evidence including telephone interviews, a mail survey and semi-structured personal interviews.

More specifically, the data collection process involved three different research projects. First, the researcher conducted seven telephone interviews with high-ranked industrial policy makers in Greece during November-December 2006. The second project involved a mail survey of textile firms, which took place during June-September 2007, whilst the final project involved twenty personal interviews with owners, appointed general managers, production managers and supervisors, technicians and machine operators of four textile SMEs. The data collection tools are discussed in more detail in sections 3.5.2 and 3.5.3.
Traditionally there has been a prejudice against the case study approach in business and management. The greatest concerns have been over the lack of rigour and lack of scientific generalisation of case study research. Such lack of rigour is less likely to be present when using other strategies possibly because of the existence of numerous methodological texts providing researchers with specific procedures to be followed (Yin, 2003). Yet, the case study method has considerable ability to generate answers to the question ‘why’ as it enables the researcher to gain a rich understanding of the context of the research and the processes being enacted (Bryman, 2001). According to Yin (1984: 23), ‘the case study research method allows the investigation of a contemporary phenomenon within its real-life context, when the boundaries between phenomenon and context are not clearly evident, and in which multiple sources of evidence are used’.

The decision to focus on the textile sector during fieldwork was taken because this particular segment of the Greek economy has been facing the greatest problems since 2000 in terms of lost competitiveness, labour misplacement and firm closures, as discussed extensively in Chapter Five (section 5.4.2). As a result, there has been an intense policy and academic interest in Greece to help the specific sector overcome this crisis.

Conducting a sectoral case study had a number of advantages and disadvantages. In terms of the advantages, the particular strategy offered flexibility and revealed a range of perceptions around organisational change, learning interventions within small firms and how those involved interpret them. Given the dynamic and changing contexts in which Greek textile SMEs operate, this strategy proved very useful to investigate the training practices of such firms because of its ability to adapt to areas of original and emergent theory. The fact that the study did not concentrate on other segments of the manufacturing industry allowed the researcher to conduct a more in-depth analysis of HRD within industrial SMEs using various data collection tools.
Furthermore, it allowed the researcher to concentrate upon the owners' attitudes towards HRD recognising the important role that owners/managers take in the day-to-day running of their firms. In most cases, owners/managers are directly involved in all the important aspects of the decision-making process relating to training strategies and, hence, exploring their attitudes to training has been a key theme in the HRD literature. This strategy was suitable for such type of investigation because it informed the researcher about the reasons why some textile employers choose to train their staff and others not.

Additionally, this strategy enabled the researcher to gain a richer, more robust understanding of the textile sector than would be possible with other strategies. The primary purpose of this study has been to generate understanding around the HRD processes within Greek industrial small firms and not to establish causal relationships between variables. In this respect, the sectoral analysis offered a richness of detail rather than statistical generalisations and explored issues that seemed confusing and difficult to understand such as owners' attitudes towards the value of HRD for their firms and managers' views around the importance of formal and informal training. Doing a sectoral study allowed the researcher to go beyond a superficial evaluation of a point of view by obtaining information from the informants using multiple techniques, which included the reasons for an opinion. Because of the wide range of techniques that were chosen to collect data, this strategy established valid and reliable evidence.

As Flyvbjerg (2006) has stressed, the most advanced form of understanding is achieved when researchers place themselves within the context being studied. Only in this way can researchers understand the viewpoints and the behaviour, which characterises social actors. In this research, there were more discoveries stemming from the type of intense observation made possible by the case study than from statistics applied to large groups. The proximity to reality, which the case study entails, made the particular strategy suitable for generating advanced understanding around the training activity within Greek industrial SMEs.
Specifically, the telephone interviews enabled me to explore the supply-side of the training market in Greece, whilst the postal survey and the personal interviews in the four case study firms helped me to understand the training process at the enterprise level. Both the postal survey and the personal interviews provided the means by which results were compared and led to a more robust understanding of the training practices within textile SMEs.

The main disadvantage of conducting a sectoral case study was the fact that respondents' views around HRD cannot be taken as representative of the entire Greek manufacturing industry. However, as previous studies have revealed, most industrial sectors in Greece face quite similar problems to the textile sector and they are also dominated by SMEs that follow cost-cutting business strategies (IOBE, 2005; SEV, 2005a). In this context, it would not be unreasonable to generalise conclusions from the particular sectoral study regarding the training practices of Greek industrial SMEs.

Published HRD research reveals that there is no 'one best way' in terms of research strategy. The contributions display an array of specific methods of data gathering and analysis and all address in their own ways issues of reliability and validity (McGoldrick et al., 2002). For example, HRD studies seeking to examine relationships between and among variables make extensive use of quantitative tools and survey research has contributed substantially in this respect (Short and Kuchinke, 2002).

Yet, there are research efforts in the HRD field that have used case studies indicating a preference for depth and richness of data and for texture and nuance rather than numerical patterns and statistical validity (Hendry et al., 1995; Hill, 2002). It has been argued that the case study method can be particularly suitable for researching HRD in SMEs as the interaction with people in various ways (i.e. observation, qualitative interviews) allows an understanding of people's knowledge, opinions, interpretations and experiences of learning and training (Hill and Stewart, 2000).
The main goal of the present study was to consider all the research strategies in an inclusive and pluralistic fashion. In this respect, a sectoral case study was undertaken since it enabled the researcher to obtain rich findings and gain an in-depth understanding of the training process within Greek industrial SMEs.

3.5 Data Collection Tools

As outlined in section 3.4, the present study utilised a multi-methods approach in data collection involving different types of interviews and a postal questionnaire. According to Jankowicz (1995) and Punch (1998), studies employing mixed-methods may provide a better understanding of a phenomenon than if just one data collection method had been used, since the possible bias or uncertainty of any information collected can be prevented or minimised through the process of 'triangulation', which is defined as using multiple methods to capture a sense of reality.

In this research, the questionnaire was used to explore the extent of formal training provision in Greek industrial SMEs, as well as identify a list of determinants of training activity. The flexibility and convenience associated with the questionnaire survey enabled me to examine the issues in question for a large sample of Greek SMEs and allowed generalised conclusions to be drawn. On the other hand, telephone interviews were used primarily to help me gain a sharpened understanding of the policy response in relation to the problems that Greek textile SMEs face, whilst face-to-face interviews brought rich findings on why Greek employers adopt a particular stance towards HRD.

This methodological 'triangulation' enabled me to neutralise the method effects and thus, led to greater confidence being placed in the conclusions reached. In the following sections, the data collection procedures are discussed in detail. More specifically, section 3.5.1 deals with the secondary data collected throughout this research, whereas sections 3.5.2 and 3.5.3 present the interview process and the survey procedure respectively.
3.5.1 Secondary Data

Secondary data include both quantitative and qualitative data and they can be a useful source from which researchers may begin to answer their questions and meet their research objectives (Hakim, 1982). In practice, it was intended to collect and analyse as much secondary data as possible, which were deemed relevant to the aims of this study, throughout the whole period of the research. In this regard, various types of secondary data were collected and analysed such as organisations' reports, trade union surveys, government publications, industry reports, academic surveys, as well as numerous academic books and journals. All these data provided a wide range of information relevant to the research objectives of the study and were very useful for the corroboration of those primary data collected through questionnaires and interviews.

More specifically, various secondary data were collected and analysed in order to: examine skill creation theories; outline the role and importance of SMEs in modern economies; understand and explain the main characteristics of the small business sector; highlight the kind of employment relations prevalent in this type of firms; understand the reasons why some SMEs provide training (either formal or informal) and others not; and stress the main benefits of employee training for the small enterprise. As far as the Greek background is concerned, numerous government publications, trade union surveys and industry reports were used to look into: the competitiveness of the Greek economy; the educational and training system in Greece; the employment relations in the Greek small business sector; the current state of the Greek manufacturing industry; and the existing conditions in the textile sector in Greece. Due to the limited pre-existing literature and the absence of sufficient statistical information around Greek SMEs\(^2\), great effort was made to collect relevant data from secondary sources.

\(^2\) As it has been continuously stressed by the Economic and Social Council of Greece (OKE, 2003), the National Statistical Service of Greece (ESYE) does not collect sufficient data around the business behaviour of Greek SMEs.
3.5.2 Interviews

Interviews are one of the most widely used methods of data collection in business and management research. Interviews may be highly structured discussions or they may be unstructured conversations. In this section, the term interview denotes the latter type of interviews, which are frequently used in qualitative research (Cooper and Schindler, 1998; Zikmund, 2003). Qualitative interviews were mainly used to explore and explain what is happening in the Greek textile sector in relation to training and development, as well as to seek new insights and understand the relationship between variables.

This research involved a major exploratory element. Therefore, the use of qualitative research interviews as a method of data collection was thought to be advantageous. As Zikmund (2003) argues, studies that involve an exploratory element are likely to include qualitative interviews in order for the researcher to be able to understand the reasons for the attitudes and opinions of the participants. Among the different kinds of interviews, semi-structured interviews were used for the purposes of this research both during the first stage of the research process and during the casework. It was thought that a structured approach would not add any value due to the fact that it would involve a predetermined and standardised set of questions, while in-depth interviews would be very time consuming and the breadth of investigation could become very wide. Therefore it was more appropriate to have a list of themes and questions to be covered as it can be done with semi-structured interviews.

Collecting empirical data using qualitative interviews had a number of advantages and disadvantages. In particular, interviews helped me to understand why organisations in the Greek manufacturing industry use specific training methods and techniques for the delivery of their training programmes, as well as the reasons underlying small business owners' decisions to train more extensively their workers. Also, they allowed me to explore the context within which Greek manufacturing organisations operate. Various contextual variables such as, organisational culture, structure, job design, work organisation, management style were explored through
personal interviews, as it was not possible to be explored thoroughly by means of a structured survey. As Wass and Wells (1994), Marshall and Rossman (1999) and Robson (2002) have argued, during qualitative interviews, the researcher can explore in depth the meanings that underpin people's lives, routines, behaviours and feelings, as well as observe the respondent's environment. Such observations may provide added dimensions to data collection.

On the other hand, this was a time consuming method. A limited number of participants were interviewed due to time considerations. The structured questionnaire could be completed in no more than 20 minutes, while most semi-structured interviews lasted from 40 minutes to 60 minutes. The issue of time discouraged many small business owners and managers from participating in personal interviews. Also, it was more expensive to administer than postal questionnaires as the researcher had to travel by various means of transport in many disperse locations in order to interview the participants. As Bryman (1988) and Arksey and Knight (1999) have pointed out, when it comes to interviews only a limited number of respondents may be interviewed due to resource considerations.

Despite the above limitations, interviews enhanced the validity of this research, since they were used as a means to investigate both the measures adopted by policy makers in Greece in order to move the manufacturing sector to a high-growth trajectory and the training strategies of Greek manufacturing SMEs. In this context, the researcher contacted seven high-ranked policy makers who had an in-depth knowledge of the issues in question and had expressed an interest to be interviewed (during initial contacts through e-mail) in order to conduct a series of telephone qualitative interviews.

---

3 Some interviews were carried out within the owner's firm, whereas some others were conducted in various locations including the Athens University of Economics and Business.
In all, seven semi-structured telephone interviews were conducted during November-December 2006 with key informants from: a Greek Ministry; a business association; a public organisation responsible for the promotion and development of Greek SMEs; two Chambers of Commerce and Industry; and two non-profit research organisations. The duration of the interviews ranged from 20 minutes to 40 minutes depending on the informants’ work commitments. The purpose of the interviews was to explore the problems faced by Greek manufacturing SMEs and identify the policy measures taken so far to resolve the issues in question with special reference to textiles (Appendix 1).

In particular, the interviews enabled me to gain an understanding of the current government initiatives towards skills development in the Greek manufacturing industry and they also formed the basis for further case study work as they helped me to build the necessary networks that allowed me to gain access to textile SMEs for subsequent fieldwork. It is well known that research access to small firms is difficult as small business owners or managers are time pressured due to multiple responsibilities and often are unfamiliar with academic research (Scase, 1995).

As such, I initially contacted fifty textile firms that were judged as representative of the textile sector covering a wide range of sizes and sub-sectors within Greek textiles in order to carry out further research work but only four of them agreed to participate in ongoing fieldwork. Thus, the casework involved three small and one medium-sized textile organisations that showed willingness and interest to participate in the particular research study. Research interviews took place in Greece during April 2007-October 2007. Specifically, the researcher conducted face-to-face semi-structured interviews with twenty staff members in the four case study firms including owners, general managers, managing directors of production, production supervisors, technicians and machine operators⁴. Respondents were selected on the basis of their willingness to participate in the study, as well as on the basis of the

⁴ In all, the respondents included: 2 small business owners, 2 general managers, 3 managing directors of production, 2 production supervisors, 2 technicians and 9 machine operators.
researcher's individual judgment on whether they could provide the necessary information needed for the research according to their job responsibilities, position and involvement in the subject studied.

In the first organisation (WEAVIX), semi-structured interviews were conducted with the owner of the company, the managing director of production and two machine operators. Various company documents were also reviewed. In the second organisation (WOOLTIL), interviews were conducted with the owner of the company, the production manager and two experienced machine operators, whilst in the third organisation (YARNEXIL) interviews were conducted with the general manager of the company, one departmental supervisor (from the wool department), one very experienced technician and three machine operators, whereas various company documents were reviewed. In the fourth organisation (KNITTCO), interviews were conducted with one of the general managers of the company, the production manager, one departmental production supervisor (from the finishing unit), one technician and two machine operators. The duration of each interview varied from 40 minutes to 60 minutes, depending on the depth and requirements of the discussions.

Since the interviews were semi-structured, some questions were added during the interview process; a degree of flexibility was essential to exploit emerging issues fully, particularly when the participants were keen on discussing them. The key purpose of these interviews was to explore how small business owners or managers of Greek textiles SMEs look on training and development and to appreciate the kind of problems and obstacles this activity faces. The interviews included open-ended questions and the main themes covered during them were as follows (Appendix 2): general organisational information (e.g. number of employees, firm ownership, main markets); organisation of training (e.g. training policy, training department, human resource management practices used); the nature and extent of training provision (e.g. training needs analysis, methods of training provision, training evaluation, training budget, training content, frequency of formal and informal training activity);
the forces affecting employee training (i.e. drivers and barriers to workforce training); and the benefits of employee training activity.

3.5.3 Questionnaire
The questionnaire is one of the most widely used data collection techniques. The greatest use of questionnaires is made by the survey strategy. Due to the fact that each respondent is asked to reply to the same set of questions, it provides an efficient and economical way of collecting responses from a large sample prior to quantitative analysis (Saunders et al., 2003). Questionnaires are frequently used to identify and describe various phenomena, as well as examine and explain relationships between variables (DeVaus, 2002; Hutton, 1990; Salant and Dillman, 1994).

The advantages of using a mail questionnaire as a data collection technique in the present study were numerous. In particular, it was not a time consuming method. The use of close-ended (standardised) questions facilitated the quick completion of the questionnaire since respondents could complete it in a few minutes. Also, it was a method that could allow the respondents to answer the questions in their own time and at their own pace. The fact that mail questionnaires could offer flexibility in time enabled me to achieve a large number of responses, since the majority of small business owners or managers were extremely busy during the working day and they were not able to respond to other types of survey. Having a large number of respondents, in turn, enabled me to make general inferences about the training and development activity in the entire Greek manufacturing industry. Finally, it was a method that could ensure anonymity of the respondents, allowing me to ask questions in which the respondents could avoid giving answers they thought I wanted to hear.
As Berdie et al. (1986), Burns (2000) and Bryman (2001) have stressed, the use of mail questionnaires offers the possibility to survey a large number of subjects, as well as subjects in more diverse locations than is practical with the interview. Also, postal questionnaires can ensure anonymity allowing the researcher to elicit more truthful responses than would be obtained with a personal interview.

On the other hand, using a mail questionnaire resulted in a number of difficulties. More specifically, there was difficulty in designing the questionnaire. I had to ensure that the design of the questions and the structure of the questionnaire would enable accurate data to be collected and the research questions to be answered. As Saunders et al. (2003) note, the validity and reliability of the data collected through questionnaires depend to a large extent on the design of the questions, as well as the structure of the questionnaire. Also, there was a degree of difficulty in ensuring that the right person (i.e. the owner of the firm or appointed managers) answered the questionnaire. As Oppenheim (2000) and DeVaus (2002) argue, due to the absence of face-to-face contact in mail surveys, the researcher cannot be sure whether the right person has responded or not.

3.5.3.1 Developing Questionnaire

As mentioned above, the type of questionnaire used in the present study was self-administered (mail questionnaire) and included almost exclusively closed questions (Appendix 3) with the view to making the task of respondents easier and the collection and analysis of evidence simpler. I adapted questions used in other questionnaires along with my own. In particular, a number of previous surveys in the area of human resource development were reviewed, among them Abdullah (1995), Forde (1998), Stuart (1999), Albahussain (2000), Kitching and Blackburn (2002), Cosh et al. (2003), as well as The Workplace Employment Relations Survey (2004). Some of the items for the first draft of the questionnaire were selected on the basis of their clarity and relevance. However, I made changes to adapt the questions to the Greek context.
Once the first draft of the questionnaire was completed, copies were distributed to selected staff members at Leeds University Business School. The purpose of this step was to ensure that the questions covered all the important aspects of the issue under investigation and would answer the research questions. Also, the objective was to invite them to evaluate the questionnaire by answering questions relevant to the content, language, structure and format of the questionnaire. As a result of comments and suggestions offered, a number of changes were made to the questionnaire (i.e. some questions were added and others were deleted).

Once the questionnaire design had been evaluated by a number of staff members and approved by my supervisors, it was necessary to translate it into Greek (Appendix 3). This was considered to be necessary as the population of this study were predominantly Greek speakers and most of them would not understand English sufficiently for the questionnaire to be administered in English. Translation of the questionnaire from English into Greek was a delicate issue in cross-cultural methodology as the intention was to carry over not only the meaning of the questions but also to preserve their tone as closely as it was possible. As Usunier (1998) and Harzing (2005) note, the validity of the research may be affected by the accuracy of the translation and great care must be taken in rendering the questionnaire from one language into another so that the translation does not affect the concepts and meanings of the questions. The questionnaire was first translated into Greek by the researcher and then it was given to two expert translators to check the translation. Subsequently, the researcher gave the Greek questionnaire to two other expert translators to render the Greek questionnaire into English. The result was then compared with the original version to identify and correct semantic errors in translation.

After completing the design of the questionnaire, piloting was carried out in March-April 2007 through a group of seven SME owners of Greek textile organisations and three researchers from private research organisations in the country. As Bell (1999) and Saunders et al. (2003) note, piloting the questionnaire is crucial for the success
of any research because it can ensure that respondents will have no problems in answering the questions and there will be no problems in recording the data. In addition, it enables the researcher to make some assessment of the questions' validity and the likely reliability of the data that are going to be collected. All the respondents provided some valuable input regarding the content of the questionnaire, which resulted in some modifications, including adding, deleting and rephrasing questions\textsuperscript{5}. The final draft of the questionnaire was prepared under the close guidance of my supervisors.

In terms of the population framework and sampling strategy, the population needed all the Greek SME textile organisations operating in Greece, which totals 3,556 businesses according to the latest available data from ESYE census (ESYE 2002a). This involved textile firms employing less than 100 workers. However, due to the fact that the last census business survey carried out by ESYE was in 2002, it was imperative for the present study to find a way to identify a suitable sampling frame that it would be current (i.e. up-to-date) and complete (i.e. include all cases). As Burns (2000), Bryman (2001) and Saunders et al. (2003) argue, it is very important to ensure that the sampling frame of a research study is complete and precise since an incomplete or inaccurate list of cases means that the selected sample may not be representative of the total population.

For that reason, I used a number of sources including the latest\textsuperscript{6} databases of: ICAP (a private Greek database company); the Greek Ministry of Development (General Secretariat for Industry); the Hellenic Organisation of Small and Medium Sized Enterprises and Handicraft (EOMMEX); the Federation of Greek Industries (SEV); the Athens Chamber of Commerce and Industry (EVEA); the Athens Chamber of Small and Medium Sized Industries (VEA); and the Hellenic Fashion Industry

\textsuperscript{5} Some ambiguities in the questionnaire were removed. For example, in question concerning State financial support for training programmes, the pilot questionnaire did not specify a timeframe. The respondents suggested specifying a year (i.e. during 2006) to avoid confusion and thus, the question was changed.

\textsuperscript{6} As of 2006
Association (SEPEE) in order to collect relevant data and information about the exact number of textile organisations operating in Greece at present. Although this was a time consuming process, it was very important in order to establish precisely the sampling frame of this study. By the end of this procedure, I selected the sampling frame of this research, which consisted of 500 micro firms, 170 small firms and 15 medium-sized firms. These were all textile organisations employing less than 100 employees that are currently operating in Greece and for which there were available contact details (address, tel.) so that they could be identified and contacted by the researcher.

Owing to the manageable size of the population, it was viable to survey the entire population and therefore, there was no need to use probability sampling techniques to select a representative sample in which to send the postal questionnaires. As Saunders et al. (2003) note, the selection of a sample is recommended when it is impracticable to survey the whole population due to budget and time constraints. Therefore, the questionnaires were sent to all Greek textile SMEs.

3.5.3.2 Administration of Questionnaire

The postal questionnaire was finally distributed to 685 small textile firms all over Greece on June 2007. Each questionnaire was distributed by direct posting to a named enterprise and it was accompanied by a prepaid University Freepost envelope and a well-written covering letter explaining the purpose of the survey and expressing clearly why it was important the respondent complete the questionnaire (Appendix 3). Additionally, the second week after the initial posting, a postcard was sent to all participants to thank early respondents and remind non-respondents. These steps were taken by the researcher in order to ensure a higher response rate.

The questions were mostly rating questions, although there were some quantity questions as well. The questionnaire itself was designed to measure the extent of formal training activity in SMEs and investigate the opinions of small business owners or managers on a number of issues relating to the nature of training and
development. A further aim was to provide an examination of the relationships that exist between various organisational factors and the training activity. The questionnaire was divided into sections looking at: organisational characteristics; the nature and extent of training activity in Greek textile SMEs; the drivers of training, as well as the barriers to training; and, the potential benefits of workforce training for the surveyed organisations.

In all, 117 questionnaires were completed, producing a response rate of 17.1 per cent. The respondents consisted of 37 micro firms, 74 small firms and 6 medium-sized textile enterprises. The response rate can be considered satisfactory given that the Greek textile sector is dominated by small employers who are extremely busy with daily operations and unfamiliar with academic research, as it has been noted in previous surveys (IOBE, 2005; Mihail, 2004; OKE, 2001, 2003).

As Matlay (1999a,b) has also argued, despite the growing interest of HRD in small firms, few would be prepared to undertake research in this long neglected area due to access/data collection difficulties. Similar surveys in the HRM field that included small firms have achieved response rates of less than 15 percent (Albahussain, 2000; Forde, 1998; Powell et al., 2000). Considering the limited available studies in the HRD field in Greece, the particular survey constitutes the richest firm-based dataset relating to training strategies of SMEs in the country.

3.6 Ethical Considerations to Data Collection
Confidentiality and anonymity were of primary importance throughout this research. In all cases, the data collection has been possible on the condition of confidentiality (investigative survey and case studies) and anonymity (mail questionnaires). This research does not use names of people and organisations. A conscious effort is made throughout this study to adhere to these ethical concerns.
Initial access to the case studies was secured by means of the seven interviews carried out with policy makers and key informants in the Greek manufacturing industry. This stage of fieldwork facilitated access to a number of manufacturing SMEs for ongoing case study work. The four case studies were selected on the basis of personal relationships developed between the researcher and the research subject. This allowed the researcher to collaborate effectively with the research participant, over a sustained period of time, towards the realisation of independent goals and mutual benefits.

3.7 Data Analysis

For the analysis of qualitative interviews, data were recorded by note taking since respondents showed a preference for informality and were more willing to have a long chat over a cup of coffee in a room than to be confronted with a microphone or a tape recorder. For some issues, quantification of some of the qualitative data was also carried out (to indicate, for example, how many organisations had a separate training department or a human resource manager). The analysis of semi-structured interviews was carried out by a thoroughly examination of the interview transcripts question by question, looking for common themes and noting down the similarities and dissimilarities of the answers given by the interviewees. Data analysis and interpretation was carried out continually throughout the fieldwork by way of writing up, coding and repeated reading of case notes.

As for the quantitative primary data, they were coded prior to entry for analysis and they were analysed by computer using the 'Statistical Package for Social Sciences' (SPSS). The types of quantitative data involved in this survey were mainly ordinal data. Descriptive statistics were applied for the purposes of this analysis in order to summarise, describe and compare the set of data. The survey results were presented using tables in order to show specific values, highest and lowest values, as well as compare proportions.
3.8 Difficulties

No research can be conducted without some difficulty or obstacles. This research faced a number of problems, which were dealt with appropriately. More specifically, there were problems relating to the arrangement of personal interviews. I found the arrangement of interviews very difficult, as it typically required a form of personal relationship to gain access to some enterprises and the people managing them. As Myloni et al. (2002) note, in Greek society, personal relationships and connections are vital. If the researcher does not establish a good personal relationship, his/her effort may be doomed to failure. For that reason, I used various existing contacts to facilitate the interview process.

Also, due to the fact that some interviews took place in the owner’s organisation, there were frequent interruptions (phone calls, fax etc) that disrupted and delayed the interview process. Small business owners and managers were extremely busy during a normal working day and thus, some interviews were extended for up to an hour. Finally, there were sampling problems. Because no convenient listing of the addresses of all textile SMEs was available, the researcher had to draw up the survey sample from five directories (see section 3.5.3.1), which included the details of all small Greek textile organisations currently operating in Greece. This required a great deal of effort but was essential to secure the validity of the sample and allow generalisations to be made to the target population.

3.9 Conclusion

The chapter outlines the methodological framework and process by which this study was formulated and conducted. In this study, both secondary and primary research was undertaken in order to answer the research questions and meet the research objectives. A number of secondary literature sources were used such as survey-based and multiple-source secondary data in order to set the theoretical framework of this study.
As far as the primary research is concerned, the study utilised a combination of data collection techniques, including qualitative interviews and a questionnaire survey. This combined approach gave me confidence that the most important issues had been addressed so as to ensure greater credibility of the research findings. The research process involved three main stages. During the first stage, 7 telephone interviews were carried out with high-ranked staff working in various bodies including a Greek Ministry, a business association, a public organisation responsible for the promotion and development of Greek SMEs, two non-profit research organisations, as well as two chambers of commerce. The second stage of primary research involved the administration of a mail survey. In all, 117 questionnaire responses were collected and analysed from Greek textile SMEs to examine the nature of HRD in such establishments. The third stage involved case study empirical work in four textile enterprises. During that phase, 20 face-to-face interviews were conducted with small business owners and employees and various firm documents were reviewed in order to identify the nature and determinants of HRD, as well as explore the owners' attitude towards workforce skills development.

The chapter concludes by describing in detail the data collection tools used, highlighting their advantages and disadvantages and outlining the reasons for their selection. The data collection process is also discussed extensively including the translation of the questionnaire and pilot testing. The final sections of this chapter deal with some ethical issues, as well as the difficulties encountered during the fieldwork.

In the next chapters, an analysis of the secondary and primary data collected is undertaken and the results are presented and discussed. More specifically, Chapter Four sets the background of the present study by looking at the economic and social context of Greece, as well as the education and training system of the country. Furthermore, the characteristics of the small business sector in Greece are examined in order to gain understanding of the training needs of such organisations.
CHAPTER FOUR: THE GREEK BACKGROUND

4.1 Introduction
As discussed in the previous chapter, the study involves a general analysis of a single industry located within a specific national setting. As such, it is important to examine the macro-environment in which Greek small firms conduct their business activities in order to identify the wider socio-economic forces that shape small firms' business strategies.

In this respect, the purpose of this chapter is to present the social, economic and political context of Greece. The chapter begins with an examination of the business environment in the country using the latest economic indicators and continues with a discussion around the National Development Policies adopted by the government during the last decade in order to improve the competitive condition of the Greek economy.

The chapter moves on to present the education and training system in Greece. The structure of formal and non-formal education in the country is discussed. Following this, the ability of the Greek VET system to equip the labour force with new skills demanded by the market to counter unemployment and to achieve social integration of minorities is examined. Recent developments in VET policy are also presented, including efforts for the further development of lifelong learning through the Greek Open University. The chapter concludes with an examination of the small business sector in Greece. Statistical data are used to explore the contribution of small and medium-sized enterprises to the economic and social development of the country. The working conditions in such establishments are also discussed in the last section of the chapter.
4.2. The Business Environment in Greece

In this section, the economic setting in Greece is examined along with the National Development policies during the last decade. The nature and extent of European Community support is also discussed and the policy priorities concerning the improvement of the competitiveness of the Greek economy for the period 2007-2010 are presented.

4.2.1 The Economic Setting

Greece has a population of 10,934,097 people. It has a capitalist economy with the public sector accounting for 40 per cent of Gross Domestic Product (GDP) and with per capita GDP that reached 32,010 million euros in 2008 (ESYE, 2008). As Table 4.1 shows, the Greek economy grew significantly between 2000 and 2008, largely because of increased domestic demand and an investment boom and infrastructure upgrades for the 2004 Athens Olympic Games. However, in 2008, the Greek per capita GDP is still 76 per cent of that of the EU-15 average, whereas public debt, inflation and unemployment remain high and above the euro-zone (EU-15) average (Table 4.2) (Bank of Greece, 2008; ESYE, 2008).

Table 4.1: Economic Activity (in million euros)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>108,117</td>
<td>115,028</td>
<td>136,281</td>
<td>162,526</td>
<td>228,180</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>10,696</td>
<td>10,795</td>
<td>12,417</td>
<td>14,669</td>
<td>32,010</td>
</tr>
</tbody>
</table>


Table 4.2: Greece and the EU-15: Inflation (%), Unemployment (%) and Public Debt (% of GDP) (Data as of 2007)

<table>
<thead>
<tr>
<th></th>
<th>Inflation</th>
<th>Unemployment</th>
<th>Public Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>4.0</td>
<td>8.9</td>
<td>94.5</td>
</tr>
<tr>
<td>EU-15</td>
<td>2.1</td>
<td>7.3</td>
<td>63.3</td>
</tr>
</tbody>
</table>

Source: Bank of Greece (2008)
Notwithstanding robust economic performance from 2000 to 2008, the Greek economy still lags significantly behind the more advanced economies of the EU in terms of living standards. Inflation and the growth rate of unit labour costs (Table 4.3) have persistently eroded Greece's international competitiveness (Greek Ministry of Economy and Finance, 2006). The reasons why Greek GDP per capita is lower than the EU-15 average are considered to be the low employment rate and low labour productivity (GSEE, 2005 a, b; OECD, 2005a). In particular, the employment rate (the employed as a percentage of total population) in Greece in 2007 was 5.3 per cent lower than the EU-15, whilst labour productivity (GDP per employee) was 13 per cent lower (Bank of Greece, 2008).

Table 4.3: Unit Labour Costs (ULC) for the Whole Economy (annual % change)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ULC</td>
<td>6.9</td>
<td>4.2</td>
<td>3.3</td>
<td>4.3</td>
<td>3.9</td>
<td>5.2</td>
<td>3.2</td>
<td>4.5</td>
<td>1.9</td>
<td>3.5</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: Bank of Greece (2008)

Rising labour costs cause greater problems for labour-intensive businesses (e.g. textiles, clothing, leather goods) than for capital-intensive enterprises, with the result that pressure is put on employment in the former sectors, which make a major contribution to GDP and employment. Given the fact that production in Greece is still labour-intensive compared with the European norm, this trend increases relative costs for Greek firms, has an adverse effect on profit margins and suppresses competitiveness (National Bank of Greece, 2005). Thus, competing with other South-East European countries on price by producing low value added products and services is not an available growth strategy since such economies can produce goods at a very low cost owing to available cheap labour. It is frequently argued by policy makers that maintaining a competitive advantage will require moving towards the production of more capital and skill intensive goods and products with higher value added (Economic Chamber of Greece, 2005; SEV, 2003, 2005b).
The developments in unit labour costs are mirrored in domestic inflationary pressures, with the inflation differential being a crucial factor determining a country's external competitiveness. Following EMU entry, accelerating unit labour costs combined with other cost-push developments related to the introduction of the euro and oil price increases (affecting the Greek economy disproportionately due to its high oil dependency), triggered a widening of the inflation differential between Greece and the euro area (Table 4.2) (Bank of Greece, 2008; GSEE, 2005b). In terms of trade patterns and especially export market share, Greece's total exports lag the commensurate level of other South-European countries (23 per cent, compared with 36 per cent in Portugal, 31 per cent in Spain, and 29 per cent in Italy, during the 2001-2003 period). Moreover, exports of goods are following a declining trend during 2000-2008, hit by weak external demand, widening inflation differentials and strengthening competition from low-cost South East European countries (Bank of Greece, 2008). In 2000, the trade deficit of Greece stood at 12.8 billion euros, whilst in 2008 it reached 33 billion euros (ESYE, 2008).

The low employment rate and the high unemployment rate also represent major challenges for the Greek economy. The employment rate in Greece has risen in recent years, but is still one of the lowest among the economies of the European Union (EU-15). In 2004, the employment rate (i.e. employed persons as a percentage of the total population aged 15-64) was 59.6 per cent on average in Greece, compared with 64.7 per cent in the EU-15. This is attributed to the significantly lower rates of female employment (Greece: 45.2 per cent, EU-15: 56.8 per cent) and youth employment (people aged 15-24 years, Greece: 26.8 per cent, EU-15: approximately 40 per cent). These divergences in employment rates partly explain the gap between per capita GDP in Greece and that in the EU-15 (Bank of Greece, 2005, 2008).
Despite the increase in employment, unemployment remains high (data as of 2008) (Table 4.4). The unemployment rate was 9.7 per cent on average in 1995, whilst it reached 11.4 per cent in 2000. Although the rate dropped after 2000, standing at 8.9 per cent in 2008, it remains significantly higher than that in the EU-15 (7.3 per cent). As Table 4.4 indicates, the unemployment rate of young people aged 15-24 is particularly high, while a considerable proportion of the unemployed (54 per cent) are long-term unemployed. Also, a matter of concern is the fact that 40 per cent of the total number of unemployed persons have no previous work experience (i.e. they are new entrants into the labour market) (ESYE, 2005, 2008).

Table 4.4: Employment-Unemployment

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2004</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment rate (%)</td>
<td>58.9</td>
<td>59.6</td>
<td>61.5</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>11.4</td>
<td>10.5</td>
<td>8.9</td>
</tr>
<tr>
<td>Youth unemployment (%)</td>
<td>63.9</td>
<td>59.6</td>
<td>59.0</td>
</tr>
<tr>
<td>Long-term unemployment (%)</td>
<td>56.5</td>
<td>55.0</td>
<td>54</td>
</tr>
<tr>
<td>New entrant unemployment (%)</td>
<td>46.0</td>
<td>41.6</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: ESYE (2008)

The global competitiveness reports published by the World Economic Forum (WEF) and Institute for Management Development (IMD) in 2005 show that Greece lies behind advanced economies across most indicators. The reports examine the competitive condition of economies worldwide based on a number of factors and criteria such as, economic performance, government efficiency, business efficiency, infrastructure and human resources (i.e. education, training and lifelong learning). Both studies reveal that for most criteria, Greece is among the lowest ranked EU-15 countries (IMD, 2006; WEF, 2006).

---

7 15-24 age group
8 Lasting more than 12 months
9 Unemployment amongst new entrants into the labour force
In particular, it is ranked 46th out of 117 economies in the global competitiveness index produced by WEF and 50th out of 60 in the global competitiveness yearbook produced by IMD, whereas among EU-15 member countries it is near the bottom of the table (14th position). In the area of human resources education, training and lifelong learning, Greece is ranked in the last position among EU-15 states along with Portugal.

The survey data from the global competitiveness reports suggest that Greek performance has been poor. Greece continues to have one of the highest corporate tax rates (29 per cent), meagre exports of goods and services and the highest level of deficit and debt of all the EU-15 countries. Significant entry barriers are found in several sectors (e.g. energy), while exit costs (i.e. bankruptcy or closure) relating to significant bureaucratic procedures are also high. Economic and technological infrastructure is very poor and the country is ranked bottom of the table in high-speed broadband networks (Bank of Greece, 2007).

Furthermore, it lags significantly behind public spending on education, quality of educational system, in terms of the percentage of graduates among 25-34 age group and the relationship of university education to economy. Similarly, in the area of research and technological development (RTD) the country remains among the lowest-ranked of the EU-15 countries in the tables. According to 2005 data, Greek spending on RTD is just 0.5 per cent of GDP compared with 2.0 per cent of GDP in the EU-15 (Bank of Greece, 2005, 2007).

Entrepreneurship and business development also face a number of barriers. The indicators are high for entrepreneurship but very low for obstacles to setting up a business and adaptation to market changes. Entrepreneurial investment represents 3.9 per cent of Greek GDP and 15 per cent of gross fixed capital investment. However, a number of concerns are raised about the quality of entrepreneurial activity. Most new firms are essentially individual efforts, classified as being of low
potential as they do not focus on expanding markets, augmenting employment and reinforcing the economy's export orientation (Bank of Greece, 2005, 2008).

As the next section will detail, the Greek government has attempted during the last decade to establish the appropriate framework for the proper functioning of markets, while safeguarding competition, fostering new technologies and ensuring sustainable development through specific National Development Policies and European support. However, as the above analysis shows, the country still faces a number of key challenges including, high inflation and public debt, low employment rate and high unemployment rate, entrepreneurial activity of low potential and the poor quality of education. The next two sections look at the reforms undertaken by the Greek government during the last decade, along with the latest policy priorities, in order to enable Greece to: eliminate the gaps in per capita incomes with EU-15; reduce the unemployment rate of the working population; upgrade education and lifelong learning and reduce fiscal deficits and debt.

4.2.2 The National Development Policy During the Period 1984-2006

Greece is a major beneficiary of EU aid, equal to about 3.3 per cent of annual GDP. During the last two decades, the country has received considerable financial support from the EU through the Community Support Frameworks (CSF), which has been used to underpin a rolling national development strategy. The national developmental strategy applied in Greece from 1984 to 1993 (first CSF) was characterised by a large dispersion of the available funds to small infrastructure projects all over the country. This policy supported economic activity and improved living standards in rural and remote areas. Roads, ports, hospitals, schools, irrigation works, water supply and drainage systems, waste water treatment plants, crop restructuring and improvements in training structures composed the general picture of the interventions carried out in that period (European Communities Commission, 1994, online).
The national development policy during the period 1994-2006, which involved the second CSF (1994-1999) and third CSF (2000-2006), emphasised the following five main areas: education, lifelong training and employment growth; combating exclusion of the workforce; regional support; business support with a focus on SMEs; and, modernisation of public administration. More specifically, policy action involved interventions in the fields of education, basic research, life long learning, welfare and mental health, as well as measures for the promotion of equal opportunities for all in accessing the labour market with particular emphasis on disadvantaged groups of people such as, women and older workers. Furthermore, there was action aimed at the economic development of remote regions throughout the country involving works related to services of general economic interest (e.g. roads, minor ports and health infrastructure), as well as provision of training programmes for the unemployed in those areas. Also, efforts were made to support SMEs through private investment, entrepreneurship infrastructure and access to finance. Finally, an attempt was made for the modernisation of public administration through private sector management, improved ICT infrastructure, e-business and improvement of public buildings (Greek Ministry of Economy and Finance, 2005).

A large amount of money from these CSFs was spent on the development of human capital in Greece. The European Social Fund (ESF)\textsuperscript{10} allocation amounted to a total of 6.8 billion euros and measures focused on modernising secondary level education through the introduction of new technologies, foreign language training and remedial courses for slow learners and improving third-level education through the introduction of new university programmes and the creation of short post-graduate courses. Furthermore, a number of employment subsidies were provided to employers taking on young people for a minimum of six months after the end of their training in order to support lifelong training for the employed, whilst various

\textsuperscript{10} The European Social Fund (ESF) is one of the EU’s four structural funds. It is the EU’s main source of financial support to Member States in order to promote training and make their workforce better equipped to face new, global challenges (European Communities Commission, 2000b, online).
training seminars were organised in professional skills to help unemployed in urban areas re-enter the labour market (Greek Ministry of Development, 2005a).

However, the EU structural funds did not play the role that was envisaged. The poor management of the funds resulted in cost over-runs, delays and poor quality programmes (Greek Ministry of Economy and Finance, 2007, online). More specifically, lacking from the first CSF was the promotion of major infrastructure projects, a prerequisite for attracting foreign investment, along with a focus on productivity, quality and sustainable development. Most funds were allocated to small infrastructure projects such as roads, ports, hospitals, schools and irrigation works in rural and remote areas and not to programmes aimed at the development of human capital that could enhance the productive capacity of the working population (Greek Ministry of Economy and Finance, 2007, online; Hellenic Observatory, 2003, online).

Under the second and third CSFs (1994-2006), a considerable amount of funds was meant to help Greece upgrade its economic and social infrastructure. However, these funds do not appear to have had a major impact on the national growth rate up to now. Major projects like the new Athens Airport, the Athens Metro, bridges and roadworks were characterised by major delays and cost overruns (Hellenic Observatory, 2003, online). Also, a top priority of the above programmes was education and training. Yet, these funds were managed centrally by the Greek Ministry of Labour and the Greek Manpower Employment Organisation (OAED) and their management was bureaucratic and centralised focusing mostly on the control of the funds distributed and paying no attention to the training needs of the end users and the design of the training programmes (Athanasiadis, 2001).
Another priority was the rise in the productivity and competitiveness of public enterprises. The means envisaged was the introduction of private sector management, privatisation and restructuring programmes for loss making enterprises. However, liberalisation proceeded slowly. The pricing policy of public enterprises is still decided by the government and inflexible labour arrangements continue to exist. Loss making enterprises have not been restructured and obscure accounting practices remain (INE-GSEE, 2005b).

The evidence indicates that Greece has invested its ESF funding mostly in HRD to feed the new knowledge economy, as well as boost participation in lifelong learning to sustain employment. Meanwhile, the country has attempted to invest in basic infrastructure and improve the capacity of its public administration. However, State strategies seem to be insufficient and badly organised. As discussed in the previous section, unemployment remains much higher than the EU-15 average, and women and young people are particularly affected. Education levels also pose problems for future growth and employment. As it will be shown in the following sections, educational policy appears to be one of the worst failures of the Greek State. The country has a large uneducated labour force, whilst there is a lack of intermediate qualifications, which does not seem to preoccupy the political authorities, who put all the emphasis of the educational policy in the elimination of the uneducated and the increase of tertiary education.

The Greek economy was and remains the least competitive one in the European Union (EU-15), despite efforts for recovery. The basic problem lies with the development model it follows and the inability of either market forces or State intervention to direct it from a low cost into a high performance economy, based on human resources, adaptation to new technology and restructuring towards sectors with high value added and international demand. According to official government announcements, the major need of the economy is the creation of a pool of technological knowledge and an improvement of human capital. State policies have followed this direction, through CSF funding, yet the success and cost-effectiveness
of these policies is questioned. In particular it is not yet evident to what extent and which part of the Greek productive sector has adapted to the new model requirements. In that sense an effective matching of economic development and labour market policies becomes a crucial element for development. The next section looks at the latest policy priorities in order to identify the future focus of policy intervention in Greece.

4.2.3 Policy Priorities for the Period 2007-2010

According to official reports and public statements, the key aspiration of government policy is to boost the skills of all citizens, mainly through the formal education system. The underlying assumption is that boosting the supply of educated workers will, of itself, enhance labour productivity and the country’s competitiveness. It will also allow individuals to fulfill their potential and to play more active roles in society (Bank of Greece, 2005, 2008; Greek Ministry of Development, 2005a, b).

In this context, improvements in tertiary education and lifelong learning provision are major policy priorities, backed up by more investment in research and innovation and stronger links between universities and firms. In particular, the bulk of the 4th CSF (2007-2013) is intended to go towards the improvement of higher education and training for both the employed and unemployed population in Greece, whilst public expenditure on formal education is intended to increase from 3.5 per cent of GDP to 5 per cent by 2009 (Bank of Greece, 2007, 2008). Furthermore, the government aims to increase public spending on research and development from 0.5 per cent of GDP to 1.5 per cent by 2009, as well as create the necessary preconditions (e.g. provision of generous research grants, upgrade research infrastructure) to enable scientists working abroad to return back to Greece and apply their knowledge (Greek Ministry of Development, 2005b).
Fiscal consolidation and the acceleration of structural reforms are also among the main priorities of the Greek government in response to the major economic and social challenges of the post-Olympic era. In order to maintain high growth rates, while at the same time achieving fiscal targets, a different policy mix will be implemented involving measures to improve tax collection and intensify the fight against tax evasion, an increase in indirect tax revenue, along with higher excise taxes on fuel and tobacco products and lower expenditure for pensions. Structural reforms will involve the simplification in setting up a business and improved access to finance for firms. Furthermore, the conversion of unemployment benefits to employment subsidies for registered unemployed, the improvement of the job-matching efficiency of the public employment service and the increase of the rent subsidy for unemployed persons finding work away from their hometown will be among the measures of the government in order to reduce unemployment (Economic Chamber of Greece, 2005; Greek Ministry of Economy and Finance, 2005; Hellenic Observatory, 2007; OECD, 2005a).

Notwithstanding the aforementioned policy actions, the structural problems in the labour market seem to have been only partially addressed, thus keeping productivity and the rate of employment at relatively low levels. The end result is that Greece still lags significantly behind the more advanced economies of the EU in terms of living standards. The government seems to have failed so far to remove the impediments to the entry of young people into the labour market, through better tailoring the education and professional training systems to the labour market requirements, as well as to attract more women and older people into employment by improving, for example, child-care systems and promoting equal opportunities.

The Greek government appears to be strongly committed to increase its spending on formal education in the upcoming years and make sufficient use of lifelong learning with the view to promote a knowledge-based society. Although policies aimed at fostering a knowledge-based society and improving job-specific skills have the potential to increase employment and labour productivity, they are not sufficient on
their own to ensure success. Increasing the rates of employment and labour force participation requires policies geared more directly to attracting people into the labour market and improving the market's flexibility.

It becomes apparent in this section that government policy-makers seek to encourage the working population to acquire new skills and develop existing competences in order to combat unemployment and improve labour productivity. To this end, formal education features as the main means for upskilling. There is a widespread consensus in policy circles that more education and training will inevitably bring economic success. However, as it has been frequently stressed in the HRD literature, the relationship between skills development and economic success is a complex one (Ashton and Green, 1996; Crouch et al., 1999).

Although the Greek government is attempting to move the economy to a high-skill trajectory, a large number of domestic firms may not demand a higher set of skills. As it was noted in Chapter Two, firm strategy constitutes a key determinant of workforce skills development. Therefore, policy initiatives that do not have a direct impact on firm product strategy formation are unlikely to generate more high-skills jobs. Firms attempting to move 'up-market' in terms of product strategy will need ready access to capital to finance investments in machinery, equipment, IT systems, product development and sales and distribution networks. Much will also depend on the capability of senior management in those firms to assess market opportunities accurately, to plan ahead for the additional physical capital and skills that will be required and to combine those resources effectively in implementing the new product strategy. Hence, policy intervention that places a narrow emphasis on skills development runs the risk of failing to deliver the desired outcomes. The next section looks at the quality of the education and training system in Greece in order to examine if it can support the governmental policies around skills upgrading of the working population.
4.3 The Education and Training System in Greece

In this section, the education system in Greece is examined along with the recent developments in VET policy. The section considers the structure of formal and non-formal education in Greece and the latest developments in initial and continuous vocational training.

4.3.1 The Formal Education System

Education represents a core parameter shaping productivity and competitiveness in the long run (ILO, 2003). However, in Greece, it lags significantly compared with other developed countries, both on quality, as well as its links with production (Bank of Greece, 2008). Although the rate of university graduates has increased since 1995, a very large percentage of the population in Greece only has completed primary level or secondary level education (Table 4.5) (ESYE, 2005). Furthermore, training and lifelong learning, which is an important element of a long-term growth strategy for Greece remains unexploited. The index of participation rates in job-related training for employees aged 25-54 years, made by the OECD in 1999, ranked Greece in the last position of EU-15 with just 1.4 per cent of the adult population involved in a training programme, compared to 8.4 per cent for EU-15 (OECD, 1999a).

Table 4.5: Level of Educational Attainment in Greece (1995-2005) as % of the Population

<table>
<thead>
<tr>
<th>Level of educational attainment</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate diploma (Doctorate or Master’s degree) holders</td>
<td>0.2</td>
<td>0.2</td>
<td>0.7</td>
</tr>
<tr>
<td>University graduates</td>
<td>7.6</td>
<td>7.8</td>
<td>9.3</td>
</tr>
<tr>
<td>Higher technical-vocational education graduates</td>
<td>5.3</td>
<td>6.7</td>
<td>8.7</td>
</tr>
<tr>
<td>Secondary education graduates</td>
<td>25.2</td>
<td>26.1</td>
<td>29.6</td>
</tr>
<tr>
<td>Primary education graduates</td>
<td>29.6</td>
<td>28.4</td>
<td>25.6</td>
</tr>
<tr>
<td>Attended no school at all</td>
<td>2.8</td>
<td>3.2</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Sources: ESYE (2005)
The same situation in terms of educational attainment can be observed in the manufacturing industry specifically. As Table 4.6 shows, 36 per cent of industrial workers possess secondary education qualifications, a further 25 per cent have completed only primary education, whereas 15.4 per cent leave the system with no recognised qualifications (ESYE, 2005). As the next chapter will discuss, the lack of a well-educated workforce is considered by policy makers as the key reason that undermines the ability of Greek manufacturing organisations to adopt high value added product strategies and compete in international markets.

Table 4.6: Level of Educational Attainment in the Greek Manufacturing Industry (1995-2005) as % of the Persons Employed in the Industry

<table>
<thead>
<tr>
<th>Level of educational attainment</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate diploma (Doctorate or Master’s degree) holders</td>
<td>0.2</td>
<td>0.3</td>
<td>0.7</td>
</tr>
<tr>
<td>University graduates</td>
<td>6.4</td>
<td>6.8</td>
<td>7.5</td>
</tr>
<tr>
<td>Higher Technical-vocational education graduates</td>
<td>8.9</td>
<td>11.7</td>
<td>15.2</td>
</tr>
<tr>
<td>Secondary education graduates</td>
<td>31.8</td>
<td>31.4</td>
<td>36.2</td>
</tr>
<tr>
<td>Primary education graduates</td>
<td>33.7</td>
<td>33.3</td>
<td>25</td>
</tr>
<tr>
<td>Attended no school at all</td>
<td>19</td>
<td>16.5</td>
<td>15.4</td>
</tr>
</tbody>
</table>

Sources: ESYE (2005)

Compulsory education in Greece lasts nine years from the age of 6 to 15 and comprises six years of primary level education and three years of lower secondary level education. Post-compulsory secondary level education is provided in upper secondary schools (Lyceum), which offer general education and Technical Vocational Schools (TEE), which provide vocational education and training. The Lyceum lasts for three years (ages 15-18). Lyceums are preferred by 75 per cent of pupils over TEE. During the first year of Lyceum all pupils study the same curriculum, while from the second year, in addition to a common curriculum, pupils also choose one of three different educational branches: sciences, arts or technology. Graduates of the Lyceum are awarded a certificate known as the ‘Lyceum Leaving
Technical Vocational Schools (TEE) provide vocational training and education in 14 fields for 42 different areas of specialisation. Currently, there are 448 TEE that operate on the basis of two independent cycles, one cycle (1st) of two years and one (2nd) of one year. At the end of both cycles, graduates are awarded an upper-secondary education certificate equivalent to the 'Lyceum Leaving Certificate'. The Ministry of Education has overall responsibility for course development and approval, and also supervises most of these schools. There are also 85 private TEE. Vocational training combined with employment is provided by 52 Apprenticeship Technical Vocational Schools for working pupils run by the Labour Force Employment Organisation (OAED) and the Ministry of Labour and Social Affairs. The first cycle lasts three years. Pupils spend the first year exclusively at school, while over the next two years studies take place in parallel with employment. The 2nd cycle, just as in all other TEE, lasts one year (OECD, 2003).

Post-secondary education is provided by Vocational Training Institutes (IEK), which offer formal vocational training and education of unclassified level (neither higher nor university level) in 110 different specialisations in 14 basic occupational sectors. Overall, there are 138 IEK managed by the Organisation for Vocational Education and Training (OEEK) and 34 IEK managed by OAED. Students are graduates of lower or higher-level secondary education and studies last between 2 and 4 semesters depending on specialisation. Compared with courses at TEE, IEK courses are work-oriented and linked to the demands of the labour market since they are designed by tripartite teams of experts (i.e. state, employers and employees). Admission to IEK is based on criteria primarily relating to grades in the school leaving certificate, and age, professional experience in the area of expertise and social factors. Trainees are provided with a certificate of vocational training, which 11 Certain TEE are supervised by the Ministry of Health and Welfare, the Ministry of Agriculture and the Ministry of Development. These TEE provide vocational training and education in specialisations corresponding to the relative ministries.
gives them the right to participate in the final accreditation examinations (CEDEFOP, 2003).

Vocational education in Greece has been developed only recently, mainly through foreign influences. Delay is largely attributed to the Greek labour market, favouring low-skilled labour, and to culture, prompting youths to university education. Greek households are very much preoccupied with general education and elder family members exercise a strong pressure on offspring to obtain a university certificate (Kanellopoulos, 1996). Traditional lack of continuity of the national education policy, as well as persistent low financing of vocational education by the State, has resulted in the accumulation of long-standing problems such as, the lack of laboratories and infrastructure, defective buildings, absence of maintenance, poor libraries, low salaries of instructors and, most of all, low morale among instructors and students. This situation has added up to a sluggish vocational education organisation, more or less incapable of effectively tackling crucial social issues like unemployment and the challenge of new technologies (Karalis and Vergidis, 2004; Patiniotis and Stavroulakis, 1997; SEV, 2006).

Tertiary education is provided in two parallel sectors: a) the university sector comprising Universities (AEI), Technical Universities, the Higher School of Fine Arts, the Military Academies and the Police Officers Academy, and b) the technological sector which includes Technological Education Institutes (TEI) and the Higher School of Pedagogical and Technical Education (ASPAITE). Courses at tertiary level institutes last for 8-12 semesters. In comparison to universities, TEI have a much narrow vocational orientation, applied discipline curricula and a greater focus on training and practice. Tertiary level education also includes certain other non-university schools such as Higher Ecclesiastical Schools, the Merchant Navy Academies. Admission to tertiary education from the lyceum (for both AEI and TEI) is via national written examinations during the last year of school (Pan-Hellenic examinations). Graduates of TEE may only be admitted to TEI via special examinations (OECD, 2003).
University education is a public monopoly and public expenditure on education remains at only 3.5 percent of GDP, versus 4.9 percent for the EU-15 (Bank of Greece, 2005). In several studies, it is argued that universities in Greece are poorly funded, badly managed and not responsive to the needs of the economy (GSEE, 2005a, b; OECD, 2005a, b). For example, the Federation of Greek industries, which is the central organisation representing industry and private enterprises in Greece, has continuously stressed the failure of the Greek educational system to establish effective links with market-oriented organisations. Recent studies carried out by the Federation reveal that the lack of work-based learning such as, internships and other work placement mechanisms is a crucial factor that inhibits Greek youth from developing work skills that would enhance their employability (SEV, 2003, 2005b, 2006).

In terms of lifelong learning in Greece, this is promoted under the following institutions: evening schools; Second Chance Schools; and, the Hellenic Open University (EAP). Evening schools are equivalents for all types of secondary education schools and they are designed for working students. Courses are of an extra year’s duration. Regarding Second Chance Schools, all adults who have not completed their nine-year compulsory education may acquire a certificate, equal to a lower level secondary school leaving certificate, by attending an eighteen-month course at one of the five Second Chance Schools, which are supervised by the Institute of Continuing Adult Education (IDEKE) (CEDEFOP, 2003).

The Hellenic Open University (EAP) has been in operation since 1997. Academic programmes are based on distance learning and the EAP awards degrees equivalent to those of conventional universities (undergraduate, postgraduate and doctoral titles). Due to the competition for tertiary places, the number of applicants for a particular course exceeds by far the number of places available. For that reason, admission to the EAP is on a random public electronic draw for persons aged 22 and over, which is conducted annually in the presence of a public prosecutor in order to ensure legal transparency. The EAP has faculties of Social Sciences, Humanities,
Natural Sciences and Technology and Applied Arts. It offers courses, which are a combination of thematic units (students attend up to three thematic units for each academic year). Candidates who hold the Certificate of Secondary Education (and have not entered a similar institution elsewhere) may apply to study for a degree. To obtain a degree they must attend and pass the examinations for at least 12 thematic units (Kokosalakis, 2000). The Greek education system is presented diagrammatically in figure 1.

**Figure 1: The Greek Education System**

![Diagram of the Greek Education System](image)

*Source: Adapted from the Greek Ministry of National Education and Religious Affairs (2006)*
In this overview of the formal education system in Greece, a last remark ought to be made on private tuition. A striking by-product of the Greek education system concerns extensive tuition provided to pupils and students privately, outside public school. The aim of tuition is to aid pupils and students either to proceed to the next class, or to prepare themselves for the entrance exams leading to third-level education. The magnitude of this phenomenon is impressive, since nearly all second-level education pupils and students resort to tuition (Kanellopoulos and Psacharopoulos, 1997). The problem seems to lie in the formal structure of the education system, posing dual requirements to students. The latter are eager to enter third-level education, but the public school furnishes them only with general knowledge, inappropriate for them to pass the more specialised entrance exams. Hence, most students turn to private foundations in order to become better equipped for this effort. Under these circumstances, a vast educational market has been formed with instructors that exploit the inadequacies of the education system in order to increase their income (Patiniotis and Stavroulakis, 1997).

4.3.2 Non-Formal Education

Non-formal education refers to all organised educational activities outside the formal education system, either on an individual basis or as part of a wider activity, which is aimed at a specific group and has specific educational objectives (CEDEFOP, 2003). The main reasons that have led to the development of non-formal vocational education and training in Greece are: the failure of formal education to provide knowledge and skills that fulfill the needs of the labour market; the needs of citizens for education, training, and retraining in order to respond to changes arising from the development of new technologies in the workplace; and, the effort to confront unemployment and social exclusion of vulnerable social groups (Karalis and Vergidis, 2004). There are numerous enterprises and institutions involved in providing non-formal vocational education and training in Greece, but the leading providers are the General Secretariat for Adult Education (GGEE), the Labour Force Employment Organisation (OAED) and the Centres for Vocational Training (KEK) (CEDEFOP, 2003).
The General Secretariat for Adult Education is the leading public institute in adult education and training. Its 300 education centres that operate throughout the country provide education relating to basic skills, social skills and the Greek language mainly for the unemployed, the illiterate, former prisoners, former drug users and immigrants. GGEE activities are financed by public funds and the European Social Fund. The Labour Force Employment Organisation also implements continuing vocational training courses to cover the needs of the unemployed who require specialisation in order to find work, as well as the needs of employees, who are ready to acquire extra skills to facilitate their career development. Finally, the Centres for Vocational Training are private sector bodies (for-profit or not-for profit) or public bodies providing continuing vocational training courses for employees and the unemployed, as well as for graduates from all levels of education, in various subject areas (CEDEFOP, 2003).

Certificates issued by agencies providing non-formal vocational education and training are not officially accredited for the purpose of certifying qualifications. Consequently, the above certificates are not documents that their holders can use in order to seek a position in the public sector. Despite this, certificates of attendance at such courses are an element that may be positively taken into account during staff selection procedures by employers (OECD, 2003).

Overall, informal vocational training in Greece has been conducted in various forms and by numerous foundations with overlapping responsibilities. It still remains largely uncoordinated, despite the need for regulating the flow of ample funds coming from the EU (Patiniotis and Stavroulakis, 1997). Diverse foundations run similar training programmes without being informed about others' activities and experience. Training programmes are often roughly scheduled, without responding to concrete market needs, whereas teaching personnel are often of ambiguous quality, and are rarely submitted to rigorous selection (CEDEFOP, 2001; Karalis and Vergidis, 2004). The next section looks at the latest government initiatives around
VET and examines the extent to which they can respond to the needs of the Greek economy in terms of knowledge and skills.

4.3.3 Recent Developments in VET Policy
Taking into consideration the promotion of lifelong learning by the EU, the Greek Ministry of Employment and the Greek Ministry of National Education and Religious Affairs promoted a new law for lifelong learning (Law 3369/2005). This law constitutes the first integrated strategy on lifelong learning at national level, in contrast to the frequently fragmented and incoherent policies of the past. By utilising national and international experience in lifelong learning, the new law attempts to promote business oriented educational activities, tackle exclusion and in general set capital investment and investment in education and training at the same level (Ecotec, 2007).

Within this initiative, the National System for Linking Vocational Education and Training to Employment (ESSEEKA) is being activated and the National Committee for lifelong learning is being established for the coordination of policies at national level and for providing a link between lifelong learning and ESSEEKA. Specifically, efforts are to be made to combat adult illiteracy, for individuals who have dropped out of school prematurely, mainly through ‘Second Chance Schools and Adult Training Centers’ that will be established throughout the country (according to plans, within 2008, there must be one Second Chance School and one Adult Training Centre in every Prefecture). Regarding higher education, efforts will be continued for further development of lifelong learning through the Greek Open University, through departmental programmes of additional education, through the Institutes for lifelong learning and through Distance Learning (CEDEFFOP, 2003; Ecotec, 2007; Karalis and Vergidis, 2004).
The connection of educational and training systems with the labour market is to be developed through consultation and orientation structures. These structures are the Centers of Consultation and Guidance, (KE.SY.P), the Offices of Consultation and Career Guidance (GRA.S.E.P) and the National Centre for Career Guidance. The elaboration of informative material and tools for all students, including incapacitated students or student groups with a high risk factor for social exclusion, will continue to expand. At the same time, the training of executives wishing to offer their services in the new GRA.S.E.P will continue (CEDEFOP, 2003; Ecotec, 2007).

Furthermore, the National Labour Institute (EIE) has been set up in an effort to link training to labour market needs. EIE aims to develop research and disseminate information on labour market issues and needs in training and retraining, as well as employment prospects, support and evaluate ESF actions and initiatives and co-operate with international organisations for the exchange of know-how. The National Employment Observatory (EPA) has also been set up to support employment and training policies. Its purpose is to provide a systematic analysis of the labour market needs in training and retraining addressed to specific geographical locations and target groups (CEDEFOP, 2003; Greek Ministry of Economy and Finance, 2005; OECD, 2003).

A future plan also includes the establishment of regional libraries and the development of education from distance programmes, mainly for working students or women obliged to stay at home. In addition, important initiatives will be taken to combat school drop-out rate. Within this framework, programmes of reinforced teaching for high school students and additional teaching support for lyceum and Technological Vocational students Institutions’ are being targeted, especially in areas where a high number of vulnerable, low income social groups are registered (CEDEFOP, 2003; Greek Ministry of Economy and Finance, 2005; OECD, 2003).
Finally, within the framework of upgrading the quality of the vocational training systems, the government is looking to create an accreditation process, through which training providers will be evaluated. The Ministry of Employment and Social Protection, as the responsible national institution for Continuous Vocational training, will proceed, through the National Accreditation Centre of Vocational Training and Support Services (EKEPIS), to the planning and implementation of certification procedures, which are to be completed by the end of 2008 (Greek Ministry of Economy and Finance, 2006).

As the above analysis reveals, the aim of the Greek government has been to promote educational policies that develop human resources, improve employability among the young and combat social exclusion. The National Qualifications System as implemented to date in Greece had focused on the acquisition of accredited qualifications via the formal education process. Only in recent years, there has been a move towards providing accredited VET through programmes at both secondary education level (Technical Vocational Schools of the Ministry of Education and OAED Apprenticeship Vocational Schools) and at post-secondary level education (Vocational Training Institutes).

The accreditation of organisations by EKEPIS, the creation of the National Labour Institute (EIE) and the establishment of ‘Second Chance Schools and Adult Training Centers’, among other things, seem positive steps in the area of VET and lifelong learning provision. However, no less than a radical overhaul of the system such as, decentralisation, assessment at each level, provision of funds to I.E.Ks, development of new courses and textbooks, uniform accreditation system, substantive participation by the social partners at all stages of decision making is necessary if dysfunctions in VET are ever to be overcome. Promotion of VET in Greece to date has not taken place within a specific institutional framework. In order to promote VET and lifelong learning, it is important that via the National Qualifications System: knowledge and skills be acquired for which there is ascertained demand in the labour market; knowledge and skills acquired are certified and accredited by the
labour market; there is easy access to learning and the acquisition of knowledge; and, there are specific financial, work-related or other benefits for participants. The main elements of the National Qualifications System, which appear to impede promotion of VET and lifelong learning, are lack of easy access to learning (primarily for formal education courses), the non-systematic recording of labour market needs and non acknowledgement, by the labour market, of qualifications which are acquired primarily through non-formal education courses or informal learning. The immediate repercussion of non-acknowledgement of such qualifications is that employees or the unemployed are discouraged from participating in the process of lifelong learning.

National educational goals have been formulated through the need to promote national interests within the context of European integration. However, it would be helpful to discern the real intentions of the government throughout this scenario. In this respect, a distinction should be made between the officially declared goals of the State concerning education as posed in speeches of government officials and in preambles of laws, and the unofficial goals, revealed by the concerted practice of government bodies, as well as by governmental responses to crises within education.

Official goals include the spread of democratic ideals and values for the development of responsible citizens, the provision of general knowledge and VET, aimed at supplying learners with the skills necessary to exercise their profession and the provision of equal education opportunities for all, so that moderation of class differences will be achieved. Turning to informal aspects, it appears that a crucial function of the State educational policy is to establish a formal VET system and facilitate access of youths to third-level education. The government is attempting to move the economy to a high skills trajectory by relying heavily on the formal educational system for upskilling. Yet, no consideration is given to the demands of Greek employers who may seek to compete on the basis of unskilled labour. Under such circumstances, the Greek education policy may fail to deliver the promised outcomes. In the next section, the Greek small business sector is examined in an
effort to identify the specific characteristics of Greek industrial SMEs and their competing strategies. Do Greek employers opt for cost-cutting strategies or to compete on the basis of high quality products?

4.4 The Greek SMEs Sector
The following sections look at the small business sector in Greece and discuss the contribution of SMEs to the economic development of the country. The predominant model of employment relations in such organisations is also examined.

4.4.1 The Role of SMEs in the Greek Economy
As noted in section 2.2.2, definitions of what constitutes a small organisation vary (Hill, 2002). Although several criteria are used to define SMEs, the most common criterion is workforce size, though different thresholds are used. The European Commission has agreed a common definition for small and medium-sized enterprises based on number of employees (9< SMEs<250). However, this definition is not helpful for small countries like Greece since virtually all firms and the vast bulk of employment and output fall within the definition of SMEs (EIRO, 1999, 2006, online). In effect, the official definition adopted by policy makers in Greece is the one given by the Bank of Greece (2000) and EOMMEX (2000) and considers SMEs to be enterprises, which employ up to 100 salaried workers. Therefore, the present research study categorises SMEs by number of employees as it is presented in Table 4.7.

Table 4.7: Classification of SMEs in the Greek Context

<table>
<thead>
<tr>
<th>Enterprise Category</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium-sized firms</td>
<td>&lt;100</td>
</tr>
<tr>
<td>Small firms</td>
<td>&lt;50</td>
</tr>
<tr>
<td>Micro firms</td>
<td>&lt;10</td>
</tr>
</tbody>
</table>

Small and medium-sized enterprises in Greece, prevalent in the handicraft, processing, and manufacturing sectors, play a catalytic role in the social and economic development of the country, particularly when compared to the role of larger firms (OKE, 2003). Supporting this argument are the following factors: a) small businesses can more easily adapt to the small markets, b) smaller firms are able to help with the problem of unemployment because they are prevalent in labour-intensive sectors and c) the mentality of the Greek citizenry, known for their preference for independence, which makes owning a business particularly appealing, even if the financial rewards are less. These cultural predispositions cultivate a strong entrepreneurial spirit (Greek Ministry of Economy and Finance, 2003; Maggina, 1992).

The contribution of SMEs to economic development, employment and social coherence in Greece is substantial. In total there are 879,318 enterprises in Greece (ESYE, 2002a), where 99.7 per cent employ less than 50 persons (Table 4.8). Although there are not any available statistics indicating the exact share of employment by enterprise category, it is estimated by ESYE (2005) that employment in SMEs in Greece exceeds 2,600,000 workers (i.e. they represent around 75 per cent of the work force of the private sector and 60 per cent of total employment). In addition, SMEs provide 70 per cent of new jobs created and reinforce the regional development and financial balance of the regions in Greek society (Greek Ministry of Economy and Finance, 2003).

The role of small firms in the national economy and employment is vital, since the main business model in Greece is and will remain the micro enterprise, which employs less than 10 persons. As Table 4.8 shows, there are 877,995 SMEs in Greece. Of this, 862,630 are micro firms (0-9 workers). Micro firms include enterprises of self-employed people in which members of their family also work, as well as firms with 1-9 salaried workers. Employment in this type of establishment is estimated by EOMMEX to be 1,600,000 workers (around 1,000,000 self-employed and 600,000 salaried). Small firms with between 10 and 49 salaried workers total 13,831, whilst medium-sized organisations with 50 to 99 employees total 1,534. The
The aforementioned data reveal that micro-enterprises with 0-9 employees cover around 60 per cent of employment in the small business sector, whereas small and medium firms cover 40 per cent. There are 1,232 large enterprises (100 employees and over) (EOMMEX, 2006, online; ESYE, 2002a, 2005; European Employment Observatory, 2004, online; Greek Ministry of Economy and Finance, 2003). The data are summarised in Table 4.8.

### Table 4.8: Number of Organisations in Greece (by enterprise category)

<table>
<thead>
<tr>
<th>Enterprise Category</th>
<th>Number of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large firms (100 and over employees)</td>
<td>1,323</td>
</tr>
<tr>
<td>Medium-sized firms (50-99 employees)</td>
<td>1,534</td>
</tr>
<tr>
<td>Small firms (10-49 employees)</td>
<td>13,831</td>
</tr>
<tr>
<td>Micro firms (0-9 employees)</td>
<td>862,630</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>879,318</strong></td>
</tr>
</tbody>
</table>

*Source: ESYE (2002a)*

### 4.4.2 Employment Relations in Greek SMEs

It is extremely difficult to have a complete picture of employment relations and working conditions in Greek SMEs, due to factors such as the extent of unofficial/uninsured work in such enterprises, partly related to the employment of foreign workers, as well as the possible existence of atypical (non-statutory) practices with regard to the regulation of working time (IOBE, 2005). These factors in conjunction with inadequate statistical records of labour relations in SMEs (e.g. there is a number of enterprises operating wholly or partly in the sphere of the hidden economy) prevent any research efforts from having a precise picture (EIRO, 2006, online). However, some interesting data will be presented in this section regarding the Greek small business sector, which have been collected by previous empirical surveys.
Greek small and medium-sized enterprises continue to be hesitant regarding initiatives for the introduction of innovations to the traditional work organisation model. Modernisation and flexibility remain of low priority and very few of the practices that are already applicable in European SMEs have been incorporated in the Greek context. The organisation of working time remains very rigid and traditional, with an excessive use of overtime work (legal or not), whereas the application of modern production methods, such as just-in-time, total quality management and lean production is limited (OKE, 2001). At the same time, the reduction or simplification of hierarchies, a participative management style, teamwork, autonomy and the activation of the employees remain issues beyond the scope of most Greek SMEs (IOBE, 2005). Recent studies show that the survival of most industrial small firms in the country is based on cheap labour, the adoption of cost-cutting business strategies, the violation of the institutional framework of labour relations and tax evasion (OKE, 2003; IOBE, 2005; Tsipouri et al., 2001).

Employers in Greek small firms tend not to comply with the regulations of labour law. They do not seem to observe work schedules, overtime limits, dismissal procedures and usually overlook compensation differentials mandated by collective agreements at all levels of bargaining (Mihail, 2004). Recent studies have shown that the share of the underground economy in Greece is around 30 per cent (IOBE, 2005). The withdrawal of a firm to the underground economy can very well represent a survival strategy through the avoidance of taxes, social security contributions and state regulations. The problem is that when a firm is trapped underground, it is almost impossible to extend its activities to foreign markets, since external trade requires a certain amount and level of official actions, contacts and disclosures. Thus, it is possible that SMEs that have sought to ensure their survival via underground activity end up facing much higher barriers to expanding their activities compared to firms operating in the formal sector (Liargovas, 1998).
On the other hand, according to the limited empirical evidence, employees in Greek SMEs appear to have more unsocial working hours, fewer rewards, more risks for physical health and less job security than employees in Greek large organisations (European Foundation for the Improvement of Living and Working Conditions, 2001; OKE, 2001, 2003). However, they seem to enjoy a range of atypical benefits, which many small firm owners offer them, such as atypical leave and undeclared pay (Mihail, 2004). Such benefits appear to be common features in Greek SMEs because they are necessary preconditions for employers to be successful in eliciting the best efforts of employees (IOBE, 2005).

Both favourable and unfavourable aspects of job quality in Greek SMEs can be arguably attributed to informal employee relations that dominate small firms (Matlay, 1999; Wilkinson, 1999). This informal setting, stemming from a familial culture within small firms, affords flexibility to owners/managers necessary for the survival of small establishments. As Ram et al. (2001) have argued, it is an owner’s very personal stake in the survival and performance of the firm that leads them to seek a balance between compliance and familiarity and shapes their personal input to the organisation of workplace.

Given the impossibility of creating enterprise-level unions in most SMEs, since the legislation relating to this matter provides for the establishment of such bodies only in enterprises employing at least 20 people, their employees can join the relevant sectoral trade unions. Given the importance of commercial SMEs, the Federation of Greek Private Employees (OIYE) is worthy of note. OIYE is made up of unions of employed earners employed in a position of subordination and paid as employees of private industrial, commercial and service enterprises. The Greek trade unions of the private sector are represented at the highest level by the Greek General Confederation of Labour (GSEE). Normally, Greek trade unions tend to show very little interest in initiating experiments in HRD, work re-organisation and job redesign, preferring to concentrate their energies on more ‘traditional’ forms of bargaining over wages and working time. The unions in Greece more or less accept
that it is for management to run the enterprise, organise production and design work systems, as well as develop the personnel (INE-GSEE, 2006).

On the employers' side, the main organisation is the General Confederation of Greek Small Businesses and Trades (GSEVEE), which represents 101,883 registered persons (entrepreneurs). Theoretically it represents all SMEs, as well as self-employed people but in practice enterprises employing over 50 people are usually represented by the Federation of Greek Industries (SEV). At the European level, GSEVEE is a member of the European Association of Craft, Small and Medium-sized Enterprises (UEAPME) (IOBE, 2005).

Also, one of the principal public bodies supporting SMEs and implementing the relevant policies is the Hellenic Organisation of Small and Medium-Sized Enterprises and Handicrafts (EOMMEX) operating under the purview of the Greek Ministry of Development. Its services involve the development of entrepreneurship and the creation of new enterprises, actions to support the competitiveness and the investment activities of SMEs, promotion of their technological upgrading, vocational training and the creation of support infrastructures (EOMMEX, 2000).

Furthermore, the various chambers of commerce play an important role in the development of commerce and industry. These are mandatory, independent associations that carry out commercial activity in a specific region, are governed by public law and operate under the administrative supervision of the Minister of Commerce (as regards the legality of their actions). Their purpose is to protect the Greek industry and provide recommendations to the State and to their members on all issues of economic import. Membership in local chambers is mandatory (EIRO, 2005b, 2006, online).
As mentioned above, on the creation of a trade union inside or outside an enterprise, the Civil Code requires a minimum of 20 founding members. Taking into account the latest available data provided by ESYE (2002), over 99 per cent of Greek enterprises are outside the scope of the legislation on worker representation on the enterprise level. Therefore, given the absence of company unions (and/or works councils) in SMEs, collective bargaining is also absent in such enterprises. The lack of collective bargaining and of statutory social dialogue in SMEs does not mean an absence of labour relations in the broad sense of the term. However, in most cases these are atypical and individualised in nature. The review indicates that workers in Greek SMEs do not have a strong collective voice mechanism that could use the notion of lifelong learning as a vehicle for campaigning for the upskilling of its members to improve their employability and earning potential. As such, a significant driver of workforce skills development appears to be absent in the case of Greek firms.

As this section reveals, in terms of business strategy, the majority of Greek SMEs seek to survive in domestic markets by adopting low value added product strategies and using a predominantly unskilled workforce. Modern management approaches are virtually absent, whereas the autocratic management style of Greek owners promotes individualised and ad hoc patterns of decision-making and behaviour. In this context, the supply-side policy interventions in relation to HRD run the risk of failing to effectively improve the competitive position of industrial SMEs due to a lack of employer demand for more skills.
4.5 Conclusion

The present chapter examined the national setting in which the primary research of this study was undertaken. In particular, it discussed the economic, social and political background of Greece highlighting the main weaknesses of the country, which among others include sluggish productivity growth, low employment rate, high unemployment, high inflation, poor export performance and a problematic educational system.

Greece has achieved strong growth during the last decade. Total private investment (notably business investment) rose and strong personal income increases spurred private consumption. However, strong demand contributed to relatively high inflation vis-à-vis the euro area. As a result, competitiveness weakened, causing a considerable loss in Greek export market shares and keeping the external balance in substantial deficit. Despite strong economic growth, employment growth has been modest and structural unemployment remains high. Greece's weak fiscal position has deteriorated further and the public debt-to-GDP ratio remains high. Action has been taken to reform product and financial markets, privatise state-owned enterprises, open up markets to the rigours of external competition and improve the functioning of the labour market.

Notwithstanding the above, it is a fact that the scale of reform is not sufficient to match the challenges facing the Greek economy. The long-standing challenge for Greek economic policy is to bridge the sizeable gap with the average EU living standards. To achieve Greece's strategic goal of stronger economic growth, further action is required to improve Greece's international competitiveness in the years ahead, through reforms to strengthen the key drivers of economic growth, i.e. productivity and employment growth. In this context, the review discussed the main policy priorities for the period 2007-2010, which involve the reduction of unemployment, the improvement of human capital, the reduction of government deficit and more spending on research and technological development.
The education and training system in Greece was also examined in the present chapter. The discussion revealed that education in Greece lags significantly compared with other developed countries, both on quality, as well as its links with production. Linkages between universities and industries appear to be poor and this is reinforced by the paucity of vocational training. Recent reforms in vocational education are thought to reinforce the quality of the Greek VET system. However, the present analysis questions the effectiveness of such reforms.

The current chapter also discussed the main features of the small business sector in Greece and explored its significance for the Greek economy. Among others, it revealed that small and medium-sized enterprises in Greece play a key role in the social and economic development of the country, as they constitute a major employer. With reference to working practices in Greek small firms, these seem to involve lower discrimination compared with large organisations but longer working hours, greater risks to physical health, limited payment for working social hours and no employee participation in decision-making.

The secondary data analysis in relation to the Greek context indicates that the government’s investment strategy is geared to the need to push more of the economy onto the ‘high road’ by endlessly expanding skill acquisition of the working population. The trend towards an ever-greater emphasis on the formal education system as the main vehicle for upskilling (or at least raising qualification levels) has continued apace justified by reference to a continuing supposition of widespread market failure within the training system.

However, as data reveal, rising qualification levels across the workforce have not been reflected in high productivity levels. There are a number of potential explanations for this. Research and development investment remains very low by OECD standards, as does investment in plant and machinery. Also, the labour market remains inflexible, whereas the public infrastructure in many fields continues to lag behind what is available in other developed economies. More and more tax relief is being offered to inefficient employers to support their low productivity, low
wage strategies, whilst trade unions have not been allotted an active role by the
government in skills policies (e.g. statutory right to bargain over skills), both at
national level and within the workplace.

In contrast, skills development has been over-emphasised in the government’s effort
to block off access to the ‘low road’ to competitive advantage at a time where most
small firm employers appear to seek cheap labour. Although education and training
should be embedded in this plan, a broader set of policy interventions is required to
support the national strategy for economic transformation. The old model of low
wage, long hours, low productivity working cannot be banished simply by pumping
more skills into the economy. Under such conditions, a high skills economy is
unlikely to emerge.

Having examined the background of Greece, the study now turns to examine the
Greek policy in practice. More specifically, Chapter Five looks at the current state of
the Greek manufacturing industry focusing on textiles, in order to identify the range
of problems and difficulties that Greek textile SMEs face in their efforts to compete
in domestic and foreign markets. To this end, it offers a critical evaluation of the
measures adopted by policy makers in Greece to help the sector overcome the
prolonged crisis.
CHAPTER FIVE: THE STATE OF TEXTILE SECTOR IN GREECE: PROBLEMS AND POLICY RESPONSE

5.1 Introduction

The previous chapter examined the economic context of Greece along with the education system of the country. Furthermore, it looked at the main characteristics of the small business sector in Greece. Having examined the general state of the Greek economy, this chapter turns now to explore the background of the textile sector, which is the focus of the research study. The chapter presents, analyses and discusses the data collected through the first stage of empirical work, which involved seven qualitative interviews with high-ranked informants from various bodies including a Greek Ministry, a business association, a public organisation responsible for the promotion and development of Greek SMEs, two research organisations, as well as two chambers of commerce and industry. The purpose of the interviews was to investigate the major problems of Greek manufacturing SMEs with an emphasis on the textile sector and examine the development of HRM in Greek industrial firms and discuss the various policy measures taken so far to resolve the problems facing textile enterprises.

The chapter begins with an overview of the Greek manufacturing industry looking at its contribution to Greek economic growth. The current state of human resource management and VET in Greek manufacturing is also discussed. The chapter continues with an examination of the textile sector in Greece. Historical information is presented concerning the important role of textiles for the industrial development of Greece and relevant statistical data are provided in order to examine the current state of the sector in relation to international competition. The chapter concludes by discussing the measures adopted by the Greek government to encourage small textile firms to move to high quality competitive strategies. To this end, it presents all the major governmental interventions in relation to workforce skills development highlighting the overemphasis placed on the supply-side of the training market at the expense of the demand for more skills.
5.2 The Greek Manufacturing Industry

This section provides background information on the Greek manufacturing sector and examines its current state in relation to foreign competition. In 1990 manufacturing provided almost 18 per cent of GDP, making up the largest portion of the secondary sector's contribution to national production. The four largest sub-sectors were foodstuffs, textiles, chemicals, and processed non-metallic minerals, which accounted for 43 per cent of total value added. The same four sub-sectors have been the leading contributors since 1980, when they totaled 45 per cent of overall manufacturing value added. In terms of employment, the leading manufacturing sub-sectors were foodstuffs, textiles, clothing and transportation equipment (including shipyards), which contributed a combined 51 per cent of total manufacturing employment in 1990. The same four sub-sectors were the leading providers of employment in 1980, when they contributed 48 per cent of total manufacturing employment (Library of Congress, 1994).

The overall contribution of manufacturing to Greek exports was also substantial. In the early 1990s, manufacturing's share in total foreign-exchange earnings from exports of goods fluctuated between 48 and 54 per cent. In 1992 manufactured products earned 3.1 billion euros of national total export income of 6 billion euros, or 52 per cent. The main categories of manufacturing exports were textiles, earning 1.6 billion euros, metals and metal products earning 595 million euros, chemicals and pharmaceuticals earning 198 million euros, and cement earning 182 million euros (KEPE, 2004; SEV, 2005a).

Greek manufacturing firms used to depend on the domestic market and local demand for their livelihood. Because of this situation, the rapid import penetration that followed EC membership in the 1980s caused serious damage to Greek manufacturing's ability to respond to domestic demand. Between 1980 and 1990, the percentage of imported goods out of total manufactured goods purchased moved from 31 percent to 47 percent (KEPE, 2004).
Currently, the Greek manufacturing sector includes twenty-three sub-sectors with the nine largest sub-sectors (accounting for 74 per cent of total value added) being foodstuffs (20.02 per cent), oil refining (11.22 per cent), non-metallic minerals (8.45 per cent), basic metals (8.02 per cent), chemicals (7.74 per cent), textiles (5.63 per cent), metal products (4.33 per cent), clothing (4.30 per cent) and other transport equipment (4.27 per cent). The three largest sectors in terms of their respective shares in employment are: food products, metal products and non-metallic minerals, accounting for 19.9 per cent, 9.3 per cent and 8.8 per cent respectively (ICAP, 2005, 2006; SEV, 2005a). The manufacturing industry provides 11 per cent of Gross Domestic Product (GDP), while it accounts to 60 per cent of total Greek exports (ESYE, 2002b; ICAP, 2005; SEV 2005a). Yet, Table 5.1 shows that the share of Greek manufacturing in GDP has declined from 18 per cent to 11 per cent since 1990 due to increased international competition from developing countries.

Table 5.1: Share (%) of the Greek Manufacturing Industry in GDP (1990-2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Greek manufacturing in GDP</td>
<td>18</td>
<td>17</td>
<td>12</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: SEV (2005a)

Employment in Greek manufacturing has recorded a marked decline since 1990. As Table 5.2 shows, 555,800 were employed in the manufacturing sector in 2005 compared with 571,200 workers in 2000 and 680,000 in 1990 (ESYE, 2005). The data indicate that during the last 15 years 124,200 jobs have been lost. As a result, the contribution of manufacturing industry to total employment reached 19 percent in 1990, whereas in 2005 it dropped to 12.6 percent (ESYE, 2005).

Table 5.2: Employment in Greek Manufacturing (1990-2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons employed (In thousands)</td>
<td>680,0</td>
<td>600,5</td>
<td>571,2</td>
<td>555,8</td>
</tr>
<tr>
<td>Change in persons employed</td>
<td>-</td>
<td>-79,500</td>
<td>-29,300</td>
<td>-15,400</td>
</tr>
</tbody>
</table>

Source: ESYE (2005)
Small and medium-sized organisations play a key role in the Greek manufacturing sector. According to the latest available data by the National Statistical Service of Greece (ESYE) (2002a), the manufacturing firms operating in Greece total 97,005 (data as of 2002) (Table 5.2). As Table 5.3 shows, 99.5 per cent of all businesses are SMEs employing around 63.6 per cent of all employees in the sector and producing 27.7 per cent of the gross product (European Employment Observatory, 2004; OKE, 2003).

Table 5.3: Greek Manufacturing: Distribution of Companies by Employment Category (Data as of 2002)

<table>
<thead>
<tr>
<th>Enterprise Category</th>
<th>Number of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large firms (over 99 employees)</td>
<td>481</td>
</tr>
<tr>
<td>Medium-sized firms (50-99 employees)</td>
<td>547</td>
</tr>
<tr>
<td>Small firms (10-49 employees)</td>
<td>4,120</td>
</tr>
<tr>
<td>Micro firms (0-9 employees)</td>
<td>91,857</td>
</tr>
</tbody>
</table>

Source: ESYE (2002a)

Recent studies undertaken by the Economic and Social Council of Greece (OKE) and the Centre of Planning and Economic Research (KEPE) have revealed that Greek manufacturing employers - both large firms, and SMEs - continue to compete primarily on the basis of low price, standardised goods and a predominantly low-skill, low wage workforce (KEPE, 2004; OKE, 2003). Both studies indicate that highly routine, relatively lowly skill jobs, offering very limited opportunities for trust, creativity or discretion remain prevalent in the Greek industry. Similar studies conducted by the Foundation For Economic and Industrial Research (IOBE) (2001) and the Federation of Greek industries (SEV) (2005b) show that competitiveness in the Greek industry remains driven by the cost of labor, whereas other aspects like lead time, quality, reliability and flexibility are not included.
Problematically in terms of the competitive strategy being pursued by Greek manufacturing firms, unit labour costs have increased. More specifically, existing information shows that the unit labour cost in Greece has increased at a higher rate than labour productivity, which reflects the fact that wage increases in Greek manufacturing outpace the rise in labour productivity. This has affected the competitive position of Greek firms (Bank of Greece, 2005; ICAP, 2006). Table 5.4 portrays the annual change (%) in unit labour cost and productivity in Greek manufacturing from 1997 to 2005. The government officials have repeatedly attributed the decline in labour productivity to the technical outdatedness of the Greek industry and the poor quality of the labour force (Greek Ministry of Development, 2005b).

Table 5.4: Unit Labour Costs and Productivity (annual % change) in Greek Manufacturing (1997-2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit labour cost</td>
<td>4.4</td>
<td>0.2</td>
<td>3.8</td>
<td>3.4</td>
<td>6.1</td>
<td>5.3</td>
<td>4.7</td>
<td>4.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Productivity</td>
<td>4.4</td>
<td>4.4</td>
<td>0.6</td>
<td>2.0</td>
<td>-0.6</td>
<td>0.6</td>
<td>1.2</td>
<td>1.2</td>
<td>-0.4</td>
</tr>
</tbody>
</table>


The real production output of the Greek manufacturing industry from 1997 to 2005 as measured by the industrial production index is also shown in Table 5.5. During the period 1997-2005 from a total of 23 sectors in the Greek manufacturing industry, 13 recorded a considerable decline with textiles being among the sectors with the largest decline during the specified period (SEV, 2005a, 2006). In 2005 specifically, the latest available data, the textile sector recorded the largest decline (-16 per cent) (ICAP, 2006; SEV, 2005a). The signs of deterioration of Greek manufacturing are also apparent in the index relating to the import and export performance of Greek manufacturing firms. In particular, the volume of imports in Greek manufacturing

\[\text{Output per hour worked}\]

110
increased by 44.4 per cent whilst the volume of exports increased by 23.8 per cent during 1995-2002 (KEPE, 2004).

Table 5.5: Greek Manufacturing: Industrial Production Index (IPI) (annual % change with base year 1996)

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPI (%) change</td>
<td>-0.4</td>
<td>-0.2</td>
<td>-0.5</td>
<td>-0.1</td>
<td>-2.5</td>
<td>-0.1</td>
<td>-0.4</td>
<td>1.2</td>
<td>-0.7</td>
</tr>
</tbody>
</table>

Sources: SEV (2005a), ICAP (2006)

Rising labour costs in the country led Greek firms to move labour-intensive operations to the neighbouring Balkan countries (e.g. Romania) with a view to taking advantage of cheap labour in these economies. It is estimated by the Institute of Labour of the Greek General Confederation of Labour (INE-GSEE) that more than 2,000 manufacturing SMEs have moved to Balkan countries during the period 2000-2005 (INE-GSEE, 2005a, b). The phenomenon of relocation of companies or part of companies' manufacturing activity to other countries has figured high on the economic policy and industrial relations agenda since the beginning of 2000, when this phenomenon began to assume importance (EIRO, 2005a, b, c, online; SEPEE, 2005).

Additionally, unprecedented levels of foreign competition have forced many local industrial firms to close down causing major job losses. It is estimated by INE-GSEE that around 5,000 manufacturing SMEs have been unable to cope with the new market demands and have gone out of business during the period 2000-2005 (INE-GSEE, 2005a, b; OKE, 2003; SEV, 2005a). Although there is a total absence of any official data regarding the exact number of Greek manufacturing SMEs that stop their business activities annually, as many of them do not report closures to the Greek authorities, the estimated numbers show that many traditional manufacturing sectors such as, textiles and clothing are facing a severe crisis (OKE, 2003).
According to policy makers, new production approaches are needed to enable industrial establishments to survive from the intense global competition. They see as the only solution the production of highly specialised manufacturing units, targeting high added-value niche markets (Greek Ministry of Development, 2005). Both the current Minister of Economy and Finance in Greece and the President of the Federation of Greek Industries have claimed that exciting new technologies promise unexpected industrial applications and that SMEs need to innovate (Alogoskoufis, 2006; Daskalopoulos, 2000). As they explain, the competitiveness of Greek enterprises cannot be based on cost minimisation strategies any more because low-cost producers in developing economies offer their products in cheaper prices. Hence, Greek industrial firms should opt for a different business strategy focusing on new and differentiated products and services in order to create niche markets that will enable them to gain a sustainable competitive advantage.

However, as it has been stressed in the literature, successful innovation and high quality products require a highly skilled workforce (Brown, 1999; Giles and Campbell, 2003). In the Greek context, the evidence reveals that there is an apparent lack of well-educated workers (Table 5.6). The great majority of organisations typically operating in the sector use predominantly unskilled labour (Diamantopoulou, 2001). As shown in the previous chapter (Table 4.6), only 7.5 per cent of graduates work in manufacturing, while the corresponding figure for employees with no more than elementary school qualifications is 25 per cent (ESYE, 2005).
Table 5.6: Occupational Levels of Workers in Greek Manufacturing (1995-2005) as % of Persons Employed in the Industry

<table>
<thead>
<tr>
<th>Occupational levels</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial staff</td>
<td>6.5</td>
<td>5</td>
<td>6.4</td>
</tr>
<tr>
<td>Technicians (and other professionals)</td>
<td>5.2</td>
<td>5</td>
<td>6.9</td>
</tr>
<tr>
<td>Clerks</td>
<td>7.3</td>
<td>8.6</td>
<td>9.1</td>
</tr>
<tr>
<td>Manual staff (unskilled)</td>
<td>72</td>
<td>75</td>
<td>70.2</td>
</tr>
<tr>
<td>Other unclassified employees</td>
<td>9</td>
<td>6.4</td>
<td>7.4</td>
</tr>
</tbody>
</table>

*Source: ESYE (2005)*

The option of recruiting qualified workers from the external labour market does not seem viable as the formal education system in Greece, as discussed in Chapter Four, produces graduates that do not meet the needs of Greek industry in terms of skills and expertise. Recent research by the Federation of Greek Industries reveals that the vast majority of young entrants in the labour market do not possess IT and numerical skills and they lack analytical abilities, team working, initiative and technical knowledge (SEV, 2006). It is frequently said that there is still too little exchange of knowledge between universities and business, and a failure on the part of university courses to match the needs of industry (Greek Ministry of Development, 2005b; VEA, 2006b).

As the informant from a research organisation pointed out, 'the formal education system in Greece does not produce flexible graduates who can add value when necessary and can help transform the organisation in the face of change' (Fieldnote). The informant from the business association added, 'formal education does not provide flexibility in the acquisition of new skills, and employers' representatives are not consulted in the design of training programmes so that they lead to skills demanded in the labour market such as, IT and problem-solving skills, as well as teamwork skills' (Fieldnote).
The absence of high-skilled personnel along with an inadequate supply from the external labour market makes training and development a priority of the utmost importance for all Greek manufacturing establishments if they are to compete on the basis of high quality products and services (SEV, 2004, 2005a, b, 2006). Yet, it is repeatedly said by academics and policy makers that workforce training in Greek manufacturing firms is poor and is showing no signs of improvement unless awareness of the need to make progress in this area is translated into concrete and determined action (Diamantopoulou, 2001; EIRO, 2006; IOBE, 2005; Kanellopoulos, 1996; OKE, 2001, 2003; Vouzas, 2004; Zambarloukos and Constantelou, 2002).

In summary, the competitiveness of manufacturing in Greece has declined severely since 1990. It is suggested by policy makers that manufacturing establishments should change their business strategy in order to maintain their competitive position focusing on product quality and differentiation rather than on low cost production. However, the implementation of this strategy requires several changes both in the external and internal environments of manufacturing organisations. One of these radical reforms involves the skills upgrading of human capital. In this context, the next section looks at the human resource aspects of the manufacturing sector in an effort to explore the current state of training and HRM in Greek industrial organisations.

5.3 Training and Human Resource Management in Greek Manufacturing Firms

Human resource management has had a very limited development in Greece. Compared to the more advanced European economies, well-organised human resource departments in Greek organisations is a recent phenomenon. During the 1980s only a few very large Greek and some multinational organisations had organised personnel departments, which, compared to other functions, seemed to lack sophistication, whereas the application of modern HRM practices was rather limited. Although some formalised personnel activities in selecting, appraising and
remunerating employees existed in such firms for a considerable period of time, these activities were not geared towards assisting individuals to develop their potential or make a significant contribution to their organisations' effectiveness (Papalexandris, 1991, 1992).

During the 1990s, some very large and progressive Greek firms started implementing HRM strategies in order to raise awareness of human capital quality. Nonetheless, the HR profession in small and medium-sized firms remained absent (Myloni et al., 2002; Papalexandris et al., 2001). In a recent survey of 10 Greek industrial firms (2 SMEs and 8 large organizations), Vouzas (2004) finds that systematically formulated, coordinated and implemented personnel policies, are absent in the majority of the industrial organisations studied. The main reasons behind this dismal picture are said to be the prevailing autocratic, and some time 'patriarch' management style. Similarly, Myloni et al. (2002) and Galanaki and Papalexandris (2005) point out that the role of HR professionals is still undermined in Greek firms, which leads to the conclusion that awareness must be converted into understanding. Greek firms appear reluctant to implement contemporary HRM practices, as well as upgrade the role of the HR function in order to design and implement flexible working practices. In the majority of industrial firms, those responsible for HR matters are usually inexperienced family members, while there is a lack of managers with formal training in HRM.

In the case of the small business sector, a consideration of the literature indicates that studies investigating HR issues in Greece are rare (Vouzas, 2004). Previous research in this area has shown that in small Greek organisations, the absence of an HR professional is a common phenomenon. Small firm proprietors usually retain for themselves the role of human resource management, without possessing the knowledge and the skills for its effective practice. Personnel practices are imposed by the patriarchal owner, who treats employees on a subjective basis and are usually limited to payment and employee legislation issues (Ball, 1992; Papalexandris, 1992). As the respondent from a research organisation notes, 'the limited empirical
studies carried out around HRM in small Greek enterprises have shown that firm owners are unable to formulate and implement human resource policies systematically because of ignorance and managerial incompetence’ (Fieldnote).

One of the main features emerging from HRM research in Greece is the strong belief, of almost all research participants, in the value of training as a means of improving individual, group and company performance. However, the limited research carried out in the country regarding company training has focused on large establishments (Papalexandris, 2005; Papalexandris et al., 2001; Papalexandris and Chalikias, 2002; Papalexandris and Nikandrou, 2000; Powell et al. 2000). For example, Papalexandris and Chalikias (2002) investigated the training and development practices implemented in large Greek organisations as part of the Cranet Survey\textsuperscript{13} in the 1990s and they found that the percentage of employees who receive training in Greek firms is significantly lower than that of other advanced EU countries such as the U.K, France and Germany. Also, their study revealed that Greek firms are in greater need for VET in all specialisations. Yet, most firms have realised the need to improve the skill base of their personnel in order to meet competition and the offer of training showed a growth over the 1990s. The authors stress that this picture, although quite encouraging, largely reflects the situation among well-managed, modern and innovative firms in Greece.

As far as SMEs are concerned, there are no specific data on the use of training and development practices in the Greek context (EIRO, 2006, online; IOBE, 2005; Papalexandris and Chalikias, 2002). As Papalexandris and Chalikias (2002) point out, there is no overall survey reporting on training strategies among SMEs in Greece. Yet, it is believed that there is a deficient development of such practices and the training and development function in these establishments is not systematically organised and it varies a lot depending on the owner’s personality, as well as level of education.

\textsuperscript{13} The Cranet survey took place three times in Greece during 1993, 1996 and 1999 using a sample of approximately 150 firms from all business sectors that employ more than 200 employees (Papalexandris et al., 2001).
When respondents to this study were asked about employee training in Greek manufacturing SMEs, they stressed that there is very limited knowledge of the training activity in such firms due to data collection difficulties. However, most of them argued that these enterprises seem to lack in-house infrastructure and expertise, which limits the amount and type of learning that takes place. As the informant from the Greek Ministry explained, 'there is a serious lack of research around this issue...it is believed that small domestic firms are unable to provide a learning environment to their employees and are lacking a critical mass of skilled workers who could facilitate learning through co-operation' (Fieldnote). The respondent from the public organisation also added that most employers are unaware of the existence of various learning providers that are available to help them to meet their skill needs. As he explained, 'small firm owners are overwhelmed by short-term business pressures and they have very limited contact with relevant sources of training provision. This acts as a barrier to employee training and learning' (Fieldnote).

The above data suggest that the lack of resources and poor management practices limit the opportunities for learning to take place in Greek SMEs. However, it is frequently argued by policy makers that there is a need for small firms to change this unsatisfactory state of affairs as the new realities and perspectives developed owing to the European integration reinforce competition, which, in turn, forces organisations to be engaged in new management techniques requiring a high level of personnel professionalism and an empowered HR function (Greek Ministry of Economy and Finance, 2003).

The analysis of existing studies in relation to HRM in Greek industrial firms shows that the personnel function in Greece has been for years seriously neglected and the role of the personnel departments overlooked. This has been linked to the overall lack of well-trained employees in Greek manufacturing resulting in Greek firms being unable to compete on the basis of high quality products. The industry reform proposals articulated by policy makers seek to increase training investment in order to help Greek industrial SMEs upgrade the skills of their workers. Such proposals target particularly the textile sector where massive firm closures and job losses have
occurred. In this context, the next section looks at the background of the Greek textile sector in an effort to identify why it has been one of the worst hit labour intensive sectors of the Greek industry and examine the recommendations put forward by the government for the restructuring of the sector.

5.4 The Textile Sector in Greece

5.4.1 Historical Perspectives

The textiles sector played an important role in the industrial development of Greece. Around 1870 a significant concentration of men, capital and machines emerged in Piraeus, a port-city, which eventually, developed into the country’s most important industrial centre. Gradually, textile industries developed also in other cities including Patras, Volos, Naoussa and Thessaloniki. During the 19th century the textile sector was the most developed sector of the Greek manufacturing industry employing the majority of industrial workers (43.8 per cent) and acquiring the highest percentage of added value in comparison to other industrial sectors (Demiri, 1991).

During that period, the sector developed under a protective customs duties regime and was supported by currency devaluation, while it intensified workforce exploitation. The tight profit margin was probably the main reason for the delay in renewing the mechanical equipment of the factories (Demiri, 1991). The rapid expansion of the sector materialised through the establishment of numerous small enterprises all over the country and it was favoured mainly by the abundance of unskilled labour (Evmiridis, 1990).

However, the equipment in the vast majority of textile firms remained old, inefficient and cost expensive. Most of the enterprises did not have the suitable machinery to manufacture thin thread and textiles of high quality and their small size hindered them from keeping up with modern technological developments. The low technological level of the Greek textile industry offered only one alternative: the exploitation of the workforce through squeezing the cost of labour and prolonging the working hours. In the beginning of the 20th century the main competitive
advantage of the Greek textile industry was cheap labour and not advanced technology (Papastefanaki, 2004).

Overall, the Greek textile sector never specialised in specific or high quality products. The emphasis was, from the very beginning, on mass production of cheap products, to be consumed by the country’s peasant and labour strata. The cost of production was thus, crucial. Greek industrialists resorted to the extension of the working day, the reorganisation of labour, the verticalisation of production and the reduction of labour costs in order to reduce the total cost of production (IOBE, 2006). However, following the liberalisation of international trade, the cost-based competitive strategy adopted by the vast majority of textile firms could no longer ensure their survival and development. As the next section reveals, the sector has been in decline since 1990 with a significant reduction in domestic production and investment activities resulting in the closure of many firms.

In particular, the next sections look at the current state of the Greek textile sector in relation to foreign competition. They highlight the major problems that the sector faces including high unemployment, poor export performance, low profitability and increased firm relocation. The social partners’ responses against firm relocation are also examined.

5.4.2 The Greek Textile Sector from 1990 to Present

The Greek textile sector involves various activities, including spinning of fibres, throwing of silk, weaving and finishing of textiles. The particular sector accounts for 6 percent of manufacturing GDP, marking a decline of 2 percent since 1995. According to the latest data (as of 2005), it employs 10.8 per cent of the country’s industrial workforce (i.e. 60,000 employees) and along with the clothing sector it accounts for 45 per cent of the industrial products which Greece exports and 25 per cent of the country’s exports as a whole (SEV, 2005a).
The textile sector is genuinely an export industry, with more than 50 per cent of its products sold abroad. After 2000, however, the sector has seen a significant fall in production and a large reduction in its workforce. The sector has not escaped the more general trend observed in section 5.2 above of an increase in imports in manufactured goods from non-EU countries. The abolition of quotas from the 1st January 2005 had a detrimental effect as it signaled the expansion of manufacturing exports from low-cost producers in Asian and Eastern European countries to Greece (EVEA, 2004; SEV, 2005a, 2006).

Following about 20 years of bilateral agreements restricting trade in textiles and clothing, the Multifiber Arrangement (MFA) negotiated under the auspices of the General Agreement on Tariffs and Trade (GATT), the predecessor of the WTO, came into force at the start of 1974. The MFA allowed textile- importing countries (primarily industrial countries) to negotiate bilateral restrictions on imports from exporting countries (primarily developing countries). The United States, Canada, and most other industrial countries including Greece moved to impose quota restrictions on imports from a number of developing countries. The Agreement on Textiles and Clothing (ATC), reached in 1995 as part of the GATT’s Uruguay Round Agreement, stipulated the phasing out of MFA quotas over 10 years ending on January 1, 2005. The expiry of the ten-year transition period of ATC implementation means that trade in textile and clothing products is no longer subject to quotas under a special regime outside normal WTO/GATT rules but is now governed by the general rules and disciplines embodied in the multilateral trading system (WTO, 2004).

A number of indicators such as, the production index (i.e. total production output), level of employment, number of firms, import/export performance and gross/net profits indicate that the competitiveness of the sector has significantly deteriorated since 2000. Although the competitiveness of the Greek manufacturing industry has shown a general decline since 1990, as discussed in section 5.2, the textile sector appears to record a more severe decline than the general trend. As Table 5.7 shows,
production in Greek textiles has decreased considerably from 2000 to 2005. In 2005 specifically, owing to very low product demand there was a 16 per cent decline in production, one of the largest recorded in the Greek manufacturing industry for that year (SEV, 2005a).

Table 5.7: Production Index in the Greek Textile Sector (annual % change with base year 1996)

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles production index (% change)</td>
<td>-2.5</td>
<td>-3.5</td>
<td>-3.0</td>
<td>-5.0</td>
<td>-7.4</td>
<td>-2.6</td>
<td>-3.3</td>
<td>-10.4</td>
<td>-16</td>
</tr>
</tbody>
</table>

Source: SEV (2005a)

Moreover, Tables 5.8 reveals that the number of SMEs in the Greek textile sector reached 4,173 in 1995, whereas in 2002 (latest available data by ESYE) they totaled 3,556, marking a decline of 617 firms. In particular, a total of 472 micro firms, 134 small firms, 11 medium firms and 88 large organisations declared officially that they stopped their business activities during that period (ESYE, 1995, 2002a). However, it has been argued by the Greek General Confederation of Labor (GSEE) representatives that many more textile firms have closed down since 1995 but most of them do not report closures to the Greek authorities (INE-GSEE, 2005b).

Table 5.8: Number of Organisations (by employment category) in the Greek Textile Sector (1995-2002)

<table>
<thead>
<tr>
<th>Enterprise category</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms (1995 census)</td>
<td>3,805</td>
<td>329</td>
<td>39</td>
<td>111</td>
</tr>
<tr>
<td>Number of firms (2002 census)</td>
<td>3,333</td>
<td>195</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Change in the number of firms</td>
<td>-472</td>
<td>-134</td>
<td>-11</td>
<td>-88</td>
</tr>
<tr>
<td>Change (%) in the number of firms</td>
<td>-12.4</td>
<td>-40.7</td>
<td>-28.2</td>
<td>-79</td>
</tr>
</tbody>
</table>

Source: ESYE (1995), ESYE (2002a)
The decline in competitiveness of the sector is also shown in the index relating to the import and export performance of Greek textile firms. In particular, the volume of imports increased by 50 per cent whilst the volume of exports decreased by 15 per cent during 2000-2005 (SEV, 2005a). The existing financial data also mirror the many problems of the sector. More specifically, turnover, gross profits and pre-tax net profits have decreased significantly since 2000. As Table 5.9 shows, between 2000 and 2003 turnover declined by 395,894 thousand euros (-21%), gross profits by 211,349 thousand euros (-34.3%) and pre-tax net profits by 95,601 thousand euros (-80%) (SEV, 2005a).

Table 5.9: Turnover and Gross Profits (in thousands euros) in the Greek Textile Sector (2000-2003)\textsuperscript{14}

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>1,883,933</td>
<td>1,466,254</td>
<td>1,490,696</td>
<td>1,488,039</td>
</tr>
<tr>
<td>Gross Profits</td>
<td>615,310</td>
<td>435,805</td>
<td>420,087</td>
<td>403,961</td>
</tr>
<tr>
<td>Pre-tax Net Profits</td>
<td>119,187</td>
<td>38,246</td>
<td>10,436</td>
<td>23,586</td>
</tr>
</tbody>
</table>

Source: SEV (2005a)

A recent study by the Greek Foundation for Economic and Industrial Research (IOBE) (2006) on the Greek textile sector reveals its gloomy future prospects. According to the study, one of the major problems faced by Greek textiles is the lack of international competitiveness. The study notes that the sector is labour-intensive and depends largely on cheap labour. In order to compete in the domestic and foreign markets, the vast majority of textile organisations opt for a cost minimisation strategy with an emphasis on the production of low quality textiles using out of date technology and a low wage, unskilled workforce. However, the abolition of quota arrangements had a detrimental effect on the sector, as there was a large increase of imported goods originating in low-cost countries. The study goes on to suggest that the sector should shift its production towards a mix of products and services for which demand is rapidly increasing to gain competitive advantage, whereas

\textsuperscript{14} Only firms with 2000-2003 employment data are included.
competition from low-cost plants in Asia and central and eastern Europe should be met through rapid modifications in the firms' production schedules to allow them to respond to changes in fashion.

Similar studies carried out by the Athens Chamber of Commerce and Industry (EVEA) (2004) and the Hellenic Fashion Industries Association (SEPEE) (2005) confirm that most textile SMEs continue to pursue low value added activities that do not lead to national prosperity and rising standards of living. For example, the study conducted by SEPEE (2005) stresses that owing to trade liberalisation, the competition from low-cost producers in Asian countries increased after 2005 dramatically causing severe problems to domestic firms. During the period from 1994 to 2004, most Greek enterprises did not invest in technology and human resource development and they did not manage to create the necessary organisational structures to cope with strict foreign competition. As a result, thousands of domestic companies now struggle to survive, as they are unable to compete on the basis of low quality, cheap products.

Since profits are based on low labour cost, it comes as no surprise that with the opening up of the neighbouring countries' markets, which had previously been out of reach for western capital, and the increased unit labour costs in the country (see Table 5.4), Greek textile companies moved where they could have lower production costs and achieve a better rate of profit. Production then relocated to Bulgaria, Macedonia, Albania and Romania where wages are up to 10 times smaller. In particular, the average gross wage reaches up to 1,000 euros in Greece a month, whereas in the other Balkan countries it is no more than 120 euros (EIRO, 2005b, online).

It is estimated by the Institute of Labour of the Greek General Confederation of Labour (INE-GSEE) that around 1,000 Greek textile companies have relocated to Bulgaria and Romania since 2000 (INE-GSEE, 2005b). Furthermore, the available data concerning employment issues in the Greek textile sector indicate that 35,000 textile workers have lost their jobs from 1995 to 2005 (ESYE, 2005; INE-GSEE,
Nowadays, there are cities in Northern Greece such as Naoussa, where the unemployment rate has reached 50 per cent due to the closure of textile organisations operating in these regions (EIRO, 2005a,b, online; Papastathopoulou and Roubos, 2005; SEV, 2005a).

Table 5.10: Employment in Greek Textiles (1995-2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons employed</td>
<td>95,000</td>
<td>85,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Change in persons employed</td>
<td>-</td>
<td>-10,000</td>
<td>-25,000</td>
</tr>
</tbody>
</table>

Source: ESYE (2005)

The interviewees in this study concurred on many of the trends highlighted above. As the informant from the Greek Ministry explained:

'the problems experienced by the Greek textile organisations have led to the closure of many production plants and a significant loss of employment. The majority of textile firms use old technology and employ unskilled workers and therefore, they can't cope with this turbulent business environment. Although the official data in this area are sketchy, it is estimated by ESYE that since 2000 the number of large textile firms has declined by 70 per cent, whereas the SME sector has marked a decline of 80 per cent. Employment has fallen by 30 per cent as well' (Fieldnote).

The main reasons behind these negative developments are thought to be: the fierce competition from low cost producers; low labour productivity along with high labour costs; limited financial assistance from the Greek State in order to help textile SMEs modernise their production methods; and lack of high-skilled staff (EVEA, 2004; IOBE, 2005; OKE, 2001, 2003). It is frequently argued that in order to survive the sector needs to develop a more careful and systematic approach to the planning and implementation of training and development programmes (IOBE, 2006). This is important owing to: the rapid change in systems of increasing technological sophistication, necessitating constant programmes of training for new recruits and
retraining of the existing workforce; the need to increase productivity and quality of home-produced goods at competitive prices locally and internationally; and the need to keep up with increasing foreign competition (INE-GSEE, 2005a, b; KEPE, 2004; SEV, 2004, 2005a, 2006).

Most interviewees argued that the need to increase productivity and quality of home-produced goods at competitive prices is the most important reason for textile firms to invest in workforce skills development. As the informant from the public organisation explained, ‘the challenge for the textile sector is to achieve international competitiveness in the face of the rampant expansion of Chinese exports to the Greek and other European markets. Policies aimed at improving product quality in the sector could mitigate the impact of the removal of textile quotas’ (Fieldnote).

As evidenced by the above discussion, the liberalisation of trade in the textile sector led to an extensive decline in domestic and international product demand. Imports from developing countries (e.g. China, India) increased significantly, whereas the value of exports dropped. The decline of various indices over time indicates that the broader sector has lost competitiveness. The high increase of labour costs in the country has led a large number of textile companies to either transfer their labour-intensive production units to neighbouring Balkan markets that offer a production basis at low costs or stop their business activities. The next section looks at employees’ response to firm closures in order to examine whether textile workers have been able to reverse these negative developments or not.
5.4.2.1 Trade Union Responses to Firm Closures and Position of the Social Partners

Workers' responses to closures and relocation have been unsuccessful and inadequate. While factories were closing one after the other, the workers could not manage to form a community of struggle and practical solidarity actions were very limited. For example, in 2004, the workers of a textile factory in Naoussa (‘Tricolan’) faced a closure. Although they tried to get in touch with the workers of another textile factory in Thrace [a region near Bulgaria] belonging to the same owner, still they were confronted with indifference and fear. Nevertheless, the textile workers of Naoussa went on a large number of mobilisations during 2004. The mobilisations ranged from roadblocks, demonstrations and 24-hour solidarity strikes organised by the local union branch to their culmination with the occupation of the ‘Tricolan’ factory on 31st October 2004. However, the occupation ended on the 25th of November 2004 and the plant was finally closed with the loss of around 100 jobs (EIRO, 2005a, online).

Almost a year later, similar events took place once more in the city of Preveza after ‘Preveza Mills’ ceased its operations in September 2005. The closure of the company provoked strong reactions from the workers’ representatives because it was one of the companies that had received state subsidies in the past to enable it to survive. Nevertheless, the firm ultimately added to the long list of companies in the textiles sector that have either closed down or relocated to other countries. The final closure resulted in the dismissal of 174 mill workers (EIRO, 2005c, online).

The question of company relocations and their impact on the Greek labour market and the Greek economy is of great concern to the social partners. The trade union movement has repeatedly expressed its concern about the dimensions this phenomenon is taking on, especially in certain industries such as textiles and clothing, as well as the negative effects both for the workers made redundant in each instance and also for entire local communities. The Greek General Confederation of Labour (GSEE) has continuously made indirect reference to the matter when it criticises all enterprises that receive substantial financial aid from the state but fail to
put it to good use. Many such companies have received huge sums in subsidies and financing but have never reciprocated in a responsible and sensitive manner towards society as a whole and the public interest (EIRO, 2005b).

On the other side, the employers and their organisations lay the blame on the state and the institutional framework, which they claim is not company-friendly. The Hellenic Fashion Industries Association (SEPEE) has continuously stressed the urgent need for measures to support the textiles and clothing sectors. The Association has expressed its strong concerns and dissatisfaction with the absence of the political will on the part of the state in recent years to support two of the country's most important manufacturing sectors, namely textiles and clothing and has stressed that during the last decade more than 35,000 jobs were lost in the country (SEPEE, 2005).

The above examples illustrate a situation that is rather gloomy for the working class in the textile industry. Workers respond to the closures with demonstrations, strikes and occupations but they seem powerless to reverse these developments by appealing to other parts of the working class and generalising the struggle. The occupation of textile plants remains a relatively isolated activity, whereas there have been no other militant strikes. The textile factories seem to close down despite the strikes and protests by workers and citizens in local societies. Such cases partially reflect the general recession besetting the textile industry in Greece. In this context, the following sections look at the key problems facing Greek textile firms and examine the measures put forward by the Greek government to improve their competitiveness.
5.5 Major Problems Facing Greek Textile SMEs

As noted in section 5.4.2, the Greek textile sector is dominated by SMEs. The main problems facing such organisations are frequently acknowledged in political and academic discussions and include the low quality of final products, high production costs, low capital invested, lack of managerial competence and lack of high-skilled personnel (EIRO, 2006; EOMMEX, 2000; Greek Ministry of Economy and Finance, 2003; IOBE, 2006; OKE, 2001, 2003). During the interviews, the informants discussed the key problems facing the small business sector in Greek textiles.

In particular, it was stressed that due to a fiscal discrimination against risk capital, most SMEs have problems accessing bank loans at reasonable rates and fast-growing companies are hampered by the absence of European capital markets for SMEs. This lack of financing institutions to support, by means of guarantees, the small textile businesses in Greece limits significantly the possibilities for research and development, which may lead to innovative products and services. As the respondent from the business association noted, ‘there is limited policy action in this crucial area and a lack of institutions that could provide small business owners with funds and meet their needs for short-term and long-term borrowings with favourable terms so that they can increase the competitiveness of their businesses and realise their ambitions’ (Fieldnote).

The lack of high-skilled personnel was another key problem identified by all respondents. Because of their limited size and resources, textile firms do not employ well-trained workers that have the required skills and attitudes (e.g. IT skills, teamwork skills, technical skills, manual dexterity, attention to detail) to perform their jobs efficiently. Also, textile firms do not seem to have the incentives to invest in training because they cannot provide an internal labour market, like the ones found in larger enterprises, through which employees may seek promotion and career advancement within the enterprise. As the respondent from a research organisation argued, ‘textile SMEs usually employ inadequately trained personnel who lack formal education qualifications and can’t keep up with new technologies’
In the same manner, the respondent from the business association noted, ‘despite the importance of the sector for employment and the economy in general, there are significant deficits in knowledge and skills among employees and businessmen and insufficient specialisation’ (Fieldnote).

The very large number of bureaucratic processes required for the smooth operation of small textile enterprises in the country, which affects the effectiveness of such organisations, was also among the problems mentioned by most informants. The country has not implemented enough systematic measures towards improving and effectively addressing the complex regulatory environment for small business development, while businesses and potential employers must suffer a significant cost and time burden due to the lack of simplified procedures, and also from the proliferation of agencies requiring different procedures, to which they must turn on an everyday basis in order to fulfil their operating needs. As the respondent from a chamber of commerce and industry pointed out, ‘the authorisation of new businesses, the issuing of professional licenses and the approval of certain applications concerning SMEs is a time consuming process in Greece. The Government should reduce the required documentation, which frequently does nothing to enhance the procedures’ (Fieldnote).

The inflexibility of the labour market seems to be another key problem facing textile enterprises. The inflexibility of the Greek labour market stems mainly from the strict protectionist labour legislation. As most informants explained, there are still obstacles to hiring temporary, as well as permanent staff owing to the high costs of recruitment and dismissals. The non-wage labour costs in Greece are among the highest in the EU-15 accounting for 43.86 per cent of the paybill, whereas the amount of compensation and red tape involved in dismissals is said to be discouraging for most employers (OKE, 2003). Also, there is lack of flexibility in working time arrangements in accordance to company needs. Stores’ operating hours are restricted by mandatory operating rules, which oblige companies to pay overtime when maximum working hours are exceeded. If working hours were
deregulated, most respondents argued that they could significantly enhance the competitiveness and productivity of firms by allowing them to extend their operating hours and pay lower wages by using part-time employment. As the respondent from a research organisation noted:

‘flexibility requires legislation that allows companies to hire and dismiss employees without prohibitive costs, to maintain working time arrangements related to production needs, to adjust wages in accordance to productivity, and to offer effective incentives for productive labour. Although the Greek government has continuously expressed its intention to take a number of legislative initiatives with the purpose of promoting labour flexibility, the labour market in Greece remains rigid’ (Fieldnote).

Furthermore, the public agencies have no mechanisms for recording and documenting the effectiveness of policies concerning the business environment of Greek textile SMEs and the developing trends in the sector on an international scale, all of which produce negative effects on monitoring developments in textile firms and on making that type of information available to the enterprises, which could facilitate their strategic decision making. As the respondent from the public organisation argued, ‘the government does not undertake any activities to improve its knowledge concerning textile SMEs (e.g. statistics, research studies, seminars) and evaluate policy actions that favour SMEs. This has a negative impact on policy development’ (Fieldnote).

As evidenced by the interview findings, small textile enterprises face numerous problems including lack of financial support from the State, poor quality of human capital, increased red tape and an inflexible labour market. All these obstacles result in high production costs and low quality of final product undermining the ability of Greek textile organisations to compete in local and international markets. The discussion shows that policy action aimed at enhancing the competitiveness of the textile sector has been almost absent so far. In several key areas policy measures
have been inadequate and unable to support those textile SMEs that struggle to survive. However, as the next section reveals, the Greek government has recently taken a series of initiatives in order to help Greek textile SMEs surmount their structural obstacles and compete in international markets.

5.6 Policy Measures Towards Greek Textiles
All the policy measures towards the textile sector have as a key objective to encourage textile firms to change their product strategy moving from low quality segments of the industry into high-quality goods offered in competitive prices (EOMMEX, 2006, online; SEV, 2005b). As the respondent from the Greek Ministry commented: ‘policy action towards textiles is designed to implement the desired improvement in the competitiveness of the sector, through upgrading and modernisation of the products and services offered’ (Fieldnote).

It became apparent during the interviews that there is a strong consensus amongst respondents that the sector needs to move to a high value added strategy to survive in line with the more general policy position discussed in section 5.2. Most informants argued that the key challenge facing the Greek textile sector is to evolve from a sector of traditional low knowledge-intensive activities to a knowledge-intensive sector. It was pointed out that textile organisations, which used to distribute their products and services to undemanding closed domestic markets must now open up to global competition and face on the one hand the low-cost economies of eastern Europe and Asia and on the other the high-quality economies of western and northern Europe, north America and the Far East. As the informant from the Greek Ministry explained,

‘persisting in offering low added value products and services will lead to a contraction in the profits of those involved in production activities or the actual disappearance of these activities, with damaging social consequences. Introducing internationally competitive high added value activities in textiles is vital for both economic and social policy in Greece’ (Fieldnote).
On the same grounds, the informant from the public organisation noted,

'textile firms should shift their production towards a mix of products known to the market with increased added value and lay emphasis on improvements in marketing...foreign competition should be met through rapid modifications in the firms' production schedules to help them reduce product delivery times and allow them to respond to rapid changes in demand' (Fieldnote).

The informant from a research organisation also argued, 'the competition has become so intense in the sector that the only way to achieve an above average return is through differentiation...yet, most textile enterprises don't have the required technological infrastructure and know-how to create niche markets, achieve high margins for products and yield profits' (Fieldnote). Similarly, the respondent from a chamber of commerce and industry said: 'Greek textile companies are unable to compete on price with low cost producers due to higher labour costs prevalent in the country. Greater product specialisation may enable them to gain a competitive edge in the long term' (Fieldnote). The respondent from another research organisation made a similar comment:

'the Greek textile sector never specialised in specific or high quality products. The emphasis has been on mass production of cheap products. However, the new status of the global textile market forces Greek firms to move their resources from processes in which Greece no longer has a competitive advantage to processes in which Greece can gain a competitive advantage. This means moving away from basic cheap textile items towards high quality textiles. However, this requires both technological investment and workforce skills development' (Fieldnote).
According to the respondents, the support of the government towards textiles is directed mainly in the areas of financial support, tax relief and human resource development. More specifically, the creation of a Loan Guarantee Scheme for SMEs and especially the enterprises with a workforce ranging between 0-9 employees comes to cover a market failure, which is connected to the SMEs inability to provide the required guarantees to the lending institutions. The Fund is a ‘risk-sharing’ mechanism between the state, banks and other institutions. The regulatory framework is in its final stages and an agreement has been struck with the European Investment Fund for a pilot scheme with certain banks. This mechanism of balanced risk allocation will aim to support small firms and provide guarantees of Euro 2 billion within the decade. As the informant from a research organisation argued, ‘the scheme will facilitate SMEs’ access to funding, encouraging them to update their equipment and introduce more productive machinery’ (Fieldnote).

With regard to tax relief for small textile companies, the Ministry of Economic Affairs and Finance has laid down Law 3220/2004(3), which provides relief for companies with liquidity problems. Article 6 grants, under certain conditions, exemption from income tax on the capital gain resulting from the sale to a financial leasing company of fixed business assets, which then form the subject of a financial leasing contract between the vendor company and that same leasing company (sale and leaseback arrangement). Also, in order to support and maintain small sole-proprietor businesses situated in small villages or settlements with less than 1,000 inhabitants, article 13 grants an exemption from income tax to those who realise net profits of up to 10,000 euros on condition that the villages or settlements concerned have not been classed as tourist locations.

In order to contribute to the upgrading of the sector through proper consultation services, the Greek government plans to set an SME Observatory to systematically monitor textile firms at the national, regional and local level in order to gather and process data that will assist in improving their competitiveness, as well as their incorporation in the new, digital economy. As the informant from the Greek Ministry argued, ‘this is an action that will enable us to collect reliable data around
the sector on a national scale and design initiatives that will benefit textile firms' (Fieldnote).

In terms of human resource development, a number of programmes are designed by the Greek government in order to restructure and revise the education and training in textiles. The government attempts to make considerable improvements in linking technical education to market needs, as well as support training actions for businessmen and staff in such issues as the application of new technologies, organisation of businesses and quality assurance. These policies are perceived by the majority of informants to be the most important in helping the textile sector strengthen its position internationally. As the respondent from the business association explained, 'in the textile sector the human factor is the most vital parameter in achieving the goals of industrial policy' (Fieldnote). The informant from the Greek Ministry also noted,

'the key aim of the government is to improve the competitiveness of the sector. This objective requires a suitably specialised workforce, able to offer high quality products and services to meet the demands of a differentiated clientele with variety of special interests and needs. For that reason, policy action places strong emphasis on improving the supply of high-skills' (Fieldnote).

One of the options open to Greek textile firms to assist them in implementing the above strategies is the Hellenic Research and Technology Organisation (ELKEDE), which was set up by the State to assist companies operating in the textile and clothing sectors, particularly SMEs in improving the quality of their final products. The Centre organises seminars for the staff of companies active in the sectors to train them in the use of new technology, information technology, design and health and safety.
As the informant from a chamber of commerce and industry explained, 'ELKEDE offers assistance with a number of issues, including quantity and quality control, guaranteeing the quality and obtaining certification for products, environmental protection, advertising and promoting goods, developing new technology and sharing expertise...all these services centered around the idea of value in quality' (Fieldnote).

Furthermore, in order to meet the goal of improving the skills of the industrial workforce, the government place particular emphasis on identifying education and training needs. In that context, a number of field studies are scheduled to be carried out by the Employment Observatory Research-Informatics organisation during 2008 with the aim of collecting quantitative and qualitative data on the needs for specialities and skills in Greek manufacturing.

According to official data provided by the informant from the Greek Ministry, a number of government subsidised training initiatives have also been directed towards workforce skills upgrading in the textile sector. Specifically, a series of training programmes have been conducted under the Account for Employment and Vocational Training (LAEK). These are vocational training programmes for manufacturing SME employees, which are announced each year and are open to all industrial SMEs operating in Greece that want their staff to be trained. During 2005, over 20 vocational training and education programmes were carried out by bodies representing both employers and employees of industrial SMEs providing training for around 1,000 employees in the sector on health and safety, IT and quality standards.
In addition, a series of training programmes have been planned and carried out by various private institutions, business associations and chambers throughout Greece. Most of them have been fully funded by the Greek government. In the next paragraphs, some of the above training programmes are discussed in more detail.

During 2006, 10 training workshops for technicians with specific specialties in the textile sector were carried out by the Hellenic Organisation of Small and Medium Sized Enterprises and Handicraft (EOMMEX) covering new technologies in the design and production of products and informatics. The Athens Chamber of Small and Medium-Sized Industries (VEA) also planned and held 20 training seminars in 2006 for its member entrepreneurs running manufacturing businesses in textiles, clothing and leather sectors. The key theme of the seminars was modern forms of work organisation. However, as the informants from the public organisation and the chambers of commerce and industry explained, ‘the participation rate in the above seminars was less than 1 per cent’ (Fieldnote).

Furthermore, the Greek Ministry of Development implemented during 2006 three training programmes under the 3rd CSF. The work involved the training of businessmen, executives and workers in the dyeing-finishing textile companies with the purpose of improving the ability of enterprises to incorporate new technologies and cope with the emerging needs of the global market. The training themes focused on new technologies in the production process and modern forms of work organisation. The project was financially supported by European Union, with a contribution of 75 per cent from the European Social Fund (ESF) topped up by 25 per cent governmental contribution. Yet, as the informant from the business association noted, ‘the participation rate in those programmes was around 1 per cent’ (Fieldnote).
The above measures indicate that the Greek government is looking to develop an industrial policy focusing on human capital in an effort to increase productivity and employment guided by the Lisbon agenda. This is heavily based on the concept of the learning economy. Despite the fact that the Lisbon strategy specifies a wide range of policies to be implemented in order to make the EU the most dynamic and competitive knowledge-based economy in the world, the Greek government demonstrates a strong focus on education and training neglecting other significant areas required to drive innovation, competitiveness and growth. As noted in Chapter Four, there is still much progress to be made in various areas at both macro-economic and micro-economic level including fiscal stabilisation and long-term sustainability of public finances, labour market flexibility, public administration efficiency, production management, work organisation and employment relations. The key issue to be addressed by policy makers is the content of this broader industrial policy and under what conditions can textile firms modernise their production methods.

The Greek policy response has been in line with international evidence on the importance of investment in both physical and human capital, together with the importance of research and development, innovation and the uptake of new technology as determinants of productivity growth. However, despite the stated intention of putting in place mechanisms for assisting workplaces to make improvements across all the drivers of workplace productivity, policy investments have been focussed on those drivers related to investing in skills and people, and encouraging innovation and the use of technology. Far less investment has been made in relation to other drivers, particularly in relation to work organisation, building leadership and management, and creating positive workplace cultures, despite increasing research evidence that it is these areas that are critical for ensuring that the productive potential of investments in skills, technology, and innovation are achieved (Keep et al., 2006).
5.7 Discussion of Policy Measures

The above analysis indicates that the vast majority of policy actions focus on improving the supply of high skills in the sector. Most respondents seem to agree with the fact that in Greek textiles, human resource development is a key factor in achieving the goals of industrial policy. Hence, most of the governmental measures involve the improvement of the quality of the national educational system, as discussed in the previous chapter, as well as the promotion of company training through State subsidies and funded classroom-based courses.

In particular, training subsidies and government-sponsored training seminars are seen as significant contributors to the Greek government's policy of creating a society committed to personal and economic growth through a philosophy of lifelong learning. However, there is a serious doubt and uncertainty about their usefulness felt by textile employers. The low participation rate in some training schemes raises concerns over the applicability and value of training subsidies to small firms, the amount of time and resources needed to participate in government-sponsored training schemes and issues relating to bureaucracy.

Greek skills policy does not appear to reflect the predominant strategy of the textile sector in pursuing international competitive advantage. The Greek government wishes to pursue a high value added, high-skill policy, but the majority of textile employers opt for a low-cost, low-skill approach to productivity, as revealed by existing studies (EVEA, 2004; IOBE, 2006; KEPE, 2004; OKE, 2003; SEPEE, 2005). Whilst a high-skills economy is eminently desirable on behalf of policy makers and individuals, it is not necessarily a logical management strategy. A low-skill, low value-added, simple product option is one strategy by which textile employers appear to compete in the market. This means that the new training policy is likely to fail because the link between the supply of and the demand for work skills is absent. As several commentators have stressed, this link is a key factor underpinning the success or failure of skill development policies (Ashton and Sung, 2006; Green, 1998; Keep and Mayhew, 1996).
It is evident that the Greek government in essence is looking to expand only the supply of skills, while there is no enhancement of skills usage in the labour market. An expansion of skills supply may be a necessary precondition for the textile sector to improve its competitiveness but not a sufficient one. The demand for skills is equally crucial. This is not to say that the stock of skills does not influence firms’ demands. On the contrary, where a sufficient stock of high skills exists firms may choose more highly value-added production systems. Yet, as Ashton and Green (1996) have stressed, the connection is weak, uncertain and long-term.

This chapter argues that if progress towards some form of high skills vision is desired, new types of policy and broader forms of intervention may be crucial. The existence of a higher education system that will encompass a greater proportion of the young population than the previous years simply means that Greece will have a large and rising stock of graduates in its workforce. The problem is that this may fail to deliver any major improvement in productivity and there may be signs of under-employment and over-qualification among significant segments of the labour force. The prevalence of low skilled, low paid employment in large sections of the industry means that large numbers of employers are not willing to break out of the low value-added production route.
5.8 Conclusion

The present chapter examined, through secondary data and a series of qualitative interviews conducted with high-ranked policy makers in Greece, the key problems of Greek industry and the measures adopted by the government to assist small organisations in improving their position in relation to international competition. The analysis revealed that the competitiveness of Greek manufacturing has declined significantly from 1995 to 2005. A number of indicators such as the total production output, employment levels and export performance highlighted the poor future prospects of the industry. The policy consensus across decision makers in the Greek industry stressing the pursuit of a high-skills strategy also emerged during this stage of fieldwork. All the informants argued that it is imperative for manufacturing establishments that they should shift their business orientation towards high value-added production in order to maintain their competitive position.

In the area of human resource management, the findings revealed that this function has been seriously neglected in Greek industrial firms. The manufacturing SMEs do not seem to implement modern human resource management practices, whereas employee training is believed to be very limited and not systematically organised. This is the case in the textile sector specifically, where respondents argued that there is a deficient development of human resource management practices.

The chapter further examined the current state of the textile sector in relation to competition from developing economies. The analysis showed that the trade liberalisation in the textile market after 2005 resulted in an extensive decline in domestic and international product demand. Imports from developing countries such as China and India increased to a great extent, whilst the export performance of Greek textile firms remained poor. The discussion revealed that the competitiveness of the sector has deteriorated dramatically from 2000 to 2005.
The increase of unit labour costs in the country led thousands of textile companies to transfer their labour-intensive production units to the neighbouring Balkan markets that offer a production basis at low costs. This caused a significant number of job losses. Although workers responded to the closures with strikes and demonstrations, they have been unable to reverse these developments.

The interview findings showed that small textile organisations face numerous difficulties such as, high production costs, low capital invested, increased red tape, low productivity levels and a lack of high-skilled personnel that limit their ability to compete effectively with foreign producers. All the informants stressed that the sector is in a critical stage of decline and therefore, radical changes are required to enable organisations to face the challenges of the future. The respondents appeared to strongly support a high-skills, high value-added strategy that will assist the sector in moving to the high quality segments of the market and improve its future prospects in relation to foreign competition.

The fieldwork then addressed the policy measures adopted by the Greek government with the purpose of helping textile firms to overcome the aforementioned barriers. The results showed that the Greek government has taken a number of initiatives to support textiles SMEs in modernising their production methods, including the provision of loans so that small businesses can invest in new technological equipment, lower corporate taxes and the provision of subsidies for company training.

However, the analysis indicates that the Greek government has opted for a value-adding approach to productivity and competitiveness, whilst the vast majority of textile employers opt for a cost-cutting approach. The expansion of formal company training along with a policy for more higher education that will raise the skills throughout the population is put forward by policy makers as the way to solve the productivity problem in Greece. Yet, there are serious concerns around this case.
The discussion suggests that supply-side policy measures are likely to have only very limited success because they are not accompanied by other strategies concerned with employer demand for higher skills. They simply focus on eradicating perceived imperfections within the training market. In its official pronouncements the Greek government emphasises two drivers of productivity growth, namely increased investment in both physical and human capital. There is a general agreement amongst respondents that one of the key driving forces for change and growth is innovation. However, as research evidence suggests, increased knowledge and more investment in advanced technology are necessary elements of a high-skills, high-wage strategy but do not automatically enable firms to move to high value added paths. Such fundamental changes would need to be accompanied by consequent changes in the nature of work and employment relations, reforms in labour market regulations, sound monetary policy and so on. The role of skills as a magic tool that can address issues of productivity and competitiveness is being over-emphasised by Greek policy makers and policy continues to operate at levels of aggregation that render interventions inefficient and expensive.

The employer demand for high-skill workers is examined further in the next chapter where the data collected through the postal survey are analysed and discussed. More specifically, Chapter Six looks at the training strategies of Greek textile SMEs and explores the determinants of training provision to identify whether the training needs of such establishments can be met through formal government-funded HRD interventions or public money will be wasted.
CHAPTER SIX: TRAINING PRACTICES OF GREEK TEXTILE SMEs: SURVEY EVIDENCE

6.1 Introduction
This chapter presents my findings from a survey of training practices of SMEs in the Greek textile sector. The chapter aims to explore more systematically some of the threads emerging from the previous two chapters. First, the analysis suggests that SMEs play a significant role with regard to employment and social and economic growth in Greece. Second, the textile sector specifically has been targeted by government policy in relation to developing an enterprising and learning society. A key concern of policy makers is to encourage an up-skilling strategy in sectors like textiles as part of future restructuring. This policy agenda has been supported by a series of supply-side initiatives and support. But, to what extent are these actually influencing the practices of firms? Further, how exactly do firms in the textiles sector organise their training strategies and practices?

This chapter aims to fill this knowledge gap by investigating HRD within Greek textile organisations. More specifically, drawing on survey data, it examines small business owners' views around the perceived benefits of HRD for their firms, the training policies of textile SMEs, the nature of their skills development activities and the determinants of training provision.

The chapter begins with some background data around the participant firms and continues with an examination of HRD policies and practices in the surveyed organisations. It then focuses on discussing what triggers training in textile firms along with the barriers to workforce skills development. The chapter concludes with a discussion around the rhetoric and the reality in Greek textiles in relation to training and development.
6.2 Background of Participant Organisations

The survey was administered during June-September 2007 in Greece and produced a total response rate of 17.1 per cent. As shown in Table 6.1, the survey sample comprises 37 micro firms (0-9 employees), 74 small firms (10-49 employees) and 6 medium firms (50-99 employees).

Table 6.1: Survey Sample and Percentage Response Rate

<table>
<thead>
<tr>
<th>Type of firm</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaires sent</td>
<td>500</td>
<td>170</td>
<td>15</td>
<td>685</td>
</tr>
<tr>
<td>Questionnaires received</td>
<td>37</td>
<td>74</td>
<td>6</td>
<td>117</td>
</tr>
<tr>
<td>Response rate</td>
<td>7.4</td>
<td>43.5</td>
<td>40</td>
<td>17.1</td>
</tr>
</tbody>
</table>

The findings showed that in all cases the questionnaires were completed by the owner of the organisation, all respondents were males and the majority of them (80 per cent) had over 20 years' work experience. In terms of educational achievements, the vast majority of them (90.6%) possessed an upper-secondary school certificate, whilst only 4 per cent had attained a university degree (mainly business-related). This last finding indicates that most small business owners in Greek textiles lack formal business education that can equip them with subject-specific knowledge around people management and help them manage their workers more effectively. As Hendry et al. (1995) and Smith and Whittaker (1998) note, the educational background of the owner can have a significant influence on the HRD efforts of small firms as professionally trained owners tend to value to a greater extent staff development than proprietors who have limited business education.

The data further revealed that the great majority of textile organisations (95 per cent) employ predominantly manual unskilled workers. Almost all employees (99 per cent) in the participant firms work full time on a permanent basis and in most cases (90 per cent) they are members of a trade union. However, as noted in Chapter Four, workers in Greek SMEs normally join sectoral or industry-level trade unions and not enterprise-level trade unions because the legislation relating to enterprise-level
representative employee bodies provides for the establishment of such bodies only in firms employing at least 20 people.

Regarding business activity, most organisations (98.3 per cent) distribute their products to local and regional markets, whereas just 1.7 per cent and 3.4 per cent operate in local markets and international markets respectively. The latter are all medium-sized organisations with over 60 employees. Furthermore, the majority of participant firms (nearly 80 per cent) have been operating for over 15 years, whereas there was not any firm in the sample with less than 10 years of business activity.

In terms of business ownership, in the majority of firms (68 per cent) the owner alone has been responsible for managing the organisation, whereas in 29 per cent of firms the owner along with his/her family was responsible for running the enterprise. Only 2.6 per cent of respondents answered that the owner along with the appointed managers were responsible for running the organisation and these were all medium-sized firms.

The findings further showed that none of the participant firms has a separate training department and in the vast majority of cases (96.6 per cent) the owner was responsible for managing training and development programmes, whilst in the remaining firms (3.4 per cent), all being medium-sized, line managers appeared to have primary responsibility for training activities. The above results seem to confirm the argument that owners in most small establishments determine the strategic direction of the firm and thus, have a monopoly on training and development decisions (Atkinson and Meager, 1994; Hendry et al., 1991, 1995; Lane, 1994).

The next section looks at the training policy of participant organisations and their training budget in an effort to explore if Greek small textile firms have a systematic training plan that provides consistent guidance to their workers in relation to skills development. As it has been noted in the literature, a clear training plan outlines the commitment of the firm to the training and development of all employees, the type of training which the organisation intends to provide, the purpose of this training and
how this process relates to the overall vision and aims of the organisation (Stone, 2002).

6.3 Training and Development Policy and Extent of Training Provision within Greek Textile SMEs

The results showed that there is a generally positive view of small textile firms to the need for training. In particular, all respondents in the survey answered in positive around the perceived benefits of employee training in relation to business performance, indicating that HRD facilitates the introduction of new technology and improves firm’s ability to meet skill shortage needs. However, just 2.6 per cent of them claimed to have a formal training plan and these were all medium-sized firms operating in international markets. The remaining enterprises (97.4 per cent) answered that they do not have a formal written training plan (Table 6.2). Among them, one in four respondents (40 per cent) replied that there was a lack of any perceived need, whilst 60 per cent answered that lack of time was a key factor in preventing them from having a formal written training plan. This contrasts with the findings of previous HRD studies in the small business context, which showed that small organisations do not use formal training plans mainly due to a lack of expertise and financial resources (Harrison, 1997; Hendry et al., 1995; Storey, 1994). In the Greek context, formal training plans are not considered a vital part of the skills development process by a significant number of firms.

Table 6.2: Formal Written Training Plan (% of firms)

<table>
<thead>
<tr>
<th>Firm size</th>
<th>Formal written training plan</th>
<th>No formal written training plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Small</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Medium</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>
The results show that the great majority of textile firms do not have a formal training plan that states clearly what the organisation is prepared to do to help its employees develop their skills and guides decision making around employee training. However, it should be noted that the absence of a training plan does not necessarily mean that Greek small textile firms do not train their staff. They may simply do not wish to formalise their development activities in a training plan. The issue of informality is explored further in section 6.4.

In terms of the budget available for training purposes, the findings revealed that the great majority of Greek textile organisations do not have a separate budget for employee training and development programmes. In particular, the results showed that only around 3 per cent have a separate budget for training programmes, all being medium-sized firms. In all these cases the owner along with appointed managers were responsible for managing the training budget and all claimed that the training investment represented around 1 per cent of the total organisation budget.

The fact that most small textile firms in Greece do not spend a significant amount of capital on training their personnel could be perceived by many commentators as discouraging because it suggests a lack of commitment towards employee growth. However, the data should be interpreted with caution since it has been posited in the HRD literature that such type of establishments may show their commitment towards workforce development through various informal learning interventions that do not require a specific training budget. As Johnson (1999) has argued, such quantitative measures should be treated with care in the small business context.

Although the above findings confirm the argument that SMEs normally do not have a formal written training policy and a training budget (Observatory of European SMEs, 2003a, b), they appear to be in contrast with the latest evidence from the U.K, where the annual survey of the Chartered Institute of Personnel and Development (CIPD) revealed that the majority of SMEs have both a training plan and a specific training budget (CIPD, 2008).
In terms of actual participation levels in training, a paltry 3.4 per cent of respondents (i.e. 4 organisations) provided on-the-job training during 2006, all being medium-sized organisations (Table 6.3). Among them, half indicated that they trained 15 per cent of their staff, whilst the other half trained 20 per cent of their workforce. Regarding the training days allocated to on-the-job training, this varied according to occupational groups. In particular, three out of the four medium-sized firms trained their manual staff for two days on health and safety issues, while one medium-sized organisation offered a five day in-house training to its technical staff around quality standards and information technology. As for off-the-job training provision, only 1.7 per cent of firms appeared to have offered off-the-job training opportunities to their staff (Table 6.3). More specifically, only 2 medium-sized organisations indicated that they trained 6 per cent of their workforce. The organisations offered a three-day off-the-job training to their technical staff on health and safety issues, as well as around information technology.

Table 6.3: Provision of On-the-job and Off-the-job Training (% of firms)

<table>
<thead>
<tr>
<th>Firm size</th>
<th>On-the-job training</th>
<th>Off-the-job training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Small</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Medium</td>
<td>66.7</td>
<td>33.3</td>
</tr>
</tbody>
</table>

As mentioned in the previous section, all respondents in the survey answered that they consider employee training as a key factor of improved business performance. Yet, the evidence in this section reveals that there is a gap between general awareness on the part of Greek small textile firms of the need to train their workers and an actual commitment towards systematic employee training provision. In other words, although all firm owners claimed to have a positive attitude towards workforce skills development, the great majority of them admitted not to have provided their staff with any formal training over 2006. This paradox of training apparent in Greek textiles reinforces the urgent need for bridging the wide credibility gap that appears to exist between politically-inspired VET rhetoric and the human
resource development needs of small firm owners faced with rapidly changing economic realities.

Despite the dismal picture around employee training that the results reveal, it should be stressed that this question attempted mainly to capture the extent of structured training activity within Greek textile SMEs. As such, when respondents were probed to indicate if they have any kind of employee induction (orientation) programme as part of their training activities, 65.8 per cent of them said that they 'almost always' have an induction training programme for new recruits, while a further 9.4 per cent argued that they 'always' have an employee orientation programme. The main method used for the provision of induction training by most organisations was task demonstration ('always' or 'almost always' used by 83.8 per cent and 16.2 per cent of respondents respectively). None of the respondents indicated either formal presentations from owner/management or instruction at educational institutes as their chosen methods for employee induction. This shows that Greek textile SMEs prefer unstructured methods for induction training, which ties with the findings from studies on HRD in SMEs in the advanced world that have demonstrated a high degree of informal training for newcomers (Hendry et al., 1995; Hill and Stewart, 2000). The role of informal training in Greek small firms is discussed further in the following section where the nature of HRD in the participant organisations is explored.
6.4 The Nature of Training Activity in Greek Textile SMEs

The purpose of this section is to explore and understand how training activity is implemented in Greek textile organisations. In particular, it explores the extent to which textile SMEs are applying a systematic approach to training and development and the extent to which they are using informal training activities. In this context, this section explores training needs analysis, design of training activity, implementation of training, as well as training evaluation.

6.4.1 Training Needs Analysis

The first question relating to the phases of the systematic training and development process was about training needs assessment. First, the respondents were asked to indicate whether they carry out a training needs assessment or not. As it can be seen in Table 6.4, the vast majority of textile organisations do not conduct a training needs assessment. In fact, 92.3 per cent of enterprises revealed that they 'never' or 'almost never' carry out a training needs analysis. Only 7.7 per cent of firms responded that 'sometimes' conduct training needs assessment, these being three small firms and all the medium-sized enterprises of the sample. All firms that conduct training needs assessment answered that they 'sometimes' conduct task analysis and person analysis, whereas their popular methods to determine staff training needs are performance appraisals and direct observation.

Table 6.4: Training Needs Assessment (% of firms)

<table>
<thead>
<tr>
<th>Firm size</th>
<th>Never</th>
<th>Almost never</th>
<th>Sometimes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>0.85</td>
<td>30.8</td>
<td>0</td>
</tr>
<tr>
<td>Small</td>
<td>7.7</td>
<td>53</td>
<td>2.6</td>
</tr>
<tr>
<td>Medium</td>
<td>0</td>
<td>0</td>
<td>5.1</td>
</tr>
<tr>
<td>Total</td>
<td>8.5</td>
<td>83.8</td>
<td>7.7</td>
</tr>
</tbody>
</table>
As for the reasons for not carrying out a training needs assessment, 51.3 per cent of respondents argued that time constraints is a ‘very important’ factor, whilst a further 38.5 per cent considered this factor as an ‘important’ one. Similarly, a large number of respondents (82.1 per cent) argued that financial constraints is a major reason for not conducting a training needs analysis. Only a small number of firms (17.1 per cent and 8.5 per cent respectively) indicated the lack of knowledge and the lack of need as key reasons in preventing them from conducting a training needs assessment (Table 6.5).

Table 6.5: Reasons For Not Assessing Training Needs (% of firms)

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Very important</th>
<th>Important</th>
<th>Not very important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time constraints</td>
<td>51.3</td>
<td>38.5</td>
<td>10.2</td>
<td>0</td>
</tr>
<tr>
<td>Financial constraints</td>
<td>7.7</td>
<td>74.4</td>
<td>17.9</td>
<td>0</td>
</tr>
<tr>
<td>Lack of knowledge and experience</td>
<td>0</td>
<td>17.1</td>
<td>42.7</td>
<td>40.2</td>
</tr>
<tr>
<td>Lack of any perceived need</td>
<td>0</td>
<td>8.5</td>
<td>42.7</td>
<td>48.8</td>
</tr>
</tbody>
</table>

The results show that the vast majority of Greek textile SMEs do not analyse the training needs of their staff to ensure that the aims of training activity are well defined and understood and that the subsequent developmental efforts will be both effective and efficient. The findings suggest that owners favour a reactive approach towards staff training rather than a strategic one that emphasises the long-term development of people. Such results confirm the findings of similar research studies conducted in the U.K and Ireland and revealed that small firm owners normally fail to assess the training needs of their staff and hence, are unable to anticipate future skill requirements (Birdthistle, 2006; Kitching and Blackburn, 2002).
6.4.2 Methods of Training Delivery

The survey revealed that the great majority of textile firms in Greece use on-the-job training most frequently to provide training for their workers. In particular, the findings showed that on-the-job training is 'always' used by three quarters (75.2 per cent) of respondents and 'almost always' used by the remaining quarter (24.8 per cent). On the other hand, off-the-job training is 'never' used as a training method by 76.1 per cent of textile firms, whereas it is 'sometimes' used by 23.9 per cent of organisations (Table 6.6). None of the surveyed micro enterprises uses off-the-job training.

Table 6.6: Methods of Training Provision (% of firms)

<table>
<thead>
<tr>
<th></th>
<th>On the job</th>
<th>Off the job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>75.2</td>
<td>0</td>
</tr>
<tr>
<td>Almost always</td>
<td>24.8</td>
<td>0</td>
</tr>
<tr>
<td>Sometimes</td>
<td>0</td>
<td>23.9</td>
</tr>
<tr>
<td>Never</td>
<td>0</td>
<td>76.1</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Regarding the design of training activity, around three quarters of respondents (74.4 per cent) 'always' design their training activity internally, whereas the remaining 25.6 per cent 'almost always' design in-house their training interventions. Only a small percentage of textile organisations (23.9 per cent), belonging to small firms and medium-sized enterprises, responded that 'sometimes' purchase their training programmes from an external provider. The majority of respondents (80.3 per cent) further indicated that they have a strong preference for in-house training provision because it is a cost effective solution and can be scheduled around firms' needs causing less disruption in production (Table 6.7).
Table 6.7: Reasons for In-house Training (% of firms)

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Very important</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience (cost and time efficient method)</td>
<td>80.3</td>
<td>19.7</td>
</tr>
<tr>
<td>Relevance of training to specific needs of firm</td>
<td>43.6</td>
<td>56.4</td>
</tr>
<tr>
<td>High rate of learning transfer</td>
<td>38.5</td>
<td>61.5</td>
</tr>
</tbody>
</table>

In terms of the main training techniques used by Greek textile firms to implement their training activity, the survey evidence pointed to the predominance of coaching. In particular, 47 per cent of textile firms claimed that they ‘always’ use coaching to provide employee training, whereas the remaining 53 per cent said that they ‘almost always’ use the particular technique for training provision (Table 6.8). Other popular techniques were found to be: staff meetings (used ‘almost always’ by 50 per cent and ‘sometimes’ by 35 per cent of respondents); reading manuals (used ‘sometimes’ by 86 per cent of respondents); dialogue with customers and suppliers (used ‘sometimes’ by 79.5 per cent of firms); and visits to trade fairs (used ‘sometimes’ by 30 per cent of respondents).

It should be stressed that coaching, as used in the present survey, denotes an informal training practice rather than a structured method of employee development delivered by HRD specialists or external coaches. As previous research in large Greek firms has shown, most managers in Greece understand coaching as an essentially informal form of employee training delivered by supervisors that usually lasts for a short period and focuses on improving workers’ specific skills in order to remedy poor performance (Papalexandris et al., 2001).
Table 6.8: Training Techniques Used (% of firms)

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Almost</th>
<th>Sometimes</th>
<th>Almost</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coaching</td>
<td>47</td>
<td>53</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Staff meetings</td>
<td>0</td>
<td>50.5</td>
<td>35</td>
<td>14.5</td>
<td>0</td>
</tr>
<tr>
<td>Manuals</td>
<td>0</td>
<td>1.7</td>
<td>86.3</td>
<td>10.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Dialogue with customers and suppliers</td>
<td>0</td>
<td>0</td>
<td>79.5</td>
<td>18.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Visits to trade fairs</td>
<td>0</td>
<td>0</td>
<td>30</td>
<td>68.4</td>
<td>1.6</td>
</tr>
</tbody>
</table>

The results reveal that the learning and training activity in Greek SMEs takes an informal character, with the emphasis on guidance from employers and others at the workplace rather than structured forms of instruction. Training seems to be incorporated within routine working practices and is not an additional activity. Such conclusions bring new insights in the field of HRD as they unmask small firm owners’ perceptions around the value of informal training. Existing studies have mainly attempted to identify a causal relationship between small firm training and organisational performance using hard data and quantitative tools in order to stress the important role of systematic training provision for firm success (Cosh et al., 1998; Patton et al., 2000; Storey, 2004). However, there has been very limited research and understanding around small firm owners’ attitudes towards training and learning despite the fact that small business owners’ central role in establishing a learning culture within their firms is well recognised (Hendry et al., 1995; Kerr and McDougall, 1999; Matlay, 1999, 2002).

The above findings underpin the argument that most training in SMEs is undertaken in-house because it can be delivered at times and in formats, which are convenient to both workers and owners (Jayawarna et al., 2007; Jones, 2005). Furthermore, the results tie with the key features of employee training provision in the small business context that have been identified in advanced countries, which include training focused on the specific work practices of the business rather than generic skills,
learning undertaken on work premises, very limited use made of external training providers and reactive approach with limited forward planning (Johnson, 1999, 2002; Holden et al., 2006; Kerr and McDougall, 1999; Kitching and Blackburn, 2002; Matlay, 1999b).

6.4.3 Training Evaluation

The last questions in the particular section of the survey concerned training evaluation. The findings revealed that most respondents (92.3 per cent) ‘never’ or ‘almost never’ evaluate their training efforts. Only 7.7 per cent of organisations ‘sometimes’ carry out a training evaluation using direct observation as their main data collection technique to evaluate their training efforts. These were three small firms and all the medium-sized organisations of the sample (Table 6.9).

<table>
<thead>
<tr>
<th>Firm size</th>
<th>Never</th>
<th>Almost never</th>
<th>Sometimes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>7.7</td>
<td>23.9</td>
<td>0</td>
</tr>
<tr>
<td>Small</td>
<td>7.7</td>
<td>53</td>
<td>2.6</td>
</tr>
<tr>
<td>Medium</td>
<td>0</td>
<td>0</td>
<td>5.1</td>
</tr>
<tr>
<td>Total</td>
<td>15.4</td>
<td>76.9</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Regarding the reasons that prevent Greek textile organisations from evaluating their training activity, the results pointed to financial and time constraints. More specifically, 92.3 per cent of participants responded that both financial and time constraints were either ‘important’ or ‘very important’ factors in preventing them from carrying out a training evaluation. On the contrary, just 17.1 per cent of respondents answered that the lack of expertise and skills to conduct a training evaluation is an ‘important’ factor in preventing them from evaluating their training efforts. Likewise, only 8.5 per cent of respondents, all classified as micro firms, indicated as ‘important’ factor the lack of need to evaluate their training activity (Table 6.10).
Table 6.10: Reasons For Not Evaluating Training Provision (% of firms)

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Very important</th>
<th>Important</th>
<th>Not very important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time constraints</td>
<td>55.5</td>
<td>36.8</td>
<td>7.7</td>
<td>0</td>
</tr>
<tr>
<td>Financial constraints</td>
<td>28.2</td>
<td>64.1</td>
<td>7.7</td>
<td>0</td>
</tr>
<tr>
<td>Lack of knowledge and experience</td>
<td>0</td>
<td>17.1</td>
<td>33.3</td>
<td>49.6</td>
</tr>
<tr>
<td>Lack of any perceived need</td>
<td>0</td>
<td>8.5</td>
<td>42.8</td>
<td>48.7</td>
</tr>
</tbody>
</table>

The findings indicate that most textile organisations do not evaluate in a systematic way their training efforts to determine whether the training and development programmes accomplished their objectives and in many instances, this part of the training process is totally neglected. Given the numerous benefits of training evaluation for the future development of firms’ training strategies, it can be argued that Greek textile firms ignore a very important stage of the training cycle. As DeSimone et al. (2002) have stressed, training evaluation can help organisations identify: the strong and the weak points of a training and development programme; determine the cost-benefit ratio of a training effort; the participants that benefited the most or least from the programme; and the employees that should participate in future training efforts.

The analysis so far has revealed that formal training practices are virtually absent in the great majority of Greek textile firms. In order to examine if this lack of commitment towards systematic employee development reflects a general neglect of HRM as a function within Greek firms, the survey further attempted to investigate the current state of HR in the participant organisations. In this respect, the findings revealed that none of the surveyed organisations use individual performance-related pay, flexible working practices and formal career plans for employee development, whereas only two (both of these being medium-sized firms) use tests and interview panels for employee selection. However, just over one in five organisations (i.e. 21.4 per cent) answered that they use regular performance appraisals, as well as regular
feedback on performance from many sources. These were all small enterprises and medium-sized organisations. None of the micro firms appeared to use any kind of the aforementioned human resource practices. The results reveal a picture quite similar to the one identified in advanced countries such as the U.K, where sophisticated human resource management practices are almost absent in SMEs and the prevailing HRM model is informal, short-term and opportunistic (Cassell et al., 2002; Gilbert and Jones, 2000; Storey, 1995; Wilkinson, 1999).

As argued in Chapter Two, much of the HRD literature is written from the perspective of large organisations that have the necessary expertise and resources to invest in it, with the result that the dominant perspective is one of formalised, systems driven HRD provision. This section of the survey showed that in almost all Greek textile SMEs formal systems of HRD are non-existent and organisations prefer to operate in an informal, flexible and unstructured way. The following section looks at the triggers for involvement in training and development activities and explores the factors that impede employee training provision.

6.5 The Determinants of Training in Greek Textile SMEs
This part of the questionnaire survey was designed to identify the forces affecting organisations’ decision to provide employee training. In particular, research participants were asked to indicate how important a number of driving forces were for encouraging them to provide workforce training and how important a number of barriers were in preventing them from providing employee training. The results are presented and discussed in the following sections.

6.5.1 Driving Forces for Employee Training
The results revealed that business strategy and management commitment towards workforce skills development were among the most important drivers for increased training activity in Greek textile SMEs. More specifically, respondents indicated as ‘very important’ driving forces for employee training provision the following factors (Table 6.11): business strategy (indicated by 83.8 per cent of firms); owner/senior
management commitment (78.6 per cent); market positioning of firm (73.5 per cent); specific work problems (71.8 per cent); recruitment of new staff (66.7 per cent); customer quality requirements (65.8 per cent); external sources of finance (64.1 per cent). Other ‘important’ forces for encouraging employee training were the following: external labour market (72.6 per cent); internal labour market (70.9 per cent); competitive pressures (66.7 per cent); government legislation (64.1 per cent) and employee motivation (59 per cent). In contrast, both training infrastructure and trade union pressures were indicated as either ‘not very important’ or ‘not important’ factors for encouraging employee training (training infrastructure was indicated by 69 per cent of respondents as ‘not very important’, whilst trade union pressures was indicated by 83 per cent of respondents as ‘not important’).

Table 6.11: Driving Forces For Employee Training (% of firms)

<table>
<thead>
<tr>
<th>List of Driving forces</th>
<th>Very Important</th>
<th>Important</th>
<th>Not very important</th>
<th>Not Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business strategy</td>
<td>83.8</td>
<td>16.2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Owner/Senior Management commitment</td>
<td>78.6</td>
<td>21.4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Market positioning of firm</td>
<td>73.5</td>
<td>26.5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Specific work problems</td>
<td>71.8</td>
<td>28.2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Recruitment of new staff</td>
<td>66.7</td>
<td>33.3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Customer quality requirements</td>
<td>65.8</td>
<td>34.2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>External sources of finance</td>
<td>64.1</td>
<td>35.9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Government legislation</td>
<td>35.9</td>
<td>64.1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Internal labour market</td>
<td>29.1</td>
<td>70.9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>External labour market</td>
<td>27.4</td>
<td>72.6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Competitive pressures</td>
<td>8.5</td>
<td>66.7</td>
<td>24.8</td>
<td>0</td>
</tr>
<tr>
<td>Employee motivation</td>
<td>2.6</td>
<td>59.0</td>
<td>23.1</td>
<td>15.4</td>
</tr>
<tr>
<td>Training infrastructure</td>
<td>0</td>
<td>8.5</td>
<td>69.2</td>
<td>22.2</td>
</tr>
<tr>
<td>Trade union pressures</td>
<td>0</td>
<td>0</td>
<td>17.1</td>
<td>82.9</td>
</tr>
</tbody>
</table>
It is evident that most owners identified the competitive strategy of their firms as the most important aspect to affect their human resource development activities. This suggests that if employers seek to enhance product quality and focus on innovative/differentiated markets, they will maximise the opportunities for the entire workforce to both acquire and utilise higher levels of learning and skill. As Ashton and Sung (2006) have noted, more sophisticated and higher quality market strategies can facilitate workplace learning and can make effective use of worker abilities and knowledge. In contrast, training resources may be wasted on mass production oriented firms unless these organisations have a business strategy that locates skills as a source of competitive advantage.

The results also indicate a strong relationship between owner/senior management commitment and workforce skills development. This means that a positive owner attitude towards staff learning and knowledge features as a key trigger for the involvement of Greek textile SMEs in workforce development activities. Such findings break new ground in relation to the impact of small firm owners'/managers' attitudes on training provision in advancing countries as they outline the central role of owners/managers in creating a learning culture within their organisations. This has also been stressed in previous research studies carried out in advanced contexts. Such studies have revealed that small firm owners have a vital role to play in the area of skills development as they can create both structured and informal learning opportunities, can serve as developers (coaches or mentors), can make space for learning, encourage risk taking, instill the importance of sharing knowledge and developing others, give positive feedback and recognition, as well as serve as role models (Appelbaum and Walter, 1997; Billett, 1999; Macneil, 2001; Russ-Eft, 2002).

Furthermore, the data seem to suggest that the market focus of Greek textile firms and their perceived positioning in relation to competition largely determines the extent of training. This means that firms that focus on low quality products will have little need to train their workforce on a regular basis. Conversely, a focus on better
quality products will involve more training, determined and influenced by innovation and niche market considerations. The findings are consistent with previous studies that classified the market positioning of organisation among the key forces affecting small firms' decision to train their workforce (Hendry et al., 1991, 1995; Jones, 2005; Matlay, 1997, 1999a, 2002; Reid and Harris, 2002).

One of the interesting findings that emerged from this part of the survey concerns the impact of trade unionism on HRD efforts of Greek textile firms. Although in 90 per cent of respondents employees appear to join sectoral or industry-level trade unions, as it was discussed in section 6.2, the data showed that in 60.7 per cent of all organisations surveyed trade unions were 'almost never' informed or consulted around training issues, whereas in the remaining 39.3 per cent trade unions were 'never' informed or consulted around firm's training activities. Similarly, in 5.1 per cent of all textile firms trade unions were 'almost never' involved in negotiations over training, whereas in the remaining 94.9 per cent trade unions were 'never' involved in negotiations over training provision.

The evidence reveals that trade unions have no significant impact upon Greek textile firms' training strategies and efforts. This supports the limited empirical evidence around trade unionism in Greece, which has shown that training and development does not have a notable presence in trade unions' agenda (EIRO, 2006, online). The fact that trade unions are not concerned with wider aspects of the employment relationship such as employee training and do not appear to have an active role in VET policy suggests that there will be little internal pressure on employers to ensure that they adopt high-quality product strategies, which are associated with a broad range of skills and development opportunities. As it has been emphasised in the HRD literature, while industrial relations do not act in a deterministic way to create particular training outcomes, yet they appear to have an important influence on these issues (Rainbird, 2000).
Furthermore, among the interesting findings in this section appears to be the high importance attached by small firm owners to external sources of finance. The results show that external sources of finance can act as a major trigger to training and development. As it was outlined in Chapter Five, the Greek government has designed a number of supply-side training interventions in order to support small manufacturing firms develop the skills of their workers. Yet, the survey evidence shows that textile firms do not engage in any off-the-job training activity. The data appear to highlight a major contradiction between the desire of the Greek government to move the textile sector to a high-skills trajectory through a supply-side approach and the poor take-up of government-funded training by SMEs. This contradiction is also highlighted in the next section.

6.5.2 Barriers to Employee Training

In this question, participants were asked to identify a number of barriers that affect their propensity to training and development. The main factor indicated as 'very important' barrier affecting training provision was owner/senior management negative attitudes towards workforce training. In particular, 74.4 per cent of respondents indicated this factor as 'very important' in preventing them from providing employee training, with the rest 25.6 per cent indicating this factor as 'important' in preventing them from offering training opportunities. Additionally, the following factors were identified either as 'very important' or 'important' barriers to employee training provision (Table 6.12): lack of subsidies (indicated as 'very important' by 29.9 per cent and 'important' by the rest 70.1 per cent); lost working time (indicated as 'very important' by 26.5 per cent of respondents and 'important' by the rest 73.5 per cent); financial cost of training activity (indicated as 'very important' by 23.1 per cent and 'important' by the rest 76.9 per cent); lack of workforce interest (indicated as 'important' by 60.7 per cent); lack of external training providers (indicated as 'important' by 59 per cent of firms); poor quality of external training (indicated as 'important' by 59 per cent).
In contrast, the following factors were identified as either 'not very important' or 'not important' barriers to training and development (Table 6.12): fear of poaching (indicated as 'not very important' by 68.4 per cent and 'not important' by 20.5 per cent); lack of in-house training infrastructure (indicated as 'not very important' by 69.2 per cent and 'not important' by 23.1 per cent); lack of information around training opportunities (indicated as 'not very important' by 66.7 per cent and 'not important' by 36 per cent); and lack of any perceived need (indicated as 'not very important' by 73.5 per cent of respondents and 'not important' by the rest 26.5 per cent).

Table 6.12: Barriers To Employee Training (% of firms)

<table>
<thead>
<tr>
<th>List of Barriers</th>
<th>Very Important</th>
<th>Important</th>
<th>Not very important</th>
<th>Not Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner/Senior Management negative attitudes towards staff training</td>
<td>74.4</td>
<td>25.6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lack of subsidies</td>
<td>29.9</td>
<td>70.1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost working time</td>
<td>26.5</td>
<td>73.5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cost of training</td>
<td>23.1</td>
<td>76.9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lack of workforce interest</td>
<td>0.9</td>
<td>60.7</td>
<td>23.1</td>
<td>15.4</td>
</tr>
<tr>
<td>Lack of external training providers</td>
<td>0</td>
<td>59.0</td>
<td>12.8</td>
<td>28.2</td>
</tr>
<tr>
<td>Poor quality of external training</td>
<td>0</td>
<td>59.0</td>
<td>12.8</td>
<td>28.2</td>
</tr>
<tr>
<td>Fear of poaching</td>
<td>0</td>
<td>11.1</td>
<td>68.4</td>
<td>20.5</td>
</tr>
<tr>
<td>Lack of in-house training infrastructure</td>
<td>0</td>
<td>7.7</td>
<td>69.2</td>
<td>23.1</td>
</tr>
<tr>
<td>Lack of information around training opportunities</td>
<td>0</td>
<td>2.6</td>
<td>66.7</td>
<td>30.8</td>
</tr>
<tr>
<td>Lack of any perceived need</td>
<td>0</td>
<td>0.9</td>
<td>73.5</td>
<td>25.6</td>
</tr>
</tbody>
</table>
The findings seem to confirm the view stated by HRD scholars that carried out empirical work in the advanced world that owner/management negative attitudes towards workforce skills development, lack of subsidies, lost working time and financial cost of training provision are among the common barriers to staff training in SMEs (Hendry et al., 1995; Johnston and Loader, 2003; Kitching and Blackburn, 2002; Lange et al., 2000; Matlay, 1999a, 2002). However, the results appear to contradict the assumption that fear of poaching can be a key barrier to staff training in small organisations (Sargeant, 1996). In the Greek context, it seems that the fear of trained workers leaving for another job is not a major hindrance in workforce skills development. As it was discussed in the previous chapter, the textile sector is in a critical stage of decline and job openings are rare. Therefore, there seems to be very limited worker mobility between firms.

The evidence suggests that the greatest barrier to employee training in Greek textile SMEs is owners' negative attitude towards staff training. As noted in the previous section, small business owners have a vital role to play in the implementation of workplace training. However, this gatekeeper role means they can also be barriers to staff training where they do not see the need for skills development in their workers. This suggests that owners who do not value employee development can inhibit significantly knowledge sharing within such establishments and can prevent workers from engaging in training and development activities. As Kerr and McDougall (1999) have argued, negative personal experiences of learning in their past along with a disbelief about the business benefits of training and development can affect owners' attitudes towards employee growth making them reluctant to invest in human capital.

Among the interesting findings is that small firm owners consider the lack of subsidies as a major barrier to employee training. Although the Greek government has attempted to fund training activities in the textile sector, as discussed in Chapter Five, these funds have not been widely used by textile firms. All respondents claimed that government support is inadequate, which prevents them from engaging
in training and development. Indeed, when respondents were asked to indicate if they have received any financial aid from the government in relation to HRD, all organisations argued that they received no financial support (e.g. training loans, subsidies, training grants) for training activities from the Greek State during 2006.

In an attempt to explain the very poor participation record of textile firms in government-sponsored initiatives, it could be argued that small firm owners are simply unaware of the existence of the range of programmes that are available to help them meet their skill needs. Yet, the total absence of structured training provision, as it emerges from the survey, denotes that even if some SMEs are reasonably well aware of the existence of government training programmes, they simply choose not to use them because they may not fit their specific organisational needs or due to increased bureaucracy concerning financial support (i.e. difficulty in accessing the necessary resources). This issue is explored and discussed further in the next chapter. The following section compares the training strategies adopted by Greek textile firms of different sizes and offers a critical analysis of their HRD efforts. The key argument of this chapter is also outlined at the end of the section.

6.6 Comparison and Discussion of Training Strategies Adopted by SMEs Operating in the Greek Textile Sector

Although there are variations in unit response rates across firm categories, still a number of key conclusions can be inferred based on the findings of the present survey. Both similarities and differences can be observed among the surveyed organisations regarding their training strategies. More specifically, the majority of textile enterprises indicated time limitations and a lack of need, as the main reason for not having a formal written training plan. In comparison, only a small minority of surveyed organisations claimed a lack of expertise and knowledge to prepare a training plan. This suggests that small firms prefer to operate in an informal and flexible manner. In the same manner, the vast majority of Greek textile enterprises appear not to have a separate budget for training and development programmes. Only three medium-sized firms indicated that they have a training budget, which
implies that firm size can be a factor in determining the level of investment for staff training.

Regarding worker participation in training programmes during 2006, the results showed small differences among enterprises of different sizes. In particular, the great majority of them appeared not to have provided any kind of accredited training for their staff during the specified period. Those few organisations that appeared to have provided training opportunities to their staff were all medium-sized firms. This may lead to the conclusion that firm size can affect the extent of formal training provision, as it has been suggested in the existing literature, since larger establishments usually have more resources and expertise to provide regular training to their workers than the smaller enterprises (Hendry et al., 1991, 1995; Smith and Hayton, 1999; Wong et al., 1997).

A number of similarities can be observed in each stage of the systematic training process. More specifically, all surveyed organisations have an employee induction programme using mainly task demonstration, they prefer mostly on-the-job training instead of offering off-the-job training opportunities and their preferred technique used to deliver in-house training is coaching. However, some differences among the three firm categories seem to exist around training needs assessment and training evaluation phases. In particular, none of the surveyed micro enterprises and just a minority of small firms appears to carry out a training needs analysis, as well as training evaluation. In contrast, all medium-sized organisations of the sample seem to analyse the training needs of their staff, as well as evaluate their training efforts.

Unsurprisingly, the majority of textile firms seem not to use any sophisticated human resource management practices regardless of their size. Considering that human resource departments are absent from most small industrial firms in Greece and that many firm owners are not familiar with people management issues, as noted in Chapter Five, it can be argued that the role of the personnel function in the Greek industry has been overlooked.
In terms of the determinants of training activity, all textile firms indicated the same factors as major forces and barriers affecting their training provision. More specifically, the vast majority of surveyed organisations responded that business strategy and owner/management commitment towards workforce skills development were major drivers of training and development. On the other hand, owner/management negative attitudes towards staff training and lack of subsidies were mentioned as the biggest barriers to HRD.

The findings seem to suggest that the vast majority of Greek textile firms do not follow a formal human resource development approach. Though small firm owners appear to be aware of the contribution of skills development to firm survival, there seems to be minimal systematic training provision. The current research effort highlights the greater utility of informal over formal training techniques and confirms the assumption held by Greek scholars that employee training in Greek SMEs is not systematically organised (Papalexandris, 1992; Papalexandris and Chalikias, 2002).

In this context, the survey sheds new light around the importance of informal learning for firm success by revealing that it helps small firms to meet skill shortage needs and introduce new technology. The major implications of this conclusion for HRD academics and policy makers is that ‘preaching’ to SME owners about the benefits of formal training interventions should be avoided; instead, a focus on the aforementioned particular benefits of informal learning would be more appropriate in communication to this sector about encouraging a culture of lifelong learning.

According to the data presented, the cost-minimisation strategy adopted by the great majority of textile SMEs along with low levels of management commitment appear to be the main reasons for the absence of a ‘training culture’ and a move towards systematic human resource development. The findings indicate that training departments are absent from all the firms surveyed and that the owner in the majority of the Greek industrial organisations studied takes a substantial role in
training and development efforts, without having adequate educational background to design and implement systematic training interventions. However, medium organisations appear to be more willing to take a 'less conventional approach' to training and development, implementing either education and training programmes in order to raise awareness over quality, information technology, as well as health and safety or developing training programmes in-house to fit better into the existing organisational needs.

Another factor that appears to affect the training record of Greek SMEs is that collective agreements do not seem to include any references to training designed to increase the competencies of workers. Although the relationship between training and industrial relations is both necessary and immediate, issues related to training figure less prominently in industrial relations in Greece. Greater cooperation and dialogue between the social partners seems necessary in order to enhance the effectiveness of training policies and systems.

The implication of the survey findings is that Greek industrial SMEs should first develop a business strategy in which employee skills are seen as providing a source of competitive advantage in order to increase the quantity and quality of their training interventions. Yet, as it was discussed in Chapters Four and Five, the evidence indicates that most Greek textile SMEs continue to compete on the basis of cheap, low-quality products adopting cost minimisation strategies. The low-added value route to profitability along with the lack of growth aspirations by most employers in Greek textiles identified in the literature (TOBE, 2005, 2006), suggest that systematic employee training is unlikely to be a priority for such organisations.

In cases where the product or service being delivered is marketed on the basis of cost, using unskilled labour and a form of mass production, then the investment in training and development by Greek textile SMEs may be counter productive. The increase in costs associated with it may result in the product being uncompetitive in the market. In contrast, in cases where product diversification is a crucial issue for the survival and growth of firms, employee training and learning will be seen as a
key way to assist staff to adapt to changes needed so that organisations can follow this pathway.

As discussed in previous chapters, the conventional diagnoses of the Greece’s skill deficiencies involve describing problems on the ‘supply-side’ such as, the failure of the formal education system to deliver the right education to the young population and the insufficient work-based training, for which the most common explanation includes a variety of market failures (e.g. poaching concerns; lack of external financial support; lack of awareness around the importance of training and development). These market failures have been at the heart of the skills problem in Greece. In this context, the Greek government has dealt with such failures through the adoption of numerous policy initiatives aimed at improving the quality of tertiary education and increasing accredited company training.

However, the survey suggests that the underlying problem might be far more complex than this. It indicates that the demand side might be equally important and that most Greek textile SMEs may not want high-skilled workers. A holistic approach to policy change rather than one focused on eradicating perceived imperfections within the training market seems to be required. As Grugulis et al. (2004) argue, many employers may demand low-skill workers who can produce low-cost goods but the demand from employers is conditioned by the current structure of incentives they face and the information they have about education and training opportunities and their economic benefits. High levels of skill are an important prerequisite for some forms of high-value-added production but on their own, they are not sufficient to ensure success. They have to be combined with other parts of a broader package of environmental, cultural, and structural factors that can nurture and support high-performance, high value-added sectors (Finegold, 1999).
Furthermore, the trend in the current VET literature is often to assume that organisations only need to move ‘up-market’ and they will automatically require a higher skilled workforce. A high-quality or high value-added product may enable the use of such a workforce but there is no guarantee. Institutional changes would provide a range of constraints and incentives for firms to shift their product market structures and block off low-wage, flexible routes to capital accumulation. However, these policies do not directly deal with what happens at the workplace and cannot be expected to lead automatically to a high-quality working environment (Heyes and Stuart, 1994). Employers, for example, could select a high-quality product route, but with the vast majority of employees undertaking a narrow range of tasks, with limited job autonomy and little real involvement in work. To push through a major transformation in work organisation requires a fundamental shift in the balance of power within the workplace itself (Lloyd and Payne, 2002).

The results from the survey analysis show that the approach to SMEs adopted by policy makers and others concerned to promote the lifelong learning agenda in Greece has been based on a limited understanding and simplistic interpretation of the available evidence. It became apparent in previous chapters that Greek policy makers attempt to replicate supply-side approaches identified in the developed world (e.g. the U.K). However, such imitations neglect questions of context. The cultural specificity of many skill-supply mechanisms and their location within broader systems of production, industrial relations, inter-firm networks, industrial capital, corporate governance and politics has been stressed by previous research (Keep and Mayhew, 1999).

The degree to which best-practice models within the field of VET tend to be rooted within particular national and regional contexts makes their replication in other environments extremely problematic. The world economy may be becoming more global, but education and training remains an area where skill supply systems continue to differ quite radically from one country to another (Ashton and Green, 1996; Green and Sakamoto, 2000). In this respect, the present survey highlights
some important gaps in our theoretical and empirical understanding of the process of learning and training in small organisations in advancing economies.

6.7 Conclusion

The present chapter has examined the nature and extent of training and development in a sample of textile SMEs in Greece. In particular, it has looked at the training strategies of 117 textile businesses and has examined the factors determining training provision.

The survey finds that the great majority of textile firms do not adopt a systematic training and development approach. The provision of any type of planned training appears to be minimal and restricted to medium-sized organisations. There seems to be an apparent preference for informal training and learning methods among the surveyed organisations such as, coaching and dialogue with customers. The results suggest that the most useful learning experiences for employees in Greek industrial SMEs are not formal courses but rather personal instruction by owners/managers and visits to suppliers. This indicates that creating more opportunities for learning in the day-to-day work environment might be a more appropriate way for these enterprises to maximise their organisational effectiveness.

According to the data presented, small firm owners, although seeming to have positive attitudes towards human resource development, they are indifferent towards formal training provision. The vast majority of respondents admitted not to have provided any accredited training over a period of 12 months prior to the survey. The reasons for this gap between rhetoric and reality appear to lie in the lack of owner's commitment towards staff development and the low-cost strategy adopted by Greek SMEs. As the data around the forces affecting workforce skills development revealed, the chosen business strategy and management commitment towards HRD are the two main triggers of training and development activity within textile SMEs, whilst owner/management negative attitudes towards staff training, lack of
subsidies, as well as time and financial constraints were the key barriers to employee training.

The results further showed that fear of poaching and trade union pressures were not among the factors identified as having an impact on HRD efforts of textile firms. Although ensuring that work organisation is designed to encourage skills development requires a re-balance of the employee relations within the firm, trade unions in Greece do not seem to exert any significant pressure to organisations in relation to HRD. However, without a strong role for workers' organisations, alongside regulatory measures such as job security protection and incentives for training and education, there is likely to be little internal pressure on employers to ensure that high-quality product strategies are associated with a broad range of skills and development opportunities.

The survey has attempted to develop an argument that the skills development policy targeted at Greek SMEs has been based on a limited understanding around the needs of such organisations. As the previous chapter revealed, policy initiatives have focused on enhancing the HRD efforts of small textile firms predominantly through subsidised off-the-job training programmes. Yet, the empirical evidence showed that owners do not participate in any formal training interventions showing a strong preference for informal on-the-job learning methods that offer flexibility, convenience and relevance.

The chapter emphasises that the more generic lessons from other developed countries in relation to HRD policies should be adapted to Greece's distinctive institutional and cultural context. In so doing, it has outlined some important lacunae in our theoretical and empirical understanding of the HRD process in small firms in advancing countries. The survey puts forward a number of propositions about the nature of training and learning in Greek textile SMEs, most notably that firm owners seem to behave rationally - from their own perspective - in avoiding systematic approaches to training and development. Employers in Greek textiles have decided
to compete on the basis of low cost products using unskilled labour and hence, their motivation towards HRD appears to be very limited.

This chapter offered a general picture of skills development in Greek textiles and the forces affecting training provision. In this respect, it showed that small firm owners are not convinced of the benefits to be derived from formal HRD interventions; instead, they seem to value unstructured, on-the-job learning activities. In this context, it is argued that policy makers should turn their attention into finding ways to create more opportunities for learning in the workplace to take place.

The survey analysis offered some general insights around the nature of HRD in Greek textile SMEs pointing to the prevalence of informal learning. The notion of workplace learning is explored in more depth in the next chapter through a detailed analysis of four textile SMEs. In particular, the next chapter discusses the findings from a series of face-to-face interviews conducted with small business owners, managers and shop-floor workers around the nature of HRD and the contextual factors determining staff development within their organisations.
CHAPTER SEVEN: THE NATURE OF HRD IN GREEK TEXTILE SMEs AND EMPLOYER ATTITUDES TOWARDS SKILLS DEVELOPMENT: CASE STUDY EVIDENCE

7.1 Introduction
The previous chapter indicated that employers in Greek textiles are not convinced of the benefits associated with formal HRD activities. Instead, they appear to show a preference for unstructured, on-the-job learning interventions in order to develop the competence base of their employees. Building on this, this chapter explores the nature and role of informal training in Greek textile small firms and examines owner/management attitudes towards HRD. A key distinction is made between different meanings of formalisation of training activity. The term 'formal training' refers to initiatives that can be identified by both recipients and deliverers as an intervention that has a structured mode of delivery and specific learning objectives. This is in contrast to 'informal training', which occurs throughout the organisation as individuals observe, imitate and learn from others on a fragmented and flexible basis (De Kok and Uhlaner, 2001; Garrick, 1998; Gibb, 2002; Patton and Marlow, 2002).

The purpose of this chapter is to present and discuss the findings from the data collected during the final stage of empirical work, which involved the examination of HRD strategies within three small and one medium-sized textile firms (i.e. WEAVIX, WOOLTIL, YARNEXIL, KNITTCO). The case studies draw from twenty semi-structured interviews conducted with shop-floor operatives, technicians, production supervisors and managers, managing directors and firm owners. The primary aim was to obtain a broad cross-section of perspectives in greater detail than would be possible through a close-ended questionnaire.
The chapter presents each firm separately looking specifically at the following four areas: general organisational information; the nature and extent of training provision; the forces affecting employee training; and the benefits of training and development. The chapter concludes by comparing the training and development provision in the four case study organisations and evaluating their approaches towards workforce skills development.

7.2 WEAVIX

7.2.1 General Information
The company has been operating for twenty years. It produces fabrics for the home (e.g. pillow cases, sheets) and also has a dyeing and finishing unit. Its raw materials include cotton and synthetic yarns. The organisation has 30 employees all of which are full time. There are 20 machine operators who are responsible for operating the machines. The production foremen (weaving unit-dyeing unit) are responsible for the overseeing of production, maintenance of the machines and repairs of simple/routine faults. They also carry out quality control duty. The managing director of production is responsible for correcting serious faults, as well as for the division of labour and organisation of production. The firm also employs 3 technicians. The vast majority of workers are male (2 female workers). There are no part-time or temporary workers and most staff are long-serving. The company sells its products solely in the home market. The company owner runs the organisation.

The educational level of personnel does not vary a lot. The firm owner, the director of production and the production foremen are graduates of upper-secondary technical schools in Greece, whereas manual workers are graduates of upper-secondary general schools. In terms of technological infrastructure, the level of technology is low and the company has not invested in advanced equipment in the last ten years due to financial constraints. As the owner of the company explained, 'during the last years we struggle to survive and we don't have the money to
advance our equipment...sophisticated machinery usually needs to be imported from abroad, which is expensive’ (Fieldnote).

The company has competent technicians who can regulate the machines, as well as solve most technical problems that occur. As the firm owner argued, ‘we have experienced technicians who can appreciate the problems of the textile industry and have both the mental capacity and the flexibility to adapt to changes in production’ (Fieldnote). The main problems in the production process take place in the area of machinery maintenance and repair and concern shop-floor employees (i.e. machine operators). Specifically, the company is deficient in trained weavers who can comprehend and solve simple problems of the mechanical equipment. As the owner of the firm explained,

‘machine operators should share many responsibilities. They should prepare the machinery prior to a production run and help maintain the equipment...yet, we lack trained operators...most of them are not able to repair even the simplest faults. The production foremen have to be called. This in turn, prevents them from concentrating on their managerial tasks’ (Fieldnote).

Similarly, the production manager argued that machine operators lack the necessary knowledge and skills to perform some basic diagnostic tests to determine whether major repairs are necessary. This has a negative impact on organisational performance as it disrupts the smooth running of production. As he noted, ‘...incomplete or non-existent maintenance of machines means lower productivity, poorer quality and more frequent faults. Operators should have a basic knowledge around machinery maintenance’ (Fieldnote).
The owner argued that the firm suffers from increasing competitive pressures from Asian producers as the restrictions to textile imports have been eliminated. The production technology used in the factory is obsolete and labour intensive, which suits the prevailing conditions of developing countries and not Greece. As he noted, 'we can’t offset Asian States’ comparative advantage of cheap labour because unit labour costs in the country are much higher' (Fieldnote). The production manager also noted, 'the level of our firm’s technology is low. Most machines are fairly old and second-hand, which increases the rate of faults. Currently, we try to face competition from low-cost producers through an improved sales network and good after-sale service' (Fieldnote).

7.2.2 Organisation of Training

The company has an informal, short-term business plan. As the owner said, 'nothing is written down...everything is fluid and flexible' (Fieldnote). There is no policy for staff training and there is not a separate training unit. Furthermore, there is not a training budget and training is piecemeal and reactive without forward planning. As the owner of the firm commented: 'our training activity is focused on the work practices of the company and is undertaken on the factory. We don’t plan in advance any training for employees. We just train them when problems arise' (Fieldnote). In the same manner, the production manager added, 'staff training doesn’t aim at preventing future problems...it usually takes place after a performance gap has been identified' (Fieldnote).

The firm owner was not aware of any funded training opportunities and had not received any financial support from the Greek government for employee training programmes. Specifically, he was neither aware of the available training programmes carried out under the Account for Employment and Vocational Training (LAEK), nor of the training programmes implemented by the Athens Chamber of Small and Medium-sized Industries during 2006. Furthermore, he was not familiar with the training initiatives implemented by the Greek Ministry of Development during 2006 under the 3rd CSF. As he argued, 'I am not aware of any training
initiatives taken by the Greek government for the support of small textile firms. If there is available such funding, I believe it should be advertised more effectively' (Fieldnote).

However, it seems that even if he was aware of any Governmental aid, he would be hesitant to engage in formal learning interventions as he appeared to be concerned with the survival of the firm in the immediate future and he argued that the benefits from formal learning provision are visible in the long run. As he explained, ‘I have a short-term business planning in my head...I don’t think that the benefits associated with off-the-job training can be realised within a short time period’ (Fieldnote). The production manager was aware of certain State-sponsored training seminars but he argued that they are not tailored to the specific requirements of the organisation (i.e. they lack responsiveness). As he explained, ‘as far as I know, ELKEDE offers some workshops around informatics funded by the Greek government but they don’t concern us; these are for firms that possess advanced technical equipment’ (Fieldnote).

There is not a separate HRM department in the firm and the organisation does not seem to use any formal human resource management practices. The owner of the organisation is responsible for most staff-related issues, whereas the managing director of production is responsible for planning any training activity in the organisation. Recruitment of personnel is reactive and it is carried out predominantly through informal means (e.g. personal contacts), whereas selection is based on a brief informal interview. There is a lack of a systematic performance appraisal system, while rewards are based on seniority (i.e. years of employment in the firm) rather than on performance. Also, there is not a career development plan for the staff.
Employees are unionised (at Industry level) but they are not involved in managerial decision-making. They are only involved in collective agreements regarding payment and working hours. Most informants at this company explained that trade unions are predominantly concerned with the worker’s salary and are not involved in training decisions. As one of the machine operators noted, ‘...trade unions offer the traditional support around wage levels through social dialogue but they don’t do something to promote other areas such as, workforce training and career development’ (Fieldnote).

7.2.3 Nature and Extent of Training
There is an intensive induction programme for new recruits, which lasts for two weeks involving on-the-job training by production foremen and more experienced staff around main job duties and occupational health and safety. This helps newly recruited staff to adjust easily to the organisational climate. As the owner of the firm commented: ‘all new employees are offered some initial training in order to learn important organisational norms, establish working relationships and learn how to function within their jobs’ (Fieldnote). Likewise, the production manager explained that ‘induction training is provided to all newcomers around their main tasks, as well as on health and safety issues with the view of reducing their initial stress, fostering positive attitudes, making them feel bonded to the organisation early and consequently reduce labour turnover and achieve cost savings’ (Fieldnote). One of the machine operators also noted, ‘some of the attitudes that new staff recruited bring with them such as lack of team working, do not fit with the firm’s culture and if they don’t get some training around organisation’s rules, they may be driven out by their peers’ (Fieldnote).

During the last five years there has been no formal training for any staff category. Informal on-site training is provided to all manual employees but not on a regular basis. According to most informants, despite the technological infrastructure within the firm being poor, manual employees face a considerable difficulty in operating the existing machinery as they do not have a basic technical background around
textile equipment. However, the company does not seem to offer adequate support to enable employees to reach their potential. As the production manager explained, ‘we try to offer guidance to our workers on how to operate the equipment and do some very basic maintenance but production pressures don’t allow us to spend much time on that’ (Fieldnote).

The training needs of the workforce are determined through direct observation by production foremen. Employee surveys and interviews, performance appraisals and customer comments are absent from training needs analysis. The process of identifying training needs seems to be undertaken in a quick and unplanned fashion. As one of the machine operators argued, ‘...learning needs analysis doesn’t involve any systematic gathering of data to find out where there are gaps in our existing skills and knowledge’ (Fieldnote). The production manager also explained, ‘production foremen try to observe how well each employee demonstrates the knowledge required by the job…yet, this does not happen on a regular basis due to time limitations’ (Fieldnote).

Training involves on-the-job instruction and is provided by supervisors mostly through informal means such as, task demonstration and story telling. Production foremen try to work closely with the machine operators so that they can offer them advice and correct any mistakes. As the production manager explained, ‘we talk with our employees about their job, we sometimes do a job with them so that we can help them with the tasks, we correct their mistakes and we challenge them to explore alternate ways of doing things’ (Fieldnote). Similarly, as a machine operator explained: ‘the production foremen are listening to us about any difficulties we might be having in the workplace and they usually help us with our tasks. This enables us to learn our jobs and the different aspects of it’ (Fieldnote).
Peer interaction also seems to serve as a learning tool among manual workers. Although most machine operators work in isolation under the close supervision of their production foremen, there are occasional conversations between them around their job duties with the more experienced operators responding to work-related questions posed by their less experienced colleagues. As one of the machine operators explained, 'I am an experienced operator in the company and I always try to share my knowledge with my colleagues during the job, as well as during informal meetings' (Fieldnote). However, the job of operators appears to be monotonous, which limits skills development and affects employee satisfaction. As one of the machine operators argued, 'our job is mostly repetitive and boring. I am stuck in this unfulfilling job because that's the best I could get given the high unemployment rate in the country' (Fieldnote).

External training providers are not used due to financial constraints and lack of responsiveness. There seems to be a strong preference for informal training as structured off-the-job learning provision is considered an additional cost. As the firm owner said, 'external training vendors are expensive and we haven't got the money for such type of learning provision' (Fieldnote). The production manager also explained, 'on the one hand, there are training programmes that are not related to our business needs and hence, it's not worth paying for them...on the other hand, there are training packets specific to our needs but involve high costs of training delivery' (Fieldnote).

Employee training is evaluated by supervisors through informal discussions with workers. However, evaluation seems to be incremental and opportunistic. As the production manager noted, 'we don't really know a lot about training evaluation and we don't have a specific plan about it. Occasionally, we try to evaluate the changes in employee skills through chats with our employees' (Fieldnote). One of the machine operators added, 'our supervisors try to monitor how well we have learned particular skills such as, spotting faults but their assessment is mostly based on our views' (Fieldnote).
7.2.4 Reasons for Training or Not Training

The common drivers of formal training activity such as, product or market development and technical change appear to be absent in this organisation. Both the firm owner and the production manager show a strong preference for unstructured on-the-job training over formal learning activities in order to meet skill shortages among machine operators. The employer is not convinced of the benefits to be derived from formal training and hence, there is no demand for systematic training and development. As he argued, 'most operators have a very specific set of tasks to perform. Everything they need to know can be learnt on the factory' (Fieldnote).

On the other hand, informal on-site training is mainly affected by the recruitment of new employees. As the owner of the firm explained, 'when a new employee is hired they must be given sufficient training to perform their job as they often lack the practical skills required. We train them on the factory because the newcomer has the opportunity to practice immediately' (Fieldnote). The production manager also added that government regulations around health and safety standards are an influential factor in the provision of on-the-job training. As he argued, 'when a new regulation is imposed by the government on occupational safety, we must inform our staff about these changes. We usually do that through informal discussions on the factory' (Fieldnote). Management commitment towards workforce development was also mentioned as a key determinant of informal employee training. Most supervisors are directly involved in employee learning through the routine supervisory functions of delegating tasks, setting expectations and providing guidance and feedback on work performed. As a machine operator commented:

'I have been working for fifteen years in the Greek textile sector and I have co-operated with four different employers. My previous employers did not treat the staff well and I was not given the chance to train. In contrast, my current employer provides us with more opportunities to learn. The production supervisor is talking with us to work out what we don't know about aspects of our job, encouraging us to share our knowledge with others,
monitoring the quality of our work and informing us about our performance' (Fieldnote).

One of the main barriers to off-the-job training appears to be the owner’s negative attitude to accredited workforce skills development. The employer views off-the-job training as something that should happen when necessary and not as part and parcel of a continuous skills development process. His short-term attitude to business planning prevents him from considering formal staff development methods, as he believes that their outcomes and contribution to firm success cannot be viewed immediately. As he noted, ‘I want to use training methods that are proven to be of added value in the near future. I am not quite convinced of the value of off-the-job training. I believe that external trainers don’t know the specific conditions of the employment’ (Fieldnote).

Also, the perceived financial and time constraints of formal training provision feature as key barriers to training and development. As the firm owner noted, ‘...we must be able to afford to train. Poaching is not an issue as there are quite few firms left to poach. However, the sector is in a bad state of decline and we don’t have the financial resources to provide off-the-job training’ (Fieldnote). The production manager added, ‘each employee constitutes a significant part of the production process and we don’t have the luxury of time to send employees out to attend training seminars. All employees are taught on site’ (Fieldnote).

7.2.5 Benefits of Employee Training
Both the firm owner and the production manager believe that formal training and development does not contribute substantially to business success. Specifically, they do not seem to be convinced of the applicability and usefulness of structured training courses to their organisation. As the owner argues, ‘I really don’t think that such type of training can have an obvious impact on firm’s profits’ (Fieldnote). The production manager adds, ‘formal training reminds me of school...we don’t hire
employees who lack basic skills so, we don’t need some sort of general training provision’ (Fieldnote).

In contrast, unplanned training activity is considered to be a key variable of improved organisational performance as it reduces mistakes in the production process. As the owner argues, ‘informal learning is vital to the existence of the firm because it focuses on firm specific problems and it costs less than formal training provision’ (Fieldnote). In the same manner, the production manager comments: ‘despite our low capital investment, we need employees who can operate the existing machinery without making mistakes. On-the-job training is more convenient than external training because it’s done if and when working problems arise’ (Fieldnote).

7.2.6 Summary

WEAVIX appears to be the typical Greek small textile enterprise that struggles to survive and faces considerable financial difficulties, as well as strong pressures from international competitors. The organisation does not use any kind of advanced technology and is deficient in machinery operators that have a basic knowledge of machinery maintenance and can work independently.

There is not a separate human resource department in the firm and there is no specific budget for human resource development. The firm owner is not aware of any Government sponsored training schemes. Yet, even if he was aware, he would not be willing to participate in formal training activities as he believes that formal training provision is expensive, time consuming, non-responsive and has no apparent impact on firm performance.

The lack of specialist HRM expertise, in terms of strategic HR planning, talent identification and utilisation in terms of career development are very obvious in the particular organisation. Both training needs analysis and training evaluation are undertaken in an unplanned order and do not form a part of a systematic training
process. Employee training appears to be predominantly on-the-job and reactive, that is without any forward planning with a strong reliance on the informal sharing of expertise on the factory.

Owner attitudes and the financial position of the company seem to be the key determinants of systematic training provision. The owner of the firm does not value formal training and believes that there are not significant gains to be made through such type of learning provision. On the other hand, informal training seems to be affected by the recruitment of new staff, new government regulations on occupational safety and management commitment.

Formal training programmes are thought to offer no actual benefits to the organisation, which depends primarily on informal workplace learning to develop the competence base of its employees since it is considered by the firm owner and the production manager a cost efficient method that addresses firm specific problems.

7.3 WOOLTIL

7.3.1 General Information
The company has been operating for thirty years and produces fabrics for the home for the domestic market. The organisation has 36 employees. There are 24 machine operators with 4 production foremen responsible for the overseeing of production, maintenance of the machines and repairs of simple faults. In cases of serious faults they contact the production manager, who is also responsible for production organisation. The vast majority of employees are male. There are no part-time or temporary workers. The company owner and his son are responsible for running the organisation.
The educational level of personnel varies. In particular, the firm owner is a graduate of a technological educational institute in Greece, whilst his son has a university degree in engineering. The production manager and most foremen are graduates of upper-secondary technical schools in Greece, whilst manual workers have qualifications of upper-secondary education.

The level of technology in the company is low and no purchase of new machinery has taken place in the last ten years. There seems to be a number of problems around the introduction of new technology due to a lack of technical knowledge among operators. The installation of a new machine, getting it started and operating it in the early stages are some of the problems that arise. Whenever a new machine is purchased, a representative from the supplier firm is brought to install the equipment and provide some initial training to technicians and machine operators. Technicians from the supplying firm install and regulate the machines in order to ensure their correct installation and avoid incorrect use and consequent damage. Yet, during this phase of initial training, a number of difficulties are encountered as most suppliers are from foreign countries and the organisation's operators and technicians do not speak any foreign languages. As the production manager explained, 'when we purchased new machinery a few years ago, a representative from the supplier firm came to install it but he could communicate only with those few who spoke the language...the rest had to learn things by their colleagues or by doing, which was time consuming' (Fieldnote).

The company is deficient in trained manual personnel, mainly weavers to operate and maintain the mechanical equipment. The production manager explained that he teaches new machine operators how to operate the textile equipment but it is time consuming to teach them how to maintain the machinery and repair simple faults because this requires both theoretical and practical training. In the same manner, the owner of the company noted, 'existing and new machine operators are among those who need training. Most of them haven't undergone any technical training and they
can't make minor repairs to the machinery. Our management and technical team don't really need training as they are very competent' (Fieldnote).

In regard to competition from Asia, which has been experienced within many other segments of the Greek textile industry, the company considers this as a real significant threat. The firm produces goods that are not based on a production process driven by advanced technology and competencies. The organisation has adopted a cost-minimisation strategy and does not seem to respond to growing international competition by investing in new equipment and reorganising the work practices. As the firm owner explained, 'the cost of labour is quite high in the country and we are unable to compete with firms from developing nations that bring cheap textile items in the home market. However, we operate with a very strong service concept and we try to have a quick delivery process with our customers' (Fieldnote). The production manager also noted,

'we don't have the technology to look for innovation. Keeping the production cost low remains our first priority. Yet, during the last two years, we struggle to face the increasing competition from China and India because the production of our textiles is labour intensive and labour costs are much higher in Greece than in those countries' (Fieldnote).

7.3.2 Organisation of Training
The company has an informal business plan. There is neither a written policy for staff training nor a separate budget allocated to employee training. There is not a separate unit in the company for training and development. The company owner takes all the decisions about the nature and breadth of training provision with recommendations made by the production manager. Training is piecemeal and reactive. Departmental supervisors are responsible for implementing any training intervention in the organisation, which is exclusively on-the-job.
Regarding State support for human resource development, the company has not received any financial aid from the government for employee training programmes and the owner is not aware of any funded training opportunities available by the Greek government. As he argued, ‘we haven’t received any help around that issue. Small firms have been neglected by the government...none of them is willing to listen to our concerns’ (Fieldnote). However, he would consider participating in formal training programmes if there was any government assistance available. As he further explained, ‘some off-the-job training programmes around occupational health and safety, as well as on quality standards could be useful to our staff...yet, we can’t self-finance respective activities because they are expensive and we can’t attract special deals with external training providers’ (Fieldnote).

There is not a human resource department in the firm. The company owner is responsible for all the personnel-related issues. Recruitment of personnel is without any forward planning and is done through informal means (e.g. personal contacts), whereas selection is carried out through brief informal chats between the owner and the prospective worker. There is not a formal and regular performance appraisal system and most workers receive base pay. Career development plans are absent and workers do not have any access to continuing professional development. Similar to the previous organisation studied, employees are unionised (at the Industry level) but they are not involved in managerial decision-making. According to most informants, trade unions do not have any notable presence in training decisions. As the firm owner explains, ‘the extent of training and development has never been the subject of trade union intervention in Greece’ (Fieldnote).

7.3.3 Nature and Extent of Training
The owner of the company understands training as teaching people to do a job. Training for existing employees is informal. For all newcomers, there is an induction programme that lasts for almost two weeks, which is carried out on-the-job by departmental supervisors and more experienced staff through shadowing. As the owner explained, ‘...during the induction process we put new employees to spend
time with an experienced worker so that they can observe how the worker performs their daily duties’ (Fieldnote). During the last five years the company has recruited 25 new employees, as there is high staff turnover among machine operators. As the owner of the firm noted, ‘it’s difficult to find responsible machine operators. Many young people come to work for a short period of the year and then leave work. It’s a waste of time and money to offer formal training to newcomers...on-the-job training is more relevant, as well as cost and time efficient’ (Fieldnote).

In the last five years there has not been any formal training for the staff. The training needs of employees are determined by their supervisors mainly through occasional informal discussions. As the owner explained, ‘it takes a lot of time to monitor who needs to learn and what. However, every now and then, supervisors talk with the workers to identify areas where competence needs to increase’ (Fieldnote). Training is chiefly on-the-job and is provided by production foremen mostly through task demonstration. As one of the machine operators explained, ‘most new operators are provided with on-the-job instructions and advice to perform their activities by supervisors...the extent of support varies depending on the machine...yet, it is without any organised system’ (Fieldnote).

A large amount of learning takes place through peer interaction. It seems that there is room for knowledge sharing through the formation of informal teams and supervisors appear to support this type of learning. As one of the long-serving machine operators pointed out, ‘when difficulties arise during the job, most workers ask me to teach them some aspects of their job...I talk to my colleagues about the job as I work with them’ (Fieldnote). The production manager also noted, ‘line managers normally encourage operators to co-operate by allowing them to exchange views and experiences during work’ (Fieldnote). The firm owner also seems to be satisfied with the informal nature of skills development. As he explained, ‘I have a short-term perspective in running my business. Off-the-job training requires considerable planning and the benefits are not visible immediately’ (Fieldnote).
Similar to the previous organisation examined, external training providers are not used by the company due to financial barriers. As the firm owner commented, 'I believe that outside training vendors charge too much for the services they provide. We try to cut back expenses in order to survive and we can consider this option in case there are available grants or subsidised training programmes' (Fieldnote).

Production foremen try to evaluate employee training through observation. However, there seems to be a lack of knowledge and understanding among informants about the concept of training evaluation. As the production manager argued, 'I don't know how to measure training success. I just observe the workers to see if they have developed through on-site training the skills required to have a performance adequate for company needs' (Fieldnote). One of the operators added, 'our supervisor doesn't use any particular tools to assess the learning taking place within the factory...he just observes us to see if we have any concerns around our main tasks' (Fieldnote).

7.3.4 Reasons for Training or Not Training
The most important single factor in driving formal training activity within the organisation appears to be government legislation around health and safety and quality standards. As the owner of the firm argued, 'we understand that regulations imposed by the Government around workplace safety place responsibility on us. For that reason, if we don't know much about the legislation, we are forced to refer to external training providers' (Fieldnote).

Although the recruitment of new employees and skill shortages in the external labour market were two of the most frequently mentioned drivers of training, both seem to act as triggers to informal training and not as driving forces of structured training activities. In particular, the majority of respondents argued that the recruitment of new employees has an impact on the extent of informal on-site training. As the firm owner noted, 'when a new employee is coming to work for us, we need to train him/her so that they can contribute to the firm’s goals...the quickest
and cheapest way to do that is on-the-job' (Fieldnote). The production manager also added that the extent of on-site training is significantly affected by labour market conditions. This means that skills shortages in the external labour market produce an impetus for the organisation to train. As he explained, 'it is difficult to recruit trained machine operators and this forces us to offer some sort of training on the factory...new employees, who have previous work experience within the sector, usually need minimal training' (Fieldnote).

One of the interesting points that emerged during the discussion around the determinants of human resource development was the shortage of well-trained machine operators, who possess both adequate theoretical technical background and practical experience, in the external labour market. As one of the machine operators explained, ‘although most textile organisations in Greece employ unskilled operators, there are a few firms that demand competent operators with the skills already in place so that they don’t have to train them. However, there is a lack of skilled operators in the labour market and thus, the firm has to provide some sort of training’ (Fieldnote). As outlined in Chapter Four, the Greek education system has been oriented to provide mainly general knowledge, appropriate only to students who wish to enter tertiary education offering no alternatives to individuals who aim at following a technical career. Vocational qualifications have long failed to gain the same public acceptance as academic alternatives. The vast majority of the student population chooses to study for non-technical diplomas and degrees and hence, there has been a lack of workers with a technical background (Patiniotis and Stavroulakis, 1997; SEV, 2006).

One of the key barriers to formal training in the firm seems to be the lack of owner commitment towards staff development. The low value-added strategy chosen by the firm along with the short-term perspective of the employer contribute to his negative attitudes to systematic training. As the owner of the company explained, ‘I don’t have much interest in formal training because it’s generic and the benefits are not
clear. I prefer training to be short and focused on the specific problems we face’ (Fieldnote).

The financial cost of the training activity and time constraints were also identified by the respondents among the main barriers to off-the-job training. As the owner noted, ‘having the time to train off-the-job is an important issue. The firm can’t afford to release workers to attend external programmes’ (Fieldnote). The production manager also noted, ‘employees may benefit from formal training courses on work safety. Yet, we need to have enough funds to train’ (Fieldnote).

### 7.3.5 Benefits of Employee Training

The owner of the company does not consider formal training provision as a key factor of business survival and growth. He does not seem to be convinced of the association between systematic training and firm performance. As he argued, ‘I prefer on-the-job training over off-the-job because the link between cost and benefit is more visible’ (Fieldnote). In the same manner the production manager explained, ‘our employees have to perform some highly specific and routine tasks...formal training is too theoretical, general and expensive. Informal learning seems to me more relevant and low-cost’ (Fieldnote).

In contrast, informal methods of training are important for the firm as they reduce employee errors. As the owner stressed,

‘machine operators play an important part in producing all of the textile goods by controlling equipment that cleans and weaves the yarn into textile products. They start, stop, clean and monitor the machines for proper functioning. On-the-job training is essential to enable them to perform their tasks without making mistakes’ (Fieldnote).
The production manager also argued that informal training increases the ability of the organisation to meet skill shortage needs. As he explains, 'it is very difficult to find operators in the external labour market that have the required skills such as, hand-eye coordination, manual dexterity and the ability to perform repetitive tasks for long periods. Hence, workplace training becomes essential to avoid any skill shortages' (Fieldnote).

7.3.6 Summary
This second case study also concerns a small textile establishment with restricted financial resources that faces strict international competition. The organisation neither possesses modern technology nor well-trained machinery operators that have the ability to do basic machinery maintenance and repair simple faults of the mechanical equipment.

There is not a separate human resource management function in the firm and the owner does not have any specific capital available for training and development. He also appears to be unaware of any State-funded support around human resource development. However, he considers external training around occupational health and safety useful and hence, he appears willing to participate in relevant government-sponsored training schemes.

Nonetheless, formal training provision is virtually absent for both managers and shop-floor employees. Both training needs assessment and training evaluation are unplanned processes and opportunistic, whereas workforce training is undertaken predominantly on the factory if and when problems arise. Although supervisors offer guidance to employees around their main job tasks through demonstration, staff learning is based primarily on employee co-operation and learning by doing.

Regarding the factors that affect the propensity of firm to train off-the-job, these include government legislation, owner commitment towards skills development and the financial position of the organisation. On the other hand, the recruitment of new
employees and labour market conditions appear to have a significant impact on informal training and learning.

As with the previous case study, WOOLTIL seems to require convenience and relevance in its training efforts. The human resource development approach adopted by the firm appears to fit with the generic SME model where there is minimal demand for systematic training provision as it is deemed expensive and not flexible. The owner appears to be unconvinced of the value of formal training and prefers informal training methods, which allow staff participation without disruption to work.

7.4 YARNEXIL

7.4.1 General Information
The company has been operating for thirty-five years and produces, dyes and finishes woollen and synthetic yarns for the requirements of the knitwear trade. The organisation has 45 employees all of which are full time. There are 30 machine operators who are responsible for operating the machines. The main tasks of departmental supervisors are the daily flow of production, maintenance and repairs to machinery. This excludes serious faults, which are dealt with by the production manager. The division of labour and organisation of production are also controlled by the production manager.

Three quarters of employees are male, whilst one quarter are female. There are no part-time or temporary workers and most of the staff are long-serving. There are people of all ages from early 20s to retiring age. The company sells its products solely in the home market. The owner and an appointed general manager run the organisation. As for the educational level of personnel, the general manager has a degree in Chemical engineering from the National Technical University of Athens, whereas the production manager has a degree in engineering from the Technological Educational Institute of Piraeus. Most of the departmental supervisors and
technicians have attended upper-secondary technical schools, whilst the vast majority of manual workers have attended upper-secondary general schools.

The level of technology in the company is fairly modern. In the wool department there is an advanced monitoring system, while in the dyeing department there is a data colour system and a computerised quality control check system. There is also a modern air-conditioning system. The technological equipment is imported from abroad. New technology does not create overall restructuring problems in the firm. It does not, for example, dispense with existing specialist skills. It mainly speeds up the production process. Yet, it creates problems for older employees working in the organisation. As the technician argued, 'the importation of new machinery affects the older machine operators in the firm because they feel inadequate when using new technology and have difficulty in adjusting to its demands' (Fieldnote).

The main problems in the factory occur in the area of maintenance of machines and repair of faults. Difficulty in maintenance is increased because the machines are electronic and machine operators usually lack the knowledge to operate such equipment and solve routine technical problems. The company tries to recruit experienced machine operators but there seems to be a shortage in the external labour market. For that reason, most operators are trained on-the-job by more experienced workers. Operators begin with simple tasks and are assigned more difficult operations as they gain experience. As the departmental supervisor noted:

'we have operators who are graduates of Greek technical schools and have sufficient theoretical knowledge of the textile industry procedures. Yet, they fall short in practical experience and cannot solve routine technical problems, as well as handle more complex tasks. We put them to work in teams so that they can learn from the more experienced ones but it takes time to become fully trained on more than one machine' (Fieldnote).
Regarding international competition from developing countries, the general manager does not believe that it can jeopardise the future of the company. The organisation has opted for investment in high quality equipment in order to produce unique textile products. According to his view, most producers in developing economies do not possess the know-how to manufacture similar goods. As he explained, ‘the organisation produces high-quality yarns using advanced technology. Low-cost competitors will have difficulty using this approach as they can’t afford to introduce expensive machinery’ (Fieldnote).

7.4.2 Organisation of Training

The company does not have a formal business plan. There is not a separate unit in the company for training and development and neither is there a written training policy or training budget. Training is implemented according to current business needs and it is mainly reactive with no previous planning. The company owner and the general manager take all the decisions around the level and breadth of training provision, while the supervisors in charge of each section do the training, which is principally on-the-job.

The company has received some limited financial support from the Government during the last five years primarily for management training programmes. As the general manager explained, ‘a few off-the-job training seminars for supervisors around ICT have been fully funded by the Ministry of Development. If there was more funding available we would train our personnel more often’ (Fieldnote). Both the owner and the general manager of the firm were not aware of the full range of government-sponsored training schemes available to manufacturing SMEs. Yet, they were aware of a series of training programmes conducted in 2005 under the Account for Employment and Vocational Training (LAEK) but the firm chose not to participate due to increased red tape associated with the process.
As the general manager explained,

'the complicated application procedures to public agencies were not worth the time spent for the training provided. I had to gather many documents and visit in person one of the offices of the Greek Manpower Employment Organisation (OAED) to submit an application, which was time consuming. There should have been an opportunity for electronic submission and much less documentation' (Fieldnote).

There is neither a separate HRM department nor a personnel director in the firm. The company owner and the general manager share responsibilities for employee selection and payroll issues. Recruitment is carried out mostly through acquaintances (networking) and selection is based on a formal interview. Also, there is a formal performance appraisal every six months, whilst rewards are based on individual performance (i.e. whether machine operators show initiative or not, as well as problem-solving abilities).

Performance appraisal appears to serve as a key tool for skills development within YARNEXIL. During the appraisal process, the development needs of the workers are considered, whilst achievement is recognised and reinforced. As one of the machine operators explained, 'during the appraisal meeting, my performance over a six-month period is reviewed and major problems are identified. Then, I discuss with my boss the kind of support that I need in order to develop my skills and do my job better' (Fieldnote). However, as far as career development is concerned, it seems that there are no career development schemes for the workers, which means that performance appraisal does not provide a link to employee career planning within YARNEXIL. The size of the organisation appears to be a key factor in that respect since it does not facilitate the development of an internal labour market. As one of the machine operators explained, 'there is no room for advancement in the firm. If I was working in a large textile organisation, then I could become a first-line supervisor but this enterprise is quite small and there aren't promotional
opportunities' (Fieldnote). Employees are unionised at the Industry level but they are not directly involved in managerial decision-making, neither through formalised nor representative structures.

7.4.3 Nature and Extent of Training

There is an on-the-job induction programme for new recruits, which is offered by departmental supervisors and more experienced staff on health and safety, as well as on their main job tasks, which lasts for approximately one month. The induction training involves mainly task demonstration and story telling. However, the firm has low staff turnover. During the last five years the organisation has recruited only four new machine operators. The main criterion of staff selection is previous experience in the textile industry, whereas technical qualifications carry little weight. As the departmental supervisor explained, ‘practical know-how is necessary rather than having any degree or diploma. There is no use of having all that theoretical information, which does not directly apply to your job’ (Fieldnote).

During 2006, there was no off-the-job training for any staff category but during the last five years supervisors and technical staff have each attended 30 hours of off-the-job training mainly in the areas of IT, quality standards and occupational safety (in training seminars organised by EOMMEX and ELKEDE). All machine operators undertake on-the-job training on a regular basis around technical issues (e.g. working methods and quality standards) through informal coaching, as well as around various health and safety topics through manuals and formal meetings. As the general manager noted:

‘textile machinery operators play an important part in the organisation by controlling equipment that cleans, cards, combs, and draws the fibre, as well as spins the fibre into yarn and hence, they need to be trained to perform efficiently all these tasks. Production foremen work closely with them to manage the flow of work while helping them to learn what has to be done. They guide the less experienced machine operators on how to operate the
equipment and demonstrate [them] how to carry out machinery maintenance without the need of a technician' (Fieldnote).

Whenever a new machine is purchased, a representative from the supplier firm is brought to install the equipment and provide some initial training to technicians and machine operators. Technicians from the supplying firm have responsibility for installing and regulating the machines. The production manager, supervisors and technicians in the organisation are experienced and very competent in their work. However, machine operators appear to have problems with the introduction of new equipment due to a lack of basic IT skills and knowledge around electronics. Most modern textile machines are electronically controlled and hence, machine operators should know how to programme controls for tension, speed and heat. As the technician argued:

‘most of our machine operators inspect their machines to determine if they need repairs or adjustments, they clean and oil their machines and they also install, level and align components such as gears and chains. However, they are unable to replace worn parts and they display little ability to adapt to new ideas in their work’ (Fieldnote).

The production foremen attempt to identify the skill deficiencies of their staff that can result in lower labour productivity through direct observation and discussions with the workers. As the departmental supervisor commented, ‘it’s not unusual to talk with employees about their training needs during our lunch break...we take every opportunity that arises during the day to discuss with our people about their job’ (Fieldnote).

Training is chiefly on-the-job and is provided by departmental supervisors through informal coaching and staff meetings. Additionally, a large amount of learning takes place through co-operation with others. There seems to be regular unstructured training provision by foremen and experienced staff, which may last from a few
hours to several weeks depending on the type of machine. Teamwork also seems to be an effective learning mechanism within the firm. Most machine operators work in teams thus, having plenty of opportunities to impart tacit knowledge to each other. This kind of work organisation appears to encourage significantly workplace learning. As the general manager pointed out, 'the introduction of new technology creates new forms of knowledge and skills that have to be transmitted to the workers. We believe that the quickest and most cost efficient way to do this is by helping our employees share their experiences and knowledge through social interaction. Machine operators usually work in teams in which there is always a very experienced worker' (Fieldnote).

It seems that more experienced workers act as team leaders for the inexperienced machine operators. In this way they act as facilitators or coaches to get the most out of production workers and to encourage learning. In terms of their team leadership styles, they appear to be democratic as they listen to team members, question them to understand their points of view and be responsive to feedback. As one of the machine operators explained, 'sometimes the more experienced colleague, by instinct, is a bit directive; that is, he wants to tell us what to do without listening to our concerns. However, normally he will ask questions and listen to our views to get us on board, whereas quite often he will correct our mistakes and make constructive comments around our performance' (Fieldnote).

There is limited use of external training providers mostly due to financial constraints. The general manager of the firms argues that outside training vendors are expensive and the organisation can consider this option only when there is available funding. However, there are times where external providers are used owing to lack of in-house expertise. As he explained, 'external training providers are used when it's about subsidised training seminars or in case our management team don't have the subject knowledge to provide in-house training' (Fieldnote).
Training outcomes are assessed informally through observation by departmental supervisors and feedback is given to workers on their performance during informal meetings. Departmental supervisors use as their main criterion of training evaluation the extent of applied learning back on the job. Employee reaction and results evaluation (i.e. the effects on the business by the trainee) do not seem to be taken into account. As the departmental supervisor noted, ‘I do not know how to use particular tools to assess the outcomes of our training efforts. I just observe my staff over time to identify any changes in their behaviour that can help them do their jobs with fewer problems’ (Fieldnote).

7.4.4 Reasons for Training or Not Training

Formal training seems to be affected by external sources of finance as it is considered by the organisation an expensive option for workforce skills development. The general manager considers HRD to be among the key priorities of senior management since the company needs workers that can easily adapt to technological changes. However, he appears to value informal training to a greater extent than formal HRD interventions as it can equip employees with the required skills and knowledge in a cost effective manner. As he explained, ‘our success is based on modern technology and hence, we need well-trained personnel. We train our people predominant on-the-job but there is also the option of off-the-job training...the only disincentive to off-the-job training is cost but we try to keep ourselves informed of any funded government training initiatives’ (Fieldnote).

On the other hand, informal training provision is mostly affected by skill shortages, the introduction of new technology and other technical changes. As noted in section 7.4.1, the firm attempts to compete in growing markets as opposed to declining segments of the textile industry and hence, the introduction of sophisticated technology is of paramount importance. To this end, the organisation is engaged in on-the-job training provision to upgrade the technical skills and knowledge of production workers. As the general manager explained, ‘we wish to embrace technological advances and therefore, we need to develop the competencies of our
staff as technological changes demand a new set of skills' (Fieldnote). Likewise, one of the machine operators pointed out,

‘the firm invests a significant amount of money on technological infrastructure to get ahead of competitors... because more automated machinery is used in textiles and a greater number of processes are controlled by computers, we all need to be trained in order to operate such machines. On-the-job training is more effective than formal courses because it’s highly relevant. Formal courses are too theoretical’ (Fieldnote).

The fact that most respondents expressed a major concern around the financial cost of formal training activity suggests that this factor is one of the key barriers to training and development for YARNEXIL. This comes in contrast with the view that companies producing differentiated products to achieve a quality advantage over their competitors tend to be less cost sensitive compared to companies that focus on the use of mass production techniques when it comes to HRD issues (Kitching and Blackburn, 2002). This case study suggests that cost can still be a key barrier to employee training even for those small firms that follow a ‘high road’ strategy using teams of highly skilled labour. As the general manager argued, ‘there is heightened competition in textiles and we recognise that our people’s skills are vital to our success. We have a positive approach to formal training but sometimes this is not a viable option for the company because we don’t have enough financial resources’ (Fieldnote).

7.4.5 Benefits of Employee Training

Formal training is limited in the company and concerns only middle management. The general manager argues that the company would provide more off-the-job training if more funds were available. As he noted, ‘there are some IT and language courses that would be helpful to our staff but the cost of external training is a major issue for the firm’ (Fieldnote).
Similarly, informal ways of training are considered by the general manager of the company as crucial to the competitiveness of the organisation as they facilitate the introduction of new technology. In particular, he argued that 'new technology influences skills requirements. It does not reduce the need for employees but it changes job profiles. We have invested a lot in new materials and technology and a well-trained workforce is vital to give us a competitive advantage' (Fieldnote). One of the machine operators also explained that both accredited and informal training are key for the employability of the firm's personnel. As he noted:

'training is vital within the Greek manufacturing industry...it is important to possess a wide array of skills and to know a little bit about everything. Being specialised in only one type of machine, for example, tends to limit and confine individuals, within both the organisation and the external labour market' (Fieldnote).

7.4.6 Summary

YARNEXIL is a small textile firm that competes on the basis of high quality textile products rather than on cheap goods. The organisation has invested in advanced technology and employs experienced and competent managers and technicians. Yet, it appears to lack well-trained machinery operators that can adapt to rapid technological changes.

The organisation does not have a formal plan in relation to human resource development and there are no specific financial resources allocated to employee training. However, in contrast to the previous two organisations, the company appears to have a formal performance appraisal system to facilitate skills development. In the context of governmental subsidies to support training and learning activities, the organisation has received some limited financial assistance for management development. Specifically, the production supervisors and technicians have attended a few off-the-job training courses around IT, quality standards and health and safety.
The cost of formal training along with the extent of external financial support seem to determine the extent of accredited training provision in the company. Governmental financial aid is considered to be a key factor that can create the conditions in which formal training courses are likely to occur. In contrast, informal human resource development appears to be triggered by operational matters including the introduction of new technology and is a requirement to support the changes that this brings.

YARNEXIL seems to value formal training provision to a greater extent than the previous two case studies mainly due to the differentiation strategy adopted by the firm. However, the demand for systematic training and development seems to be minimal and restricted to middle management. Machine operator training has been primarily on-site involving staff meetings, story telling, informal coaching, reading manuals and peer interaction.

7.5 KNITTCO

7.5.1 General Information
The company has been operating for 27 years and its main activity is the manufacturing and distribution of knitted fabrics in the home market. It also has a dyeing and finishing unit. The organisation has 60 employees all of which are full time. The organisation has 37 machine operators who are responsible for operating the machines. The departmental supervisors are responsible for overseeing the production and maintenance of the machines, as well as repair of routine faults. Professional staff (i.e. technicians, electronics experts) are responsible for maintaining and repairing machinery. The production manager is responsible for more serious technical problems. He is also responsible for the division of labour and organisation of production. The vast majority of employees are male aged 20 to 55 and most of them are long serving. There are no part-time workers but two newly hired machine operators work on fixed-term contracts, which are renewed every six
months. The company owner, along with two appointed managing directors, run the organisation.

The company produces a wide variety of fabrics, differing mainly in technical characteristics such as fibre source, weight, yarn type, colour and texture. The company produces fabrics using both natural and synthetic fibres and has an increasing turnover since 2000 guaranteeing very good profits. Regarding the educational level of personnel, the owner of the firm holds an upper-secondary education certificate, the general managers possess university degrees in chemical engineering from the National Technical University of Athens, whereas the production manager has a degree in engineering from the Technological Educational Institute of Piraeus. Most of the departmental supervisors and technicians have attended upper-secondary technical schools, whilst the majority of operators have achieved upper-secondary education qualifications.

The organisation has adopted a high value added product strategy since it is considered by the owner and the senior management team as the only route to long-term firm success. As the general manager noted, ‘we believe that continuous product innovation in response to changing customer requirements is a precondition for success in the Greek textile sector’ (Fieldnote). In the same manner, the production manager argued, ‘the company has chosen to compete on the basis of high value added products because of the higher profit margins available, whereas there is intensity of market competition in many low value added product areas’ (Fieldnote).

The organisation has invested significant funds into technology in the last five years. The technological equipment is very advanced and is mainly imported from abroad. There is a modern air-conditioning system, a sophisticated quality system capable of checking a wide range of the raw materials’ qualities with an impressive accuracy rating, as well as advanced knitting equipment. As the general manager argued, ‘we have updated equipment of round knitting machinery where the highest quality and designing needs can be met and satisfied. This is valid for all kinds of fabrics of
latest knitting technology and for complicated patterns of structures and styles' (Fieldnote).

Raw materials used in the production procedure of the group are yarns supplied from companies of the domestic market. Those yarns are mostly cotton, synthetic, man-made, acrylic, polyester, polyamide, woollen and elastic. All fabrics are subjected to quality control before being delivered to the client ensuring defect rates are low. Moreover, all cotton and elastic yarns are certified with quality standards. The company place much emphasis on product and service quality. As the general manager explained, 'most firm's departments are equipped by the latest and most advanced technology. One of the strongest advantages of our company is the very fast delivery of the orders and the high quality of our products' (Fieldnote).

Similarly, the production manager added, 'the high-skilled personnel and the passion for creation are the core advantages of our company, which has taken up a leading position in the field of textiles developing modern designing trends' (Fieldnote).

Regarding competition from low-cost producers, the general manager explained that this is seen as an opportunity for the organisation to boost its quality and efficiency rather than a threat. As he commented:

'many Greek textile firms have relocated their production activities to Balkan countries in order to resist competition from China. For us, the opening of markets is not seen as a threat but as an opportunity to offer more efficient service, pay attention to the evolution of demand and identify new markets with great potential...competition on quality rather than merely on costs has led us to take another pathway to competitiveness than delocalisation' (Fieldnote).
7.5.2 Organisation of Training

The company has both a formal business plan and a written training policy. The general manager described this policy as follows:

‘the organisation is committed to the training and development of all employees and recognises the importance of this investment. In order to compete effectively in the market, the company is committed to developing the skills and abilities of its people to meet and exceed customer expectations. The continual reinforcement of our personnel’s knowledge and skills is a necessary element for the constant upgrading of our product and service quality’ (Fieldnote).

There is not a separate unit in the company for training and development and the firm does not have a specific training budget. The owner of the company and the managing directors take the decisions around the nature and extent of training provision and are responsible for managing training programmes in the organisation. However, training proposals by the director of production, production foremen and other employees are taken into consideration. The supervisors in charge of each section offer on-the-job training, whereas the general managers decide about the type and extent of off-the-job training provision.

The company has received some limited financial support from the Government during the last five years for employee training programmes. In particular, it has received funding for subsidised staff training seminars on health and safety, carried out in certified vocational centres in the region. Also, the general manager was aware of some of the latest Government funded training initiatives, but he cited bureaucracy as a barrier to participate in such training activities. As he explained, ‘there are some State-funded training programmes under the Account for Employment and Vocational Training (LAEK) that can help our operators become familiar with quality standards but the whole application process is a bit frustrating as it requires lots of information’ (Fieldnote).
However, none of the respondents were familiar with the full range of the government-sponsored training schemes available to small textile firms. In particular, the general manager was not aware of the series of training seminars carried out by VEA in 2006 and he was ignorant of the latest training programmes implemented by the Greek Ministry of Development under the 3rd CSF during 2006. As he explained, ‘I haven’t heard anything about these initiatives. I guess the government should promote them better’ (Fieldnote).

There is neither a separate HRM department nor a human resource manager in the organisation. However, in contrast with the former three organisations, KNITTCO appears to use some modern human resource practices. More specifically, recruitment of personnel appears to be proactive and it is done via employment agencies or local newspapers, while selection is carried out through application screening or CVs and formal interviews. There is a performance appraisal process every four months, whilst payment is based on individual performance and is usually above market average. Production foremen seem to use appraisal discussions to identify what training the worker has received in the review period and what training they should receive in the future. As the production manager explained, ‘we put much emphasis on the kind of behaviour we want our workers to exhibit. Performance appraisal enables us to consider how well the individual has performed since the last meeting, examine the factors that have affected their performance and identify possible training support’ (Fieldnote).

Also, there is an informal development scheme for high-skilled employees. The organisation offers promotional opportunities to those operators that perform above the requirements of their roles. As the general manager explained, ‘there is some sort of career development within firm...those operators that demonstrate exceptional problem-solving and technical skills may advance to first-line supervisors’ (Fieldnote). Trade unions are not involved in training decisions.
7.5.3 Nature and Extent of Training

There is an informal induction programme for new recruits, which lasts one month and involves mainly informal coaching on-site by departmental supervisors. The purpose of employee orientation is to enable newcomers to adjust to the firm and learn some initial aspects of their job. As the general manager argued, ‘induction training is provided to all new employees as it helps them become familiar with the tasks of the job, as well as the policies of the organisation. It mostly involves task demonstration by supervisors’ (Fieldnote).

However, during the last five years the company has recruited only five new employees (machine operators). The selection is based on both the educational background of the individual and their previous employment experience. According to the general manager, ‘the new employees in the firm need to possess some sort of educational background because thereafter, on-the-job training, which is provided to them, runs much more smoothly’ (Fieldnote).

During 2006, there was no off-the-job training for any staff category. Yet, since 2000, supervisors and technical staff have attended around 60 hours of off-the-job training mainly in the areas of IT, quality standards and safety issues. These structured learning activities concerned mainly seminars organised by EOMMEX, ELKEDE and EVEA. The company has also sent one departmental supervisor to language courses at a local college.

All machine operators undertake on-the-job training on a continuous basis around technical issues such as, working methods and quality standards through coaching. As the general manager explained, ‘all inexperienced machine operators work closely with the more experienced ones so that the latter can guide them. Also, production foremen help operators through demonstration and discussion to identify how textile equipment works and what things might create problems for them in their work’ (Fieldnote). They have also attended formal external health and safety courses funded by the Greek Ministry of Development. As the departmental
supervisor explained, ‘in 2005, we sent all our machine operators to attend training seminars organised by ELKEDE around health and safety to minimise workplace injuries’ (Fieldnote).

Whenever a new machine is purchased, a representative from the supplier firm is brought to install the equipment and provide some initial instructions and demonstration to technicians and machine operators. There seems to be no major problem in the introduction of new equipment. As the production manager said, ‘the firm’s technicians are all very experienced and highly competent...they face no problems in becoming familiar with new equipment. Our machine operators are also well-trained’ (Fieldnote). Similarly, the technician added, ‘...with some minimal guidance by the supplier firm’s representative we can operate any type of sophisticated machinery’ (Fieldnote).

The training needs of the workforce are determined through direct observation by departmental supervisors and personal interviews with the employees. It seems that training needs analysis is undertaken not only at the individual level but also at organisational level and seeks to identify the amount and type of learning that will be required to ensure that all workers have the right knowledge to perform the jobs they do. As the departmental supervisor explained, ‘we try to make time to talk to all our employees about their job and come to an agreement with them about the types of activities we can implement to help them improve their skills’ (Fieldnote).

Employee training is chiefly on-the-job and is provided by departmental supervisors and the production manager through coaching, staff meetings and manuals. As the production manager argued, ‘apart from training our staff on technical issues through task demonstration and discussion, we also provide them with books and other manuals to enhance their knowledge on work safety’ (Fieldnote). Additionally, a large amount of learning takes place through teamwork. Most workers are encouraged by their line managers to observe their colleagues, as well as work with them and share responsibilities. The integration of experienced machine operators
into production teams of less experienced ones seems to be a key source of skills development as it enables workers to develop both their technical and interpersonal skills.

As one of the machine operators noted, 'my supervisor encourages us to ask other experienced workers to help us around the job...sometimes, I spend time watching my colleagues doing the job and asking questions...this helps me a lot to learn many aspects of the job' (Fieldnote). Also, there is job rotation among machine operators in order to develop expertise in more than one machine. This enables them to develop their technical knowledge, whilst it makes their work more interesting. As one of the operators explained, 'I feel excited when I am transferred to a new machine because this means that I will have to perform a new set of tasks and work with different people. It also means that I will develop some new skills, which gives me a sense of progression' (Fieldnote).

External training providers are used by the organisation mostly when it comes to maintenance training owing to a lack of in-house expertise. As the general manager argued, 'sometimes the introduction of new regulations around health and safety forces us to use outside training vendors because we don't have the knowledge to train our personnel in-house' (Fieldnote).

Employee training outcomes are measured informally mostly through close observation by production foremen and personal interviews with workers. The main criterion used by supervisors to measure the effectiveness of training seems to be trainee behaviour (i.e. whether trainees improved their on the job performance as a result of the training). As the departmental supervisor argued, 'I am trying to be close to the employees to see if things have gone well or otherwise. Also, there are scheduled meetings with employees to discuss the value of training' (Fieldnote).
7.5.4 Reasons for Training or Not Training

Formal employee training activity is mainly affected by customer quality requirements. The organisation faces the challenge to respond to rapidly changing customer desires and hence, it needs a competent workforce that can deliver high quality products and services. As the production manager explained, 'customer needs are changing frequently and we need people who can use new technologies and adapt to new working methods' (Fieldnote). The general manager also commented:

'we expect that customers will focus more attention on the environment and health and safety in the upcoming years...sometimes, on-site training is not enough to cover relevant issues and external training is required such as, in cases we need to keep our staff updated with the latest safety regulations and quality standards' (Fieldnote).

On the other hand, informal on-the-job training provision is mostly affected by the introduction of new technology, which usually signals the expansion of the skills demanded by employees. As the production manager noted, 'the company has enjoyed continuous investments in advanced equipment and this has led us to place much emphasis on training employees with the purpose of enabling them to operate a wider range of different machines' (Fieldnote).

The general manager also explained that skills shortages in the external labour market can give an impetus to staff training provision. As he pointed out, 'the more difficult it is to recruit high-skilled employees, the more flexible and better-trained existing staff has to be' (Fieldnote). As noted, the company has invested in new technology and as a result there seems to be a rise in the skills levels used by manual staff. As one of the machine operators commented: 'the company now wants us to be able to use computerised equipment...a couple of newcomers, who joined the company last year, had just completed upper-secondary education schools and they had no idea around computers. They had to undergo some sort of training' (Fieldnote).
In contrast to the previous three organisations, the main reason mentioned by the general manager for not providing more off-the-job employee training is the lack of need since the personnel have the required technical and analytical skills to perform at satisfactory level. As he explained, ‘our operators have a good understanding of the mechanical equipment they work with. For the time being, there is no need for external training’ (Fieldnote).

7.5.5 Benefits of Employee Training

Both formal and informal training activities are deemed very important for the competitive position of the firm. All interviewees consider employee training as essential to business success since it leads to increased productivity and product quality. As the production manager argued, ‘the primary emphasis of the company is on product quality and therefore, we need well-trained individuals who have the right attitude, are motivated and they possess a wide variety of skills such as, teamwork, analytical and computing skills to produce unique textile products’ (Fieldnote).

Similarly, one of the machine operators claimed that off-the-job training can help workers enhance their theoretical background around the textile sector so that they will be able to understand the equipment and perform more complex tasks. In particular, off-the-job training provision can help machine operators develop a better understanding of the textile production process, which in turn facilitates subsequent in-house training. As he explained:

‘when I am watching my supervisor or a colleague directly performing the task, I can feel free to ask questions at any time, see exactly what is happening and I can try out the various functions myself. This on-site training helps me learn how to do the job. Yet, I feel that I am lagging behind other better-educated operators who have a technical theoretical background because I have limited capacity to learn new skills’ (Fieldnote).
The general manager added that employee training enables the organisation to fill any potential job vacancies in a cost efficient manner. As he commented:

‘those employees who acquire greater knowledge and technical expertise on different machines and operations can be also prepared for advancement when a new position arises. We can then send them on short external courses, in order to improve their theoretical knowledge and develop some managerial skills...it takes far too much time and money to have to hire managers from the external labour market’ (Fieldnote).

Likewise, one of the machine operators argued that staff training increases employee satisfaction. He further claimed that it contributes to job security since employees can acquire a wide range of skills and become more adaptable to new production methods. As he noted, ‘by learning new skills and being able to operate more machines, I can enjoy a greater degree of job security than those workers who can operate only one type of machine, as I can more easily be moved between different sections. This also gives me more job satisfaction’ (Fieldnote).

7.5.6 Summary
The last case study is a medium-sized organisation, which has invested in up-to-date machinery in order to improve product quality. KNITTCO competes on the basis of unique, high quality textile goods and hence, it seems to have placed greater emphasis on human resource development than the previous establishments.

The production foremen and technicians are all very experienced in the processing of knitted fabric, whilst machinery operators are all well-trained and possess the necessary problem-solving, IT and interpersonal skills to perform their tasks effectively. Although both training needs analysis and training evaluation lack sophistication, they seem to be given more consideration compared to the previous firms. During the last five years, the company has offered accredited off-the-job training courses to supervisors and technical staff around IT and quality standards,
as well as to machine operators on occupational health and safety. Furthermore, all operators are provided with regular on-the-job training through task demonstration, staff meetings and manuals.

Customer quality requirements features as the key force determining formal training provision. The company competes on the high quality segments of the textile sector and therefore, meeting customer expectations in terms of product specification and service delivery is a major concern for the organisation. On the other hand, informal in-house training seems to be affected by the introduction of new equipment and skills shortages in the external labour market.

The organisation manufactures a number of differentiated products, in which complex tasks predominate. For that reason, it seems to value accredited off-the-job learning to a greater extent that the previous case studies, as well as adopt a more strategic approach to human resource development. The managing director of the firm seems to consider how to grow employee talent at both the top of the organisation and at lower levels.

Factors such as lack of resources, lack of management commitment and availability of personnel for release to undertake development programmes, which appeared to hinder human resource development in the previous three case studies, do not seem to affect the training strategies of this organisation.
7.6 Comparison and Evaluation of the Training and Development Activity in the Case Study Firms

Both WEAVIX and WOOLTIL are small textile firms that struggle to survive and face financial difficulties, as well as strong pressures from competitors. They do not use sophisticated technology and they are deficient in high-skilled machinery operators that can: determine when and what kind of maintenance is needed; identify the causes of simple technical problems and find solutions for them; and, set up equipment to meet specifications. Both companies have chosen to compete in the market by adopting a cost-cutting business orientation, which does not seem to be a viable long-term business path owing to increased competition from low-cost producers in the developing world.

Human resource development does not seem to have been considered to any notable degree. The firm owners are not aware of any Government funded training activities, whilst there is no formal process to encourage management and employee development or dissemination of knowledge and skills among the management team and shop-floor workers. Likewise, there is no specific budget for employee training, whereas training activities are solely on-the-job and reactive, that is without any forward planning with a reliance on the informal sharing of expertise on the factory.

In both organisations, there is not an accurate identification of learning needs and systematic training evaluation is omitted. The main means of training involve peer discussions and informal staff meetings. Task demonstration is also used by supervisors as a learning vehicle but it seems to be limited. Owner commitment towards training and development, government legislation around health and safety, as well as the financial position of the enterprises appear to be the key forces affecting formal training provision, whilst informal on-site training is mainly affected by the recruitment of new staff and external labour market conditions. In both firms, there is not a positive culture for systematic training and development and firm owners consider off-the-job training both irrelevant to firm needs and expensive.
In contrast, YARNEXIL is a small textile organisation differing from the first two firms in that it follows a business strategy focused more on product quality rather than on cost minimisation. The organisation possesses advanced technology and employs experienced and well-trained managers and technicians. Yet, similar to the first two cases, it lacks machinery operators capable of maintaining and repairing equipment on a routine basis. The firm has offered off-the-job training opportunities but they have been restricted to middle management. It seems that the employer would not consider financing formal training activities without any governmental aid.

Employee training is predominantly on-the-job but it involves more various training means compared to WEAVIX and WOOLTIL such as, staff meetings, story telling, informal coaching, reading manuals and peer interaction. As in the first two cases, the cost of off-the-job training seems to affect the extent of accredited training provision in the company along with external financial support. Informal on-site training is mostly affected by the introduction of new technology. The employer seems to value formal training to a larger extent than in WEAVIX and WOOLTIL since it can facilitate the rapid introduction of new technology and enhance workforce employability. However, there seems to be a gap between practice and good intentions since the organisation has not offered any formal training activities to its manual workers during the last five years.

As opposed to the other three organisations, KNITTCO is a medium-sized organisation with a dynamic presence in the field of Greek textiles. The firm has a modern management philosophy and an efficient growth strategy with continuous investments in modern machinery targeting the increase of its production capacity and product quality. Having as an objective to better serve the customers’ needs by producing fabrics of the highest quality, the organisation has invested over the last five years significant funds in new technology. The company’s production foremen and technicians have vast experience in the processing of knitted fabric in all stages
of the procedure using state-of-the art equipment. Their machinery operators are also very competent.

Although the organisation has offered accredited training courses to all staff categories (i.e. managers, technicians and shop-floor workers), the training of machine operators is undertaken mainly in-house involving regular staff meetings, coaching and reading manuals. As opposed to the other three cases, customer quality requirements appears to be the key force determining formal training provision, whilst informal in-house training is mostly affected by the introduction of new technology and skill shortages in the external labour market. The organisation seems to appreciate the contribution of formal training to business performance to a greater extent than all the other firms and hence, it has participated in more off-the-job training initiatives. This is because increased competition from low-cost producers in the Far East has forced KNITTCO to concentrate on niche markets. In the latter areas, customers demand small quantities of very complicated items in various combinations and colours and expect a very short lead-time for product delivery. In order to cope with this diversification of production and an increasing specialised niche demand, the company has sought to develop a multi-skilled workforce in order to increase productivity and allow the organisation to respond to customer needs and delivery times. To this end, investment in human capital has acquired a unique urgency within KNITTCO.

In comparing the four case study firms, it is observed that YARNEXIL and KNITTCO show more determination to workforce skills development than WEAVIX and WOOLTIL. Both firms have developed formal performance appraisal mechanisms in order to monitor the performance of their staff and support them through training to overcome any issues raised during the appraisal process. KNITTCO specifically, appears to be more committed to organised employee and management training and learning than all the other firms examined and seems to adopt an HRD approach, which locates training strategically in the plans of the company. WEAVIX and WOOLTIL most closely match the conventional SME
paradigm identified in the small business literature where staff training provision is mainly informal, on-the-job, reactive and short-term in outlook (Hill, 2002; Jones, 2004; Kerr and McDougall, 1999; Lange et al., 2000; Patton and Marlow, 2002; Penn et al., 1998; Storey, 1994).

Most of the organisations studied demonstrate little or no formality in their training processes and they consider informal workforce training as a key factor affecting their survival and growth. The findings shed new light around the importance of informal learning for organisational success by revealing that it can help Greek industrial SMEs to meet skill shortage needs, reduce worker mistakes, introduce advanced technology and increase job satisfaction for employees. Previous research efforts in the advanced world have also shown that small firms prefer an informal approach to workforce training involving collaborative learning activities with colleagues and supervisors over off-the-job training methods because it is relevant, cost effective and has a positive contribution to their performance (Atkinson and Meager, 1994; Hendry et al., 1991; Hill, 2002; Kerr and McDougall, 1999; Kitching and Blackburn, 2002; Poell et al., 2006).

Although human resource development activities involve primarily training interventions that are not accredited and systematically organised (e.g. task demonstration, learning through co-operation, informal staff meetings), they seem to be effective in the Greek context since such practices can be integrated easily into the enterprises’ everyday activities. The analysis reveals that greater formality and more systematic training are not necessarily the right direction for Greek textile SMEs to take and that an informal approach to workforce training can be rational from the point of view of the small firm owner.

Regarding the determinants of formal training provision, in WEAVIX, WOOLTIL and YARNEXIL, the financial position of the organisation and owner commitment towards HRD are among the key forces affecting the take up of training initiatives, whereas financial and time constraints are the dominant factors that inhibit firms from engaging with formal training schemes. The case study analysis underscores
some of the main limitations of contemporary HRD strategies within small firms including the lack of owner support in relation to staff development, the cost of formal training and the dominance of short-term survival issues (Hendry et al., 1995; Johnson, 2002; Johnston and Loader, 2003; Kitching and Blackburn, 2002; Matlay, 2002). Yet, in KNITTCO the main motivating factors for employee training provision appear to be product differentiation and meeting customer quality requirements. The results show that an organisational strategy that emphasises the provision of high quality products and customer service constitutes a critical variable for SMEs when making decisions to train their staff in a systematic way.

In terms of the key factors affecting informal training and learning activities, they included recruitment of new personnel (WEAVIX and WOOLTIL), external labour market conditions (WOOLTIL, YARNEXIL, KNITTCO), the introduction of new technology and product development considerations (YARNEXIL and KNITTCO). Also, the organisation of work practices, job design and performance appraisals all appear to facilitate informal training and learning. In particular, the findings revealed that the organisation of the workplace, characterised by greater levels of employee collaboration and task variety can lead to a steady expansion of knowledge and skills in the workplace. Similarly, performance reviews in which learners can pay attention to their goals and to turning points along the way of their learning journey and provision of feedback that suggests some alterations to their performance have the potential to stimulate informal workplace learning and training.

The findings shed new light around the impact of firm strategy on HRD in the small business context indicating that industrial SMEs producing high-quality goods usually develop strategies, which involve a more proactive HRD approach and more frequent in-house training interventions. To this end, the analysis reveals that in firms where a cost-cutting strategy is evident (i.e. WEAVIX and WOOLTIL), skill shortages in the labour market and recruitment of new personnel are the key triggers for increased workplace training. In contrast, in industrial firms where a quality business orientation is prevalent (i.e. YARNEXIL and KNITTCO), technological
advances and an emphasis on product innovation along with skill shortages feature as the key forces affecting the extent of on-the-job training provision.

The case studies stress the fact that all the training issues in Greek textile SMEs are handled predominantly by the firm owner or production manager, who seem to lack specific knowledge on most HRM aspects. The findings support the idea held by various policy makers and academics in Greece that HRM in Greek small firms has been seriously neglected. The results also appear to have many similarities with previous empirical studies carried out in the country regarding large industrial establishments, where they showed that the application of modern HRM practices in the Greek context has been very limited (Papalexandris, 1992; Papalexandris et al., 2001; Vouzas, 2004).

The case study findings seem to confirm the survey results, which revealed that Greek textile firms do not adopt a formal human resource development approach. Though some of the case study organisations appear to be aware of the value of systematic human resource development, accredited employee training is absent in most firms examined. All firms seem to require learning interventions at times and locations that allow employee participation without disruption to work. Experiential learning and social interactions appear to have greater importance over formal learning practices.

In all case studies, work seems to be organised in such a way that allows workers the opportunity to co-operate and gain new insights around their jobs. In particular, the organisation of work appears to be one of the main channels of transmission of human capital across workers in the case study firms. An employee working entirely on his/her own has fewer opportunities than an employee integrated into a work team to take advantage of his/her colleagues' knowledge. The results highlight that working in teams seem to enhance informal workplace learning. Team working seems to take a notable form in YARNEXIL and KNITTCO where it appears to serve as a key vehicle for the dissemination of knowledge and skills development
within both firms. The presence of job rotation in both firms also serves as a means of making the work of operators more interesting and skill intensive, thus contributing to increased workplace learning.

According to the data presented, in Greek small and medium-sized textile firms the application of formal training and development practices is rare, which can be linked to the absence of a business strategy that locates skills as a source of competitive advantage. This means that high-quality oriented firms are more likely to invest in human resource development and co-operate with external training providers that have the knowledge and experience to design and implement training interventions. In this context, WEAVIX and WOOLTIL, that have adopted a low value-added route to profitability appear to show low levels of commitment towards systematic human resource development. In contrast, YARNEXIL and KNITTCO, which compete on the high quality segments of the textile sector, are more enthusiastic about implementing formal training programmes and regular on-the-job training in order to raise awareness over quality, information technology, as well as health and safety.

As mentioned in the survey analysis, the common explanation of the skill deficiencies in Greece involves problems on the ‘supply-side’. It is assumed by policy makers that improvements in the Greek VET system will directly improve the productivity levels of manufacturing organisations through the supply of a large pool of highly-skilled workers in the labour market. However, case study analysis suggests that this assumption is over simplistic since supply does not necessarily create employer demand for skills. The findings indicate that systematic HRD will remain a neglected area within those firms that adopt competitive strategies that stress cost as opposed to quality and have a short-term decision-making perspective. A central argument of this chapter is that the development of a predominantly supply-led training system in Greece is based on unsubstantiated assumptions. As mentioned in Chapter Five, the Greek textile sector was always specialised in the production of unsophisticated products, with lower unit values, using simple processes and unskilled labour. Work was organised and jobs were designed in such
a way that manual employees had to undertake a relatively narrow range of tasks with limited job autonomy and little real involvement in work (IOBE, 2006).

The present study indicates that rather than seeking to break into new markets and technologies, Greek textile employers continue to compete on the low quality segments of the sector relying heavily on the use of unskilled or semi-skilled rather than skilled labour. Under such conditions, there will always be a failure by employers to demand, employ and develop well-educated and trained workers. This seems to be the case in WEAVIX and WOOLTIL, where both firms seem to demand essentially semi-skilled operators that can perform simple, routine tasks. To suggest that more State-sponsored training provision will result in increased accredited company training underestimates demand circumstances. Textile firms that produce low-cost goods will demand mainly unskilled or semi-skilled labour, thus having few incentives to invest in formal workforce skills development.

However, even those companies that follow a quality-based competitive strategy (i.e. YARNEXIL and KNITTCO) and demand high-skilled labour appear to be reluctant to adopt formal training methods showing a strong desire towards informal HRD approaches. They do not seem to require employees that are equipped with some kind of generic knowledge acquired through formal post-compulsory education. Instead, they want to employ workers that possess a basic technical background developed through apprenticeships or other vocational training courses and subsequently expand their skills through informal on-the-job training.

The fact that all participant firms mentioned skills shortages in the labour market as one of the key reasons for providing more in-house training reveals that vocational education in Greece has been seriously neglected. Even those companies that appear to hire graduates from technical schools (i.e. YARNEXIL and KNITTCO) expressed concerns around the quality of technical education pointing to the absence of adequate practical training. Such findings indicate that apprenticeship training in Greece requires much more attention by Greek policy makers and a more central
place in their supply-side interventions if they are to help to some extent industrial SMEs face the challenges of the future.

An important message of this chapter is that informal learning seems to be the most significant source of development for people in Greek textile SMEs. This means that the current training policy, which focuses too much on formality of training rather than supporting informal practices, will fail to deliver the desired outcomes. Better support for informal learning in small textile firms may therefore be as important as exhortations to take-up more formal learning opportunities. It appears that a re-think is needed of the learning and development support offered to small companies by the Greek State.

The fact that the notion of learning is absent from trade union agenda in Greece, as noted in Chapter Five, is another limiting factor to human resource development. As it has been stressed in the literature, trade unions can develop their own lifelong learning policies, promote skills through bargaining and engage in partnerships with employers. Evidence reveals that the trade union movement has made significant contributions to lifelong learning and that unions are providers of significant amounts of training (Stuart, 2007). However, casework shows that trade unions in Greece do not participate in negotiations around training and staff development and as such, workers are deprived of a collective voice that could pressurise small textile firms into investing in staff training. As it was outlined in Chapter Four, employees in SMEs do not have a collective voice at enterprise-level; they can only join sectoral or industry-level unions. Yet, training issues have been completely neglected in trade union’s agenda (INE-GSEE, 2006).

As revealed in Chapter Five, at the present time, there is much discussion within policy circles of the need to treat workers within the sector as an asset to be developed and not as a fixed cost. Yet, in practice this appears to be very limited. The prevalent business culture in Greek small firms, which favours short-termism, appears to hinder any employee development efforts. As Green (1992) stresses,
short-term profit seeking implies cost cutting rather than investment-led techniques for improving productivity. In that respect, casework highlights a major contradiction between the desire of the Greek government to move the sector to a high-skills, high value-added trajectory and the realities of training within textile organisations.

The findings suggest that the idea of specialisation, as discussed in section 2.2, could prove to be the key to the competitiveness of small textile enterprises in the country that could enable them to remain profitable without having to relocate their production units to Balkan countries causing severe job losses. Greek textile firms can capitalise on the prospect of niche markets so that imports will not be nearly as much of a threat as they currently are. As case study analysis revealed, organisations that compete on the basis of unique products such as KNITTCO, have the potential to maintain an increasing turnover and achieve high profits.

In this context, employee training can help Greek textile firms face the challenges of the future. More specifically, off-the-job training can equip shop-floor textile workers with the necessary theoretical background around electronics in order to develop further their technical abilities through specific on-the-job training. As many respondents argued, a good theoretical background around the manufacturing industry and its processes could enhance the capacity of textile machine operators to learn new skills through informal on-site training. This combination of training methods could enable them to become more productive, flexible and able to operate technologically advanced machinery. However, numerous studies have stressed that the market for training is located in a broader social and economic system and that change in the former must be viewed in relation to its impact on the latter (Ashton and Green, 1996; Finegold and Soskice, 1988; Keep and Mayhew, 1996; Lloyd and Payne, 2002). This means that workforce training alone is not a sufficient factor to force small business owners to upgrade their equipment and adopt differentiation strategies that will help them to face foreign competition. Further changes are required at the enterprise level and in the macro-environment of firms.
### 7.7 Conclusion

The present chapter explored the nature and extent of workforce training in small and medium-sized industrial firms in Greece through an in-depth investigation of three small and one medium-sized textile organisations. Furthermore, it examined the forces determining employee training provision. To this end, the study found that Greek small firms are characterised by a paternalistic culture and an informal approach to business planning. The importance of the owners’ ideas and character for the strategic direction of the firm and HRD decisions became evident during the interviews. Due to the greater external uncertainty experienced by small firms and a lack of power in the market, owners respond by adopting a short-term horizon and tend to favour strategies with short-term returns. As such, they seem not to value continual and systematic training activities as their benefits normally accrue in the long term.

In terms of the nature of HRD within Greek textile SMEs, the research found a learning culture that emphasises learning by doing, as well as working with others as opposed to formal training. Experienced colleagues and direct supervisors, who do occupy a formal position related to the employee’s work, are often the ones who perform the roles of mentor, coach, counselor and facilitator thus, contributing significantly to employee learning.

The research findings further showed that the training and development activity in Greek industrial SMEs is affected significantly by the competitive strategies adopted by organisations. Those firms that seek to upgrade product market strategies and enhance product and service quality appear to maximise the opportunities for the entire workforce to both acquire and utilise higher levels of learning and skill. Organisational change in the form of major change in production technology and innovation appear to be consistent drivers of increased formal training in the organisations. In contrast, firms that adopt cost-minimisation strategies appear to offer unstructured and opportunistic workplace training.
Employers that compete on the low-quality segments of the textile sector seem to be negative towards formal employee training and they do not regard it as a critical element in the overall business strategy. The organisation of work practices, job design, performance appraisal, financial and time constraints, the recruitment of new personnel and skill shortages in the labour market were also among the main contextual and organisational factors that appear to have an impact on the extent of workplace training within the four case study firms.

As it was stressed in Chapters Four and Five, textile employers are under pressure from government agencies to invest in HRD. Yet, case study analysis suggests that small business owners continue not to be involved in systematic HRD issues seeing formal training of their staff as an organisational expense. They appear to question the validity, convenience and relevance of formal, off-the-job training programmes, which take their staff away from the very job that they are supposed to learn how to do more efficiently. External sources of finance to offset training costs appear to be a weak influence on a firm's propensity to train. The general view is that governmental subsidies make no difference to the training they do and that support for learning in small textile firms needs to expand to include attention to developing better informal and in-company learning.

Case study analysis argues that current thinking and measures in relation to human resource development in Greek industrial SMEs seek to operate only on the supply-side and without reference to the demand circumstances. The present chapter indicates that these policies are likely to have only limited success because they rest upon a flawed view of how the labour market in Greece operates. The research findings reveal that if demand for learning within Greek industrial small businesses is to be generated and enhanced there is a requirement for Greek policy makers to engage seriously with the worlds in which those owner/managers inhabit. This is to suggest that a greater added value will come from a demand for more strategic learning and that this is unlikely to be easily met with generic and bureaucratic State-funded training provision.
The chapter questions if policy makers have really understood the implications of demand-led training within the small business sector. The frameworks, in which policy makers in Greece operate, require a radical re-think. In the next chapter, the key conclusions of the present study are discussed and a number of areas for fruitful research are outlined.
CHAPTER EIGHT: CONCLUSIONS

8.1 Introduction
The main objectives of this research have been to explore the nature and extent of training and development in Greek industrial SMEs and examine the factors determining training provision in such establishments.

Such concerns have been of particular significance for Greece since the country has set the skills upgrading of the adult population as its first priority, in its attempt to close the gap with average European Union living standards and provide employment opportunities for all. Yet, the economy suffers from a lack of high-skilled workers and faces a number of problems regarding the development of its human resources. Nowhere has this been more acute than in the SMEs sector, particularly for those SMEs in the manufacturing sector, which experience fierce national and international competition. Against this background, empirical research was carried out to meet the aforementioned research objectives.

In this closing chapter, a number of key conclusions are drawn based on the results of the empirical work. In particular, the chapter begins with a summary of the main findings around the nature, extent and determinants of training in Greek industrial SMEs derived from the empirical part of this study. It then moves on to outline the main contribution of this study to the HRD literature and concludes by identifying areas for further research.
8.2 Employee Training in Greek manufacturing SMEs

The study has attempted to fill the knowledge gap in relation to the ways industrial workers in advancing economies learn and acquire new skills, which are considered the basis of productivity growth and economic competitiveness at the national and international level. In this context, it has explored how workers in Greek small textile firms are trained in order to understand how advancing countries such as Greece can develop appropriate skill formation systems.

The study revealed that the competitiveness of Greek manufacturing has declined significantly since 1995. A number of indicators such as, the total production output, employment levels and export performance highlighted the poor future prospects of the industry. Amongst policy makers it is clear that a consensus exists around the value of adopting a high-skills industrial strategy. All the high-ranked informants interviewed pointed to the need of industrial SMEs to abandon their cost-minimisation approaches to profitability and shift their business strategies towards high value-added production in order to remain competitive in domestic and foreign markets. In the case of the textile sector specifically, the findings showed that the competitiveness of the sector has deteriorated dramatically from 2000 to 2005, leading to a significant number of firm closures and job losses. To this end, the analysis examined the policy action introduced to help textile SMEs overcome their difficulties.

The study showed that the agenda of policy makers to encourage textile enterprises to specialise in high value-added goods in response to changing customer requirements was less than effective. This is because the measures put forward by the Greek government to encourage textile firms to change their production strategies do not take into account all the necessary conditions for high value added production to succeed.
The government appears to acknowledge the fact that a strong education and training system is needed to support such intentions, but fails to recognise that the commitment of employers to pursue the high-skills route, an adequate regulatory framework to override the free market's inherent bias towards short-termism, a workforce committed to the goal of skill formation and a fundamental shift in the balance of power within the workplace itself are also equally important (Ashton and Green, 1996; Finegold and Soskice, 1988; Lloyd and Payne, 2002).

As Chapters Four and Five revealed, the severe problems facing the Greek manufacturing industry are believed in government circles to be simply a question of the problem of supply of qualifications in the labour market (Bank of Greece, 2008). In attempting to tackle the problem, the main policy response has been to concentrate on measures designed to increase the supply of skills and qualifications, mainly in the form of an expanded formal education system and training subsidies. However, such a narrow policy intervention neglects other significant areas required to support a 'high-skills' strategy such as, coherent macroeconomic policies and changes in the workplace (Keep et al., 2006). As the study revealed, there is still much progress to be made in Greece in relation to fiscal stabilisation and long-term sustainability of public finances, labour market flexibility, public administration efficiency, production management, work organisation and employment relations. The study argues that in a business environment characterised by serious weaknesses in the above areas and a business culture that glorifies short-termism, a 'high-skills' strategy seems unlikely to be realised in the Greek context.

In particular, the study points out that the Greek government's focus on supply-side policy measures is likely to have only very limited success, because such policies fail to influence employer demand for higher skills. The findings showed that rather than seeking to break into new markets and technologies most Greek textile employers continue to follow the low-cost, low value-added route to profitability concentrating on standardised and less complicated products and on product development processes which require low skill levels.
As a result, they tend to reinforce the existing skill situation by relying heavily on the use of unskilled or semi-skilled rather than skilled labour. This means that government investment in human capital will be wasted because Greek industrial SMEs do not actually demand a highly-skilled workforce. The key questions of how effectively skills are utilised by Greek employers and how motivated individuals are to use their skills are not addressed in policy discussions. A central message of this study is that the answers to such questions depend on a complex of factors influencing the skill intensity of the production process and that the significance of employer demand for more and higher skills should be recognised. Boosting qualification levels will not, of itself, produce the kind of economic benefits that Greek policy makers desire. The key issue is to ensure that skills once created get used to productive effect within firms.

Furthermore, policy makers have considered formal learning a major target area for public intervention claiming that formal learning constitutes the most important way of acquiring and developing the skills and competencies required at work. To this end, a number of government-funded formal training programmes have been designed. Yet, they appear to lack the required flexibility and relevance to attract small firm owners’ interest. The study showed that small textile firms do not want, require or need formal systems of off-the-job training. Even in those firms where a more highly-skilled workforce is demanded, informal learning features as their preferred method of skills development.

As the survey evidence revealed, textile firm owners do not participate in any formal training interventions showing a strong preference for informal methods to develop the skills base of their staff. In particular, the findings from this study indicated that small industrial firms favour HRD approaches that emphasise experiential, informal and self-directed learning, thus facilitating organisational development. Learning from other people and the challenge of work itself proved to be the most important dimensions of learning for all the research participants.
The case studies explored this picture in more detail and corroborated the survey findings. Only the medium-sized firm appeared to have engaged with formal training provision, offering a very limited number of accredited training courses to all staff categories (i.e. managers, technicians and machine operators). The findings pointed to the presence of a learning culture within textile firms that encourages learning by doing, as well as working with others as opposed to formal training activities. Experienced colleagues and line managers appeared to be the people who perform the roles of mentor, coach, counselor and facilitator, thus contributing significantly to employee learning. Peer interaction also featured as a key element of skills development. The fact that machine operators tend to work in teams within the factories under the guidance of a more experienced colleague or their line manager enables them to learn new skills and reduce their mistakes.

The study argues that formal education is not the single most important factor towards skills upgrading of the working population in Greece. As the empirical work revealed, learning in the day-to-day work environment appears to be the best way for small firm owners to meet any skill shortages and maximise their organisational effectiveness. It should be recognised that learning within Greek industrial SMEs is often informal and incidental, and facilitated by managers, supervisors and peers. Employees learn from their everyday experiences in informal ways, which means that many small firms do not want or need to adopt more formal approaches to learning. Unless decision makers engage with the issue of informal learning and understand exactly how such informal practices can be harnessed in more productive and sophisticated ways to raise SMEs towards more high skills agendas, skill development policies will be doomed to failure.
The chances of success of existing and future policies to promote training and learning in small industrial firms will be increased if a number of key points are recognised about learning within Greek textile SMEs. These are: the role and importance of informal learning in Greek industrial SMEs needs to be recognised and appreciated; it is crucial to understand the reasons why the vast majority of SMEs do not undertake formal training; and, government training and learning initiatives need to be introduced in the context of business support and not ‘sold’ as stand alone packages.

In terms of the determinants of training in Greek industrial SMEs, the findings showed that the training activity is influenced mostly by the owner’s commitment towards employee learning and knowledge sharing, management support, skill shortages in the external labour market, the way work practices are designed, financial constraints and the competitive strategies adopted by textile firms. The research found that an owner’s ideas and character play a crucial role for the strategic direction of the firm and consequently for the training decisions. Due to the high external uncertainty experienced by Greek small firm owners, a lack of power in the market and a business culture that glorifies short-termism, textile employers appear to adopt a business orientation that places much emphasis on short-term returns. As such, they seem not to value systematic training interventions as the benefits from structured HRD efforts normally accrue in the long run.

Also, the findings showed that work practices and structuring of work that encourage collaboration between workers have the potential to promote workplace learning through knowledge sharing. Employers that place much emphasis on allowing operators greater interpersonal contact through the formation of production teams seem to facilitate skills development within their organisations. Similarly, employer attempts to expand the range of tasks through job rotation appear to have an impact on employee learning.
The results further highlighted the impact of business strategy on training provision. Textile enterprises that seek to compete on the basis of premium product quality appear to offer more opportunities for their staff to acquire new skills through in-house and off-the-job training, compared to firms with a cost-cutting business orientation. The latter appeared to neglect the systematic development of their staff viewing it as an insignificant factor in organisational success.

The crucial role of firm strategy for HRD leaves for Greek policy makers an important question to be addressed concerning the main factors that encourage Greek industrial SMEs to adopt high value-added product strategies or discourage them from doing so. This is not to say that the relationship between business strategy and the demand for skills is a mechanistic one, but to suggest that understanding the factors that have the potential to affect HRD within Greek SMEs is necessary if policy makers are to understand how to stimulate skills development in such firms.

For example, a range of economic reforms that have been identified in the HRD literature as having the potential to encourage organisations to follow the 'high road' are absent from the policy agenda in Greece. Among these are the following (Keep, 2003): government commitment to block off access to the 'low road' to competitive advantage (e.g. through a higher national minimum wage); the fostering of a more sophisticated and demanding consumer base that places quality over price; and new forms of mandatory employee communications and involvement that offer all workers a direct say in the long-term future of their organisation. The present study argues that the nature of the skills problem is deeply embedded in the structure of the Greek economy. Yet, this has not been recognised in policy discussions and therefore, decision-makers have failed to realise the need for wider reforms and modernisation in Greece.
The Greek government has recognised the importance of workplaces as a source of potential growth but it does not seem to have considered ways in which Greek industrial SMEs could be assisted to perform better, and in particular ways in which they could ‘move up the value chain’ to contribute to a higher value, higher skill, higher wage economy. Greek policy makers have not put in place strategies designed to facilitate the development of innovative and productive workplaces such as, changes in the nature of work and employment relations. Only one particular area of focus was identified in this research: the continued need for further investment in skills.

However, increased knowledge may be a necessary element of a high-skills, high-wage strategy but do not automatically enables firms to move to high value added trajectories. Such fundamental changes would need to be complemented by further changes at both the macro and micro-economic environment of firms. The study argues that Greek economic policy interventions continue to be clumsy and expensive because they fail to recognise that employer demand for more learning is unlikely to be met with generic and bureaucratic government-sponsored training provision and that skills are not a panacea for lost competitiveness.

8.3 Original Contribution of this Research
This study has presented the first systematic analysis of training and learning practices in Greek SMEs. It has shown the failure that exists between the supply side policy agenda and the practices of small firms.

In particular, the research offers new insights in the area of skills development in SMEs in advancing countries where there has been little research and our knowledge is under-developed. As the literature review revealed, virtually all research and publishing in the field of HRD is for large firms in advanced countries (Heneman et al., 2000; Johnson, 2002; Stewart and Beaver, 2004). There is little evidence on how small firms develop the competence base of their staff, which underestimates the vital role that SMEs play in the world economy in terms of employment and innovation (Hendry et al., 1995; Observatory of European SMEs, 2003b;
Sengenberger et al., 1990; Storey, 1994). Equally crucial is the absence of research around the nature of HRD in such firms in advancing economies (Stavrou-Costea, 2005; Tanova and Nadiri, 2005). However, the number of advancing countries like Greece is growing and the evidence shows that such countries are an increasingly important force in global economic affairs as they represent potential markets for many suppliers, and the home of leading global brands and innovation (IMF, 2008).

In this context, it becomes indispensable to study the nature of HRD within small enterprises in such nations in order to better understand how HRD can improve their competitiveness. Given that advancing countries face distinct problems and unique challenges that require specific attention (Makridakis et al., 1997), the research findings and conclusions of this study come to fill a significant knowledge gap in the international HRD literature.

The study brings fresh thought around the impact of informal training and learning on firm competitiveness within industrial SMEs by revealing that informal training can be a key factor for improved organisational performance. The prevailing wisdom on HRD in small firms is that not much is done: the evidence is that SMEs do not spend equivalent on training compared to large companies and rarely have a staff member with a dedicated training role. Hence, it is assumed their HRD is inferior, if not non-existent (Birdthistle, 2006; Brown et al., 1990; Harrison, 1997; Hendry et al., 1991; Observatory of European SMEs, 2003a).

However, the present study reveals a high degree of unplanned and informal training activity in industrial SMEs, which simply cannot be measured by means of indicators traditionally used in the field of education and training, such as participation rates, training hours, expenditures or level of qualification. One of the key messages of this research effort is that an absence of formal training does not mean that small firms do not train per se. They do train and it should be acknowledged that informal learning is not an inferior form of learning whose main purpose is to act as the precursor of the main business of formal learning. It is
fundamental, necessary and valuable in its own right as it helps small firms to: meet skill shortage needs; reduce errors during the production process; introduce sophisticated technology; and increase job satisfaction for workers. This is not to suggest that such forms of learning automatically relate to improved firm performance, but to suggest that understanding the processes by which informal learning practices are stimulated, developed and implemented in SMEs, and how such practices link to wider firm strategy and HRM context, is necessary if we are to understand how to stimulate skills upgrading and skills demand in such firms.

This has far-reaching implications for policy makers and HRD academics and professionals as it reveals how learning within SMEs might be supported across the small business sector in advancing countries. It suggests that any skills development policies related to small firms should recognise the key role of informal learning and indicates that there is an immediate need for decision makers to target resources on better support for in-company learning. Existing evidence shows that formal learning remains at the heart of governments' determination to skills upgrading by means of qualifications in several countries (Coffield, 2000; Forrester et al., 1995). Yet, the present study challenges the belief that knowledge is the special province of formal institutions and argues that learning in the workplace is an important source of knowledge and skills acquisition. Work-based learning should now feature firmly on the political agenda of advancing countries if they wish to develop effective systems of skill formation to support their industries.

A second key contribution of this study is that it challenges the widespread consensus in policy circles that skill supply mechanisms within a country inevitably lead to the realisation of a high-skills economy. The existing criticism about the limitations of such a consensus, which rests on the simplistic notion that better skill formation systems cause better economic performance (Crouch et al., 1999; Lloyd and Payne, 2002; Rainbird, 2000), derives mainly from empirical work carried out in the advanced world (Ashton et al., 1999). However, there has been very limited research in the advancing economies in order to identify the necessary preconditions...
for a high-skills society. A key message from this study is that while a high skills route to industrial development may be feasible, achieving it requires care in building appropriate institutional conditions and in ensuring that employers demand such skills. Unless policy makers recognise the importance of employer demand for a well-educated workforce, government interventions will prove inefficient and significant resources will be wasted.

Such conclusions have major implications for any long-term trend of skill upgrading within advancing economies as they underline the importance of employer commitment to the achievement of a high skills society and the key role of informal learning for workforce skills development. Skill policies need to embrace a much broader range of 'demand-side' interventions capable of changing the way firms compete, design jobs and manage their employees, if substantive progress is to be achieved. Such interventions should involve high trust people management systems, which encourage new forms of work organisation and job design (and thereby a sharp reduction in dead end, no skill jobs) and the spread of mentor and coaching networks that facilitate the informal learning activities of small firms.

8.4 Suggestions for Future Research
This last section encompasses some recommendations for further research. The present study focused on a particular national setting, namely Greece. It was very interesting to investigate the training strategies of SMEs within the context of an advancing economy. However, further empirical studies in other advancing countries could form the basis for insightful cross-country comparisons with the purpose of identifying potential similarities or differences in the HRD approaches adopted by small manufacturing firms in such contexts.

Furthermore, the present study focused on a particular manufacturing sector. Similar sectoral studies can be conducted in other sectors of the Greek economy investigating the nature and extent of training provision, as well as other human resource practices. The state of human resource management in Greece merits
further empirical development with the view of examining the role of this function in fast growing economies.

Finally, it would seem beneficial to explore whether a formal HRD approach towards workforce skills development leads to better business results as opposed to informal HRD models adopted by most micro firms and SMEs. Small firm owners and managers will not move to more systematic approaches towards training unless they are clarified about its link with, and contribution to, business performance.
BIBLIOGRAPHY


Athens Chamber of Commerce and Industry (EVEA) (2004) ‘Supporting competitiveness within the Greek textile industry’, *Trade with Greece Magazine*, vol. 32, pp. 75-77

Athens Chamber of Small and Medium Sized Industries (VEA) (2006a) *Companies Register*. Athens: VEA publications (In Greek)

Athens Chamber of Small and Medium Sized Industries (VEA) (2006b) ‘Human resources training: the key to employment’, *Handicraft Issues*, vol. 215, April, pp. 53-54 (In Greek)


Curran, J. and J. Stanworth (1979) 'Worker involvement and social relations in the small firm', *Sociological Review*, vol. 27, no. 2, pp. 317-342


Economic Chamber of Greece (ECG) (2005) *Recommendations with regard to the Competitiveness of the Greek Economy*. Athens: ECG publications (In Greek)


European Foundation for the Improvement of Living and Working Conditions (2004) 'Knitting the Future of the Textiles and Leather sector: Four scenarios' (online). Available at:

European Industrial Relations Observatory (EIRO) (1999) 'Industrial Relations in SMEs' (online). Available at:
http://www.eiro.eurofound.eu.int/1999/05/study/tn9905201s.html (Date accessed: 04/01/2006)

European Industrial Relations Observatory (EIRO) (2005a) 'Job Losses at Klonatex Textiles Group' (online). Available at:
http://www.eiro.eurofound.eu.int/2005/04/feature/gr0504107f.html (Date accessed: 12/05/2006)

European Industrial Relations Observatory (EIRO) (2005b) 'Comparative Study on Relocation of Production and Industrial Relations - The Case of Greece' (online). Available at: http://www.eiro.eurofound.ie/2005/11/word/gr0508102s.doc (Date accessed: 12/05/2006)

European Industrial Relations Observatory (EIRO) (2005c) 'Preveza Mills Closes Down' (online). Available at:

European Industrial Relations Observatory (EIRO) (2006) 'Comparative Study on Industrial Relations in SMEs: The Case of Greece' (online). Available at:
http://www.eiro.eurofound.eu.int/2006/02/word/gr0511102s.doc (Date accessed: 23/04/2006)


Evmiridis, A. (1990) European Integration and Textiles. Foundation For Economic and Industrial Research (IOBE) publications (In Greek)


Flyvbjerg, B. (2006) ‘Five misunderstandings about case-study research’, *Qualitative Inquiry*, vol. 12, no. 2, pp. 219-245


252


254


Hellenic Observatory (2003) ‘Surviving EMU-Prospects for the Greek Economy’ (online). Available at:

Hellenic Observatory (2007) ‘Economic Policy in EMU: Community Framework and National Strategies - Focus on Greece’ (online). Available at:


Lane, C. (1990), 'Vocational training and new production concepts in Germany: some lessons for Britain', Industrial Relations Journal, vol. 20 no. 4, pp. 247-259


262

263


264


Observatory of European SMEs (2002) SMEs in Focus: Main results from the 2002 Observatory of European SMEs. Luxembourg: Office for official publications of the European Communities
Observatory of European SMEs (2003a) Competence Development in SMEs. Report no. 1. Luxembourg: Office for official publications of the European Communities
Observatory of European SMEs (2003b) SMEs in Europe 2003. Report no. 7. Luxembourg: Office for official publications of the European Communities


268
Salant, P. and D. A. Dillman (1994) How to Conduct your Own Survey. John Wiley and Sons


APPENDIX 1

INTERVIEW QUESTIONS (Telephone Interviews)

1. What are the main problems facing Greek manufacturing SMEs?
2. What are the main problems of the Greek textile sector?
3. Could you inform me about the human resource management practices used in Greek manufacturing SMEs?
4. What policies have been developed so far to resolve the problems facing the Greek manufacturing SMEs and Greek textile SMEs specifically?
5. Have these policies been evaluated by the Greek government? If yes, what are the outcomes?
ΕΡΩΤΗΣΕΙΣ ΣΥΝΕΝΤΕΥΞΗΣ (Τηλεφωνικές Συνεντεύξεις)

1. Ποιά είναι τα κύρια προβλήματα των Ελληνικών μικρο-μεσαίων μεταποιητικών επιχειρήσεων;
2. Ποιά είναι τα κύρια προβλήματα της Ελληνικής κλωστοθάφηντουργίας;
3. Θα μπορούσατε να με ενημερώσετε σχετικά με τις πρακτικές διοίκησης ανθρώπινου δυναμικού που χρησιμοποιούνται στις Ελληνικές μικρο-μεσαίες μεταποιητικές επιχειρήσεις;
4. Τι είδους πολιτικές έχουν αναπτυχθεί εώς τότε για την επίλυση των προβλημάτων των Ελληνικών μικρο-μεσαίων μεταποιητικών επιχειρήσεων και της Ελληνικής κλωστοθάφηντουργίας ειδικότερα;
5. Έχουν αξιολογηθεί αυτές οι πολιτικές; Εαν ναι, ποιά είναι τα αποτελέσματα;
APPENDIX 2

INTERVIEW QUESTIONS (Case Studies)

Section One: General information related to your manufacturing organisation

Q1: What is the total number of employees in your organisation?
Q2: How many employees work full time and how many work part time?
Q3: How many employees are in each occupational group?
Q4: How many of the employees at this establishment are working here on temporary or fixed-term contracts? (Do not include employees who are working through a probationary period that might lead to a permanent contract of employment)
Q5: How many employees at this establishment are members of a trade union – whether recognised by management or not?
Q6: What are the main market(s) for your organisation’s products or services?
Q7: Where is your manufacturing organisation based?
Q8: How long has your organisation been in business?
Q9: Who is responsible for running your organisation?

Section Two: Information related to your organisation’s training and development policy, as well as human resource practices.

Q1: Can you give me some information around your organisation’s plan for training and development?
Q2: Does your organisation use any human resource management practices?
Section Three: Information about the extent of training and development activity in your organisation

Q1: Does your organisation have a separate budget for training and development programmes? If yes, can you inform me in detail about that?
Q2: Did your organisation receive any financial support (e.g. training loans, subsidies, training grants) for training from the Greek government in 2006? If yes, can you give me some more information about this type of support?
Q3: Can you inform me about your recent training programmes (e.g. methods of training, percentage of employees who participated in training programmes during 2006, training days, issues covered)?

Section Four: Information on how training and development is implemented in your organisation

Q1: Do you have a separate department/unit in your organisation for human resource training and development?
Q2: Who is responsible for managing training and development programmes in your organisation?
Q3: Are trade unions informed, consulted or involved in negotiations over training?
Q4: Do you have an employee orientation (induction) programme for the new employees? If yes, can you inform me about it (e.g. content of induction programme, training days, methods used)?
Q5: Do you conduct a training needs assessment in your organisation? If yes, can you inform me about that stage?
Q6: Which methods of training does your organisation use?
Q7: How frequently do you design your training programmes internally and how often do you purchase them from an outside source?
Q8: What are the most popular training techniques used by your organisation when you deliver training programmes internally?
Q9: Do you evaluate the training and development programmes in your organisation? If yes, can you inform me about the particular process?

Section Five: Information about the determinants, as well as the benefits of training and development activity for your organisation.

Q1: What are the key driving forces for encouraging you to provide training for your staff?
Q2: What are the key factors that prevent you from providing training for your staff?
Q3: What are the main benefits that training and development activity may offer to your organisation?

Section Six: General information related to yourself as a participant in this research

Q1: What is your current Job title?
Q2: How many years of work experience do you have in total?
Q3: What is your highest level of formal education?
ΕΡΩΤΗΣΕΙΣ ΣΥΝΕΝΤΕΥΞΗΣ

Τμήμα Πρώτο: Γενικές πληροφορίες σχετικά με την επιχείρησή σας.

E1: Ποιός είναι ο συνολικός αριθμός εργαζομένων στην επιχείρησή σας;
E2: Πόσοι εργαζόμενοι απασχολούνται με πλήρη απασχόληση (30 ώρες ή περισσότερο) και πόσοι με μερική απασχόληση (λιγότερο από 30 ώρες την εβδομάδα);
E3: Ίσως επιμέρους ειδικότητες απασχολούνται οι εργαζόμενοι σας;
E4: Πόσοι εργαζόμενοι απασχολούνται στην επιχείρησή σας με σύμβαση ορισμένης χρονικής διάρκειας; (Μην συμπεριλάβεται εργαζόμενος που βρίσκεται σε δοκιμαστική περίοδο απασχόλησης και υπάρχει το ενδεχόμενο να μονιμοποιηθούν)
E5: Πόσοι εργαζόμενοι στην επιχείρησή σας είναι μέλη κάποιου εργατικού σωματείου (αισχαρτήτως εάν αναγνωρίζεται ή όχι από τη διοίκηση της επιχείρησης);
E6: Ποιες είναι οι κύριες αγορές στις οποίες δραστηριοποιείται η επιχείρησή σας;
E7: Ποια είναι η επιχείρησή σας;
E8: Πόσες χρόνιες δραστηριότητες έχει η επιχείρησή σας;
E9: Ποιός είναι ο υπεύθυνος για τη διοίκηση της επιχείρησης;

Τμήμα Δεύτερο: Πληροφορίες σχετικά με την πολιτική εκπαίδευσης και ανάπτυξης της επιχείρησής σας και σχετικά με τις πρακτικές διοίκησης ανθρώπινου δυναμικού

E1: Θα μπορούσατε να με ενημερώσετε σχετικά με την πολιτική για την εκπαίδευση και ανάπτυξη στην επιχείρησή σας;
E2: Χρησιμοποιάτε η επιχείρησή σας κάποια από τις πρακτικές διοίκησης ανθρώπινου δυναμικού;
Τμήμα Τρίτο: Πληροφορίες σχετικά με το εύρος εκπαίδευσης και ανάπτυξης που λαμβάνει χώρα στην επιχείρησή σας

E1: Έχει η επιχείρησή σας έναν ξεχωριστό προϋπολογισμό για προγράμματα εκπαίδευσης και ανάπτυξης; Εάν ναι, μπορείτε να με ενημερώσετε σχετικά με αυτόν τον προϋπολογισμό;
E2: Έλαβε η επιχείρησή σας κάποια χρηματική υποστήριξη από το Ελληνικό κράτος για προγράμματα εκπαίδευσης και ανάπτυξης (π.χ. δάνεια, επιδοτήσεις) το 2006; Εάν ναι, μπορείτε να με ενημερώσετε σχετικά με αυτό το είδος της χρηματικής υποστήριξης;
E3: Μπορείτε να με ενημερώσετε για τα πρόσφατα προγράμματα εκπαίδευσης της επιχείρησής σας (π.χ. εκπαιδευτική μέθοδος, ποσοστό εργαζομένων που συμμετέχει σε προγράμματα εκπαίδευσης το 2006, μέρες εκπαίδευσης, περιεχόμενο εκπαιδευτικών προγραμμάτων);

Τμήμα Τέταρτο: Πληροφορίες σχετικά με τον τρόπο με τον οποίο υλοποιείται η εκπαίδευση και ανάπτυξη στην επιχείρησή σας

E1: Διαθέτει η επιχείρησή σας ξεχωριστό τμήμα εκπαίδευσης και ανάπτυξης ανθρώπινου δυναμικού;
E2: Ποιός αναλαμβάνει την διοίκηση των προγραμμάτων εκπαίδευσης και ανάπτυξης στην επιχείρησή σας;
E3: Τα εργατικά σωματεία, ενημερώνονται, παρέχουν συμβουλές ή συμμετέχουν ενεργά στις αποφάσεις σχετικά με την εκπαίδευση των εργαζομένων;
E4: Υπάρχει πρόγραμμα προσαρμογής (αρχική εκπαίδευση) για τους νεοπροσληφθέντες στην επιχείρησή; Εάν ναι, μπορείτε να με ενημερώσετε σχετικά με αυτό το πρόγραμμα προσαρμογής (π.χ. περιεχόμενο εκπαίδευσης, διάρκεια, μέθοδοι αρχικής εκπαίδευσης);
E5: Πραγματοποιείται ανάλυση εκπαιδευτικών αναγκών των εργαζομένων στην επιχείρησή σας; Εάν ναι, μπορείτε να με ενημερώσετε σχετικά με αυτό το στάδιο;
E6: Ποιές μεθόδους χρησιμοποιείτε για την εκπαίδευση του προσωπικού σας;
Ε7: Πόσο συχνά σχεδιάζετε εσωτερικά τα προγράμματα εκπαίδευσης και πόσο συχνά επιλέγετε να τα προμηθευτείτε από εξωτερικό οργανισμό/σύμβουλο;
Ε8: Ποιές εκπαιδευτικές τεχνικές χρησιμοποιείτε κυρίως όταν σχεδιάζετε και υλοποιείτε εκπαιδευτικά προγράμματα εσωτερικά στην επιχείρησή σας;
Ε9: Αξιολογείτε την αποτελεσματικότητα των εκπαιδευτικών προγραμμάτων σας; Εάν ναι, μπορείτε να με ενημερώσετε για την διαδικασία αξιολόγησης;

Τμήμα Πέμπτον: Πληροφορίες σχετικά με τους παράγοντες που καθορίζουν την εκπαίδευση και ανάπτυξη στην επιχείρησή σας, καθώς και σχετικά με τα οφέλη της εκπαίδευσης και ανάπτυξης ανθρώπινου δυναμικού για τον οργανισμό σας.

Ε1: Ποιοί είναι οι κύριοι παράγοντες που σας ενθαρρύνουν να εκπαιδεύσετε το προσωπικό σας;
Ε2: Ποιοί είναι οι κύριοι παράγοντες που σας εμποδίζουν να εκπαιδεύσετε το προσωπικό σας;
Ε3: Ποιά είναι τα οφέλη που ενδέχεται να προσφέρει η εκπαίδευση και ανάπτυξη ανθρώπινου δυναμικού στην επιχείρησή σας;

Τμήμα Εκτόν: Γενικές πληροφορίες σχετικά με εσάς ως συμμετέχοντα στην παρούσα έρευνα.

Ε1: Ποιός είναι ο τίτλος της θέσης σας;
Ε2: Πόσα χρόνια εργασιακή εμπειρία έχετε συνολικά;
Ε3: Ποιός είναι ο υψηλότερος τίτλος εκπαίδευσης που κατέχετε;
APPENDIX 3

RESEARCH QUESTIONNAIRE

Cover Letter

Dear Sir or Madam,

I am writing to ask for your valuable assistance in completing a questionnaire that is part of my Doctoral research which I am undertaking at Leeds University Business School, U.K. The research is related to human resources development and my topic is: ‘An Empirical Investigation of Employee Training and Development in Greek Manufacturing Small and Medium-Sized Enterprises (SMEs)’.

Existing research in this area is very limited and the purpose of this survey is to investigate the training strategies in the Greek manufacturing SMEs and identify the determinants of workforce training provision. Your participation in this research is very important. A good response in answering the questions is vital and can make all the difference in coming up with valid results, which could potentially form the basis for the formulation of constructive suggestions for improving future training and development in Greece.

I appreciate that you may have a lot of time pressures and as such, for the vast majority of questions you need only to circle the appropriate answer. Your name and that of your organisation are not requested in any part of the questionnaire and all the information collected will be treated as strictly confidential and anonymous.

If you wish to receive a copy of the research findings, once the study is completed, please fill in the slip on the last page of the questionnaire and return it to me, as well as the completed questionnaire, using the enclosed stamped addressed envelopes. Finally, if you have any question relating to the questionnaire, please do not hesitate to contact me either by phone on (210-2927548) or e-mail at busapan@leeds.ac.uk

Thank you in anticipation for your help and your kind co-operation.

Yours faithfully,

Antonios Panagiotakopoulos
The questionnaire is designed to investigate the nature and extent of training and development activity in Greek textile SMEs, as well as identify the determinants of training provision. Please indicate your answer by CIRCLING the appropriate answer, unless indicated otherwise. Please return the questionnaire in the FREEPOST envelope provided, by 10/08/07. Thank you for your time.

Section One: The purpose of this section is to obtain general information related to your manufacturing organisation

Q1: What is the total number of employees in your organisation?

0-4 5-9 10-29 30-49 50-99 100+

Q2: How many employees work full time (30 hours or more per week) and how many work part time (fewer than 30 hours per week)?

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time</td>
<td>Employees</td>
</tr>
<tr>
<td>Part Time</td>
<td>Employees</td>
</tr>
</tbody>
</table>

Q3: For each of the above groups of employees, how many are in each of the following occupational groups?

Owner/Management | Full Time | Part Time |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional/Technical</td>
<td>Employees</td>
<td>Employees</td>
</tr>
<tr>
<td>Clerical</td>
<td>Employees</td>
<td>Employees</td>
</tr>
<tr>
<td>Manual (unskilled)</td>
<td>Employees</td>
<td>Employees</td>
</tr>
<tr>
<td>Other employees, please specify...........</td>
<td>Employees</td>
<td>Employees</td>
</tr>
</tbody>
</table>

Q4: How many of the employees at this establishment are working here on temporary or fixed-term contracts? (Do not include employees who are working through a probationary period that might lead to a permanent contract of employment)

_____ Employees

Q5: How many employees at this establishment are members of a trade union – whether recognised by management or not?

_____ Employees

Q6: How would you describe the main market(s) for your organisation’s products or services? (please circle all that apply)

<table>
<thead>
<tr>
<th></th>
<th>Local</th>
<th>Regional</th>
<th>National</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Q7: Where is your manufacturing organisation based?

<table>
<thead>
<tr>
<th>Location</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attiki</td>
<td>Yes</td>
</tr>
<tr>
<td>Thessaloniki</td>
<td>Yes</td>
</tr>
<tr>
<td>Other Prefecture, please specify</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Q8: How long has your organisation been in business?

_____ Years

Q9: Who is responsible for running your organisation?

<table>
<thead>
<tr>
<th>Role</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner alone</td>
<td>Yes</td>
</tr>
<tr>
<td>Owner with his/her family</td>
<td>Yes</td>
</tr>
<tr>
<td>Appointed Managers</td>
<td>Yes</td>
</tr>
<tr>
<td>Other, please specify........................</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Section Two: The purpose of this section is to obtain information related to your organisation’s training and development policy, as well as human resource practices.

Q1: Does your organisation have a formal written plan for training and development?

Yes  No

- If Yes, please go to Question 3. If No, please go to Question 2.

Q2: Please indicate your agreement or disagreement with any of the following reasons as to why you do not have a formal written training plan (please circle one number per row)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Unsure</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of knowledge and expertise to formulate a training plan</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of any perceived need</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of time</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

- Please go to Question 4

Q3: To what extent do you agree with the following statements about your training plan? (please circle one number per row)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The training plan in our firm is long-term (over 3 years) in nature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The training plan in our firm is medium-term (1 year-3 years) in nature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The training plan in our firm is short-term (less than a year) in nature</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q4: Does your organisation use any of the following human resource practices?

<table>
<thead>
<tr>
<th>Practice</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of tests and interview panels for employee selection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular performance appraisals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular feedback on performance from many sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual performance-related pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible working practices (e.g. part-time/weekend/temporary work, job sharing)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of formal career plans for employee development</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section Three: The purpose of this section is to investigate the extent of training and development activity in your organisation

Q1: Does your organisation have a separate budget for training and development programmes?

Yes  No

- If Yes, please go to Question 2. If No, please go to Question 5.

Q2: Who is responsible for planning the training and development budget?

<table>
<thead>
<tr>
<th>Role</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td></td>
</tr>
<tr>
<td>Senior Manager</td>
<td></td>
</tr>
<tr>
<td>Human Resources Manager</td>
<td></td>
</tr>
<tr>
<td>Line Manager</td>
<td></td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
</tr>
</tbody>
</table>

Q3: How adequate do you perceive is your budget for achieving the objectives of the training and development programmes?

<table>
<thead>
<tr>
<th>Adequacy</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ver. adequate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adequate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very inadequate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q4: What percentage of your total organisation budget did the training and development investment represent in 2006?

___ %

Q5: Did your organisation receive any financial support (e.g. training loans, subsidies, training grants) for training and development from the Greek government in 2006?

Yes  No

Q6: If your answer to Question 5 is YES, please specify.

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
Q7: Which is the percentage of the employees who participated in training and development programmes during 2006?

On-the-Job Training ____% of the employees
Off-the-Job Training ____% of the employees
Both ____% of the employees

Q8: How many days training did employees in each staff category below receive in 2006?

<table>
<thead>
<tr>
<th>Category</th>
<th>On-the-Job</th>
<th>Off-the-Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner/Management</td>
<td>_____ days</td>
<td>_____ days</td>
</tr>
<tr>
<td>Professional/Technical</td>
<td>_____ days</td>
<td>_____ days</td>
</tr>
<tr>
<td>Clerical</td>
<td>_____ days</td>
<td>_____ days</td>
</tr>
<tr>
<td>Manual (unskilled)</td>
<td>_____ days</td>
<td>_____ days</td>
</tr>
<tr>
<td>Other employees, please specify...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q9: What was the content of the above training programmes for each staff category? (please circle all that apply)

<table>
<thead>
<tr>
<th>Category</th>
<th>Owner /Management</th>
<th>Professional /Technical</th>
<th>Clerical</th>
<th>Manual</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Induction training for new recruits</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>New working methods</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Quality standards</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Information Technology skills</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Business strategy or planning</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Section Four: The purpose of this section is to understand how training and development is implemented in your organisation

Q1: Do you have a separate department/unit in your organisation for training and development?

Yes  No

Q2: Who is responsible for managing training and development programmes in your organisation?

<table>
<thead>
<tr>
<th>Role</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>Yes</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>Human Resources Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>Line Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Q3: How frequently are trade unions informed, consulted or involved in negotiations over training?

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informed</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Consulted</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Involved</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q4: Do you have an employee orientation (induction) programme for the new employees?

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

-If Always, Almost always or Sometimes, please go to Question 5. If Almost never or Never, please go to Question 6.

Q5: How frequently do you use the following methods to provide induction training for new recruits? (please circle one number per row)

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal presentations from owner/management (e.g. corporate videos)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Instruction at educational institutes</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Task demonstration by the owner and/or experienced staff</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify........................................</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q6: Do you conduct a training needs assessment in your organisation?

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

-If Always, Almost always or Sometimes, please go to Question 7. If Almost never or Never, please go to Question 9.

Q7: How frequently do you conduct a training needs analysis in the following levels? (please circle one number per row)

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational analysis (In which parts of the organisation training activities should be conducted)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Task analysis (What knowledge and skills employees need to possess to perform a job)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Person analysis (How well the employees demonstrate the knowledge and skills required by the job)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Q8: How often do you use the following methods to determine employee training needs? (please circle one number per row)

<table>
<thead>
<tr>
<th>Method</th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills inventories</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Job descriptions</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Performance Appraisals</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Direct Observation</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Personal Interviews</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Questionnaires</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q9: How important are the following reasons in preventing you from conducting a training needs analysis? (please circle one number per row)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Very Important</th>
<th>Important</th>
<th>Unsure</th>
<th>Not very important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of any perceived need</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Financial constraints</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Time constraints</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of knowledge, skills and experience to conduct a training needs assessment</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q10: Which of the following methods of training does your organisation use? (please circle one number per row)

<table>
<thead>
<tr>
<th>Method</th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-the-job training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Off-the-job training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q11: How frequently do you design your training activities internally and how often do you purchase your training programmes from an outside source? (please circle one number per row)

<table>
<thead>
<tr>
<th>Method</th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designed internally by the organisation</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Purchased by an outside vendor</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
**Q12:** How important are the following reasons for choosing to design your training and development activity internally? (please circle one number per row)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Very important</th>
<th>Important</th>
<th>Unsure</th>
<th>Not very important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance of training to the specific needs of the organisation</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>High rate of learning transfer</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Convenience (i.e. time efficient method, reduced training costs)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Q13:** How frequently are the following training techniques used by your organisation when you design in-house training? (please circle one number per row)

<table>
<thead>
<tr>
<th>Technique</th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coaching (personal instruction by owner/manager or/and more experienced staff)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Job rotation</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Visits to trade fairs</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Dialogue with customers and suppliers</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Staff meetings</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lectures/seminars/conferences</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Individual projects</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Case studies/role playing</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Simulations</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Computer-based training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Reading manuals or trade press</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Q14:** Do you evaluate the training and development activity in your organisation?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

- If **Always**, **Almost always** or **Sometimes**, please go to Question 15. If **Almost never** or **Never**, please go to Question 17.

**Q15:** How often do you evaluate the training and development activity according to the following criteria? (please circle one number per row)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reaction (employee satisfaction)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Learning (how well the trainees have learned the particular skill)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Behaviour (changes in employee skills, knowledge, abilities)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Results (organisation's effectiveness improvement)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Q16: How often do you use the following data collection methods to evaluate the training and development activity? (please circle one number per row)

<table>
<thead>
<tr>
<th>Method</th>
<th>Always</th>
<th>Almost always</th>
<th>Sometimes</th>
<th>Almost never</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Questionnaires</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Direct observation</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Written tests</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Simulation/performance test</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Archival performance data</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q17: How important are the following reasons in preventing you from conducting a training evaluation? (please circle one number per row)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Very important</th>
<th>Important</th>
<th>Unsure</th>
<th>Not very important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of any perceived need</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Financial constraints</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Time constraints</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of knowledge, skills and experience to conduct a training evaluation</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Section Five: The purpose of this section is to identify the determinants, as well as the benefits of training and development activity for your organisation.

Q1: How important are the following driving forces for encouraging you to provide training for your staff? (please circle one number per row)

<table>
<thead>
<tr>
<th>Driving Force</th>
<th>Very important</th>
<th>Important</th>
<th>Unsure</th>
<th>Not very important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business strategy (product or market development/technical change/product diversification/introduction of new equipment)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Competitive pressures</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Specific work problems</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>External labour market (skill shortages)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Internal labour market (expansion in the tasks and skills demanded)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Recruitment of new staff</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Owner/Senior Management commitment</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Trade union pressures</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Company training infrastructure and/or availability of in-house trainers</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>External sources of finance</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Government legislation</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Customer quality requirements | 5 | 4 | 3 | 2 | 1
---|---|---|---|---|---
Market positioning of firm (low quality/high quality products) | 5 | 4 | 3 | 2 | 1
Employee motivation for training | 5 | 4 | 3 | 2 | 1
Other, please specify | 5 | 4 | 3 | 2 | 1

Q2: How important are the following factors in preventing you from providing training for your staff? (please circle one number per row)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important</th>
<th>Important</th>
<th>Unsure</th>
<th>Not very important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of any perceived need to train (employees are fully trained before they are recruited, low-skilled jobs)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lost working time while workers are being trained</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Financial cost of training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of any subsidy for training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Owner's/ Senior Management's negative attitudes towards training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of information about training opportunities</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of external training providers</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Poor quality of external training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of skills and/or infrastructure to provide in-house training</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lack of workforce interest</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Fear of trained workers leaving or being poached</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q3: Please indicate your agreement or disagreement with the benefits that training and development activity may offer to your organisation (please circle all that applies)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Yes</th>
<th></th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training offers no benefits to the organisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers are all fully trained before they are recruited</td>
<td>Yes</td>
<td>Improved business performance (e.g. increased productivity/profitability/sales)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Jobs require low-skilled workers</td>
<td>Yes</td>
<td>Reduced labour turnover</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Yes</td>
<td>Increased worker flexibility</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Training offers benefits to the organisation</td>
<td></td>
<td>Improved customer service and/or product quality</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Improved ability to meet skill shortage needs</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Introduction of new technology</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Improved organisational climate</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
Section Six: The purpose of this section is to obtain general information related to yourself as an anonymous participant in this research.

Q1: What is your current Job title?

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td></td>
</tr>
<tr>
<td>Senior Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>Human Resources Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>Line Manager</td>
<td>Yes</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Q2: What is your gender?

Male    Female

Q3: How many years of work experience do you have in total?

______ Years

Q4: What is your highest level of formal education?

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower-Secondary school</td>
<td></td>
</tr>
<tr>
<td>Upper-Secondary School</td>
<td>Yes</td>
</tr>
<tr>
<td>University Bachelor's degree in (please specify)</td>
<td>Yes</td>
</tr>
<tr>
<td>Master's degree in (please specify)</td>
<td>Yes</td>
</tr>
<tr>
<td>Doctorate in (please specify)</td>
<td></td>
</tr>
<tr>
<td>Other, please specify</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Please feel free to make any comments or suggestions, which you think may also be relevant to the research being undertaken.

... ...

If you would be willing to take part in a more detailed interview about the issues raised in this questionnaire, please leave your name, address and a telephone number and we will get in touch with you. Thank you.

Name: ...........................................
Address: ...........................................
Phone number: .....................................

Thank you for taking the time to complete this questionnaire. Please return the questionnaire in the FREEPOST envelope provided, by 10/08/07.
(GREEK VERSION)

Αξιότιμε κόρη/κυρία,

Σας αποστέλλω αυτή την επιστολή με σκοπό να ζητήσω την πολύτιμη συνδρομή σας στην συμπλήρωση του παρόντος ερωτηματολόγου, το οποίο αποτελεί μέρος της Διδακτορικής μου διατριβής την οποία εκπόνησα στο Πανεπιστήμιο του Leeds, Ηνωμένο Βασίλειο. Η παρούσα έρευνα αφορά την ανάπτυξη ανθρώπινου δυναμικού και το θέμα της Διδακτορικής μου διατριβής είναι το κάτωθι: 'Μια εμπειρική διερεύνηση της εκπαίδευσης και ανάπτυξης ανθρώπινου δυναμικού στις μικρο-μεσαίες επιχεirήσεις της Ελληνικής μεταποίησης'.

Οι ερευνητικές προσπάθειες που έχουν λάβει χώρα ως τόπο συγκεκριμένο επιστημονικό πεδίο είναι πολύ περιορισμένες και ο σκοπός της παρούσας έρευνας είναι να διερευνηθούν οι πρακτικές εκπαίδευσης των μικρο-μεσαίων επιχειρήσεων στην Ελληνική μεταποίηση και να εξεταστούν οι παράγοντες που επηρέασαν την παροχή εκπαίδευσης ανθρώπινου δυναμικού. Η συμμετοχή σας στην έρευνα είναι πολύτιμη. Ένας ικανοποιητικός αριθμός απαντήσεων θα βοηθήσει σημαντικά στην απόκτηση έγκυρων αποτελεσμάτων, τα οποία θα αποτελέσουν εν συνεχεία τη βάση για τη δημιουργία εποικοδομητικών προτάσεων με σκοπό την βελτίωση της εκπαίδευσης και ανάπτυξης ανθρώπινου δυναμικού στην Ελλάδα.

Λαμβάνοντας υπόψη την πίεση του χρόνου σας λόγω επαγγελματικών υποχρεώσεων, το παρόν ερωτηματολόγιο είναι σχεδιασμένο με τέτοιο τρόπο ώστε για την πληθώρα των ερωτήσεων χρειάζεται απλός να κυκλώσετε την επιλογή σας. Το όνομά σας καθάς και αυτό της επιχειρήσεις σας δεν ζητούνται σε κανένα μέρος του ερωτηματολόγου και θα διατηρηθεί πλήρης ανοιχτότητα κατά τη διαδικασία συλλογής δεδομένων.

Εάν επιθυμείτε να λάβετε ένα αντίγραφο των ευρισκόμενων παραπομονών, παρακαλούμε συμπληρώστε τα στοιχεία σας στην τελευταία σελίδα του ερωτηματολόγου και επιστρέψτε το ερωτηματολόγιο χρησιμοποιώντας τον προπληρωμένο φάκελο. Εάν έχετε οποιαδήποτε ερώτηση σχετικά με το παρόν ερωτηματολόγιο, παρακαλούμε επικοινωνήστε μαζί μου μέσω τηλεφώνου (210-2927548) ή μέσω e-mail (busapan@leeds.ac.uk).

Σας ευχαριστώ θερμά για την πολύτιμη βοήθειά σας και την ευγενική συνεργασία σας.

Με σεβασμό,

Αντώνιος Παναγιωτακόπουλος
Ανάλυση του χρήσιμου υπολογισμού

Το παρόν ερωτηματολόγιο είναι σχεδιασμένο να συνεργάζεται με σκοπό να διερευνηθεί η εκπαίδευση και ανάπτυξη ανθρωπίνων πόρων στις Ελληνικές Μικρομεσαίες επιχειρήσεις της κλωστοϋφαντουργίας, καθώς επίσης να διαπιστωθούν οι παράγοντες που επηρεάζουν την παροχή της. Παρακαλώ υποδείξτε την απάντηση σας ΚΥΚΛΩΝΟΝΤΑΣ την επιλογή σας, εκτός αν σας υποδεικνύεται διαφορετικά. Παρακαλώ επιστρέψτε το ερωτηματολόγιο έως την 10/08/07 χρησιμοποιώντας τον ΠΡΟΠΛΗΡΩΜΕΝΟ φάκελο. Σας ευχαριστώ θερμά για το χρόνο σας.

Τμήμα Πρώτο: Σκοπός αυτού του τμήματος είναι να αποκτήσετε γενικές πληροφορίες σχετικά με την επιχείρησή σας.

E1: Πως είναι ο συνολικός αριθμός εργαζομένων στην επιχείρησή σας:

<table>
<thead>
<tr>
<th>Άντρες</th>
<th>Γυναίκες</th>
</tr>
</thead>
<tbody>
<tr>
<td>Πλήρης</td>
<td>Εργαζόμενοι</td>
</tr>
<tr>
<td>Απασχόληση</td>
<td>Εργαζόμενοι</td>
</tr>
<tr>
<td>Μερική</td>
<td>Εργαζόμενοι</td>
</tr>
<tr>
<td>Απασχόληση</td>
<td>Εργαζόμενοι</td>
</tr>
</tbody>
</table>

E2: Πόσοι εργαζόμενοι απασχολούνται με πλήρη απασχόληση (30 ώρες ή περισσότερο) και πόσοι με μερική απασχόληση (λιγότερο από 30 ώρες την εβδομάδα):

<table>
<thead>
<tr>
<th>Διοικητικό στελέχη</th>
<th>Πλήρης</th>
<th>Εργαζόμενοι</th>
<th>Μερική</th>
<th>Εργαζόμενοι</th>
</tr>
</thead>
<tbody>
<tr>
<td>Τεχνικό προσωπικό</td>
<td>Απασχόληση</td>
<td>Εργαζόμενοι</td>
<td>Απασχόληση</td>
<td>Εργαζόμενοι</td>
</tr>
<tr>
<td>Υπάλληλοι γραφείου</td>
<td>Εργαζόμενοι</td>
<td>Εργαζόμενοι</td>
<td>Εργαζόμενοι</td>
<td>Εργαζόμενοι</td>
</tr>
<tr>
<td>Ανδιέκειται σεροπανακτικό προσωπικό</td>
<td>Εργαζόμενοι</td>
<td>Εργαζόμενοι</td>
<td>Εργαζόμενοι</td>
<td></td>
</tr>
<tr>
<td>Άλλη ειδικότητα (παρακαλώ προσδιορίστε)</td>
<td>Εργαζόμενοι</td>
<td>Εργαζόμενοι</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E3: Σε ποιες επιμέρους ειδικότητες απασχολούνται οι εργαζόμενοι σας:

| προσδιορίστε |

E4: Πόσοι εργαζόμενοι απασχολούνται στην επιχείρησή σας με σύμβαση ορισμένης χρονικής διάρκειας; (Μην συμπεριλάβεται εργαζομένος που βρίσκεται σε δοκιμαστική περίοδο απασχόλησης και υπάρχει το ενδεχόμενο να μονιμοποιηθούν)

| Εργαζόμενοι |

E5: Πόσοι εργαζόμενοι στην επιχείρησή σας είναι μέλη κάποιου εργατικού σωματείου (ανεξαρτήτως εάν αναγνωρίζεται ή όχι από τη διοίκηση της επιχείρησης);

| Εργαζόμενοι |
**Ε6: Ποιες είναι οι κύριες αγορές στις οποίες δραστηριοποιείται η επιχείρησή σας; (παρακαλώ κυκλώστε όλα όσα ισχύουν)**

<table>
<thead>
<tr>
<th>Τοπική</th>
<th>Περιφερειακή</th>
<th>Εθνική</th>
<th>Διεθνής</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
</tbody>
</table>

**Ε7: Ποιες είναι οι κύριες αγορές στις οποίες δραστηριοποιείται η επιχείρησή σας;**

<table>
<thead>
<tr>
<th>Αττική</th>
<th>NAI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Θεσσαλονίκη</td>
<td>NAI</td>
</tr>
<tr>
<td>Άλλος Νομός (παρακαλώ προσδιορίστε)</td>
<td>NAI</td>
</tr>
</tbody>
</table>

**Ε8: Πόσες χρόνιες δραστηριοποιείται η επιχείρησή σας;**

_____χρόνια

**Ε9: Ποιος είναι υπεύθυνος για τη διοίκηση της επιχείρησής;**

<table>
<thead>
<tr>
<th>Ονομασία</th>
<th>NAI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ιδιοκτήτης (ατομικά)</td>
<td>NAI</td>
</tr>
<tr>
<td>Ιδιοκτήτης μαζί με την οικογένεια του/της</td>
<td>NAI</td>
</tr>
<tr>
<td>Διορισμένα διοικητικά στελέχη</td>
<td>NAI</td>
</tr>
<tr>
<td>Άλλος (παρακαλώ προσδιορίστε)</td>
<td>NAI</td>
</tr>
</tbody>
</table>

**Πηγή Δεύτερο: Σκοπός αυτού του τμήματος είναι να αποκτηθούν πληροφορίες σχετικά με την πολιτική εκπαίδευσης και ανάπτυξης της επιχείρησής σας, καθώς και να διερευνηθούν πρακτικές διοίκησης ανθρώπινου δυναμικού**

**Ε1: Έχει η επιχείρησή σας μια τυπική γραπτή πολιτική για την εκπαίδευση και ανάπτυξη;**

NAI  OXI

-Εάν NAI, παρακαλώ συνεχίστε στην ερώτηση 3. Εάν OXI, παρακαλώ συνεχίστε στην ερώτηση 2.

**Ε2: Παρακαλώ υποδείξτε σε τι βαθμό συμφωνείτε ή διαφωνείτε με τους παρακάτω λόγους για τους οποίους δεν έχετε τυπική γραπτή πολιτική για την εκπαίδευση και ανάπτυξη (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)**

<table>
<thead>
<tr>
<th>Συμφωνώ απόλυτα</th>
<th>Συμφωνώ</th>
<th>Δεν γνωρίζω</th>
<th>Διαφωνώ</th>
<th>Διαφωνώ απόλυτα</th>
</tr>
</thead>
<tbody>
<tr>
<td>Έλλειψη γνώσης για τη δημιουργία πολιτικής εκπαίδευσης και ανάπτυξης</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Έλλειψη ανάγκης</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Έλλειψη χρόνου</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Άλλος λόγος (παρακαλώ προσδιορίστε)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

298
- Παρακαλώ συνεχίστε στην Ερώτηση 4

**Ε3:** Σε τι βαθμό συμφωνείτε με τους παρακάτω ισχυρισμούς σχετικά με το σχεδιασμό εκπαίδευσης ανθρώπινου δυναμικού στην επιχείρησή σας;

<table>
<thead>
<tr>
<th>Συμφωνικό απόλυτα</th>
<th>Συμφωνικό γνωρίζω</th>
<th>Διαφωνικό</th>
<th>Διαφωνικό απόλυτα</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ο σχεδιασμός εκπαίδευσης ανθρώπινου δυναμικού είναι μακροπρόθεσμος (ξεπερνάει τα 3 έτη)</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Ο σχεδιασμός εκπαίδευσης ανθρώπινου δυναμικού είναι μεσοπρόθεσμος (από 1 έως 3 έτη)</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Ο σχεδιασμός εκπαίδευσης ανθρώπινου δυναμικού είναι βραχυπρόθεσμος (λιγότερο από 1 έτος)</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

**Ε4:** Χρησιμοποιεί η επιχείρησή σας κάποια από τις παρακάτω πρακτικές διοίκησης ανθρώπινου δυναμικού;

| Χρησιμοποίηση γραπτών τεστ και συνέντευξης για την πρόσληψη νέου προσωπικού | ΝΑΙ | ΟΧΙ |
| Συχνή αξιολόγηση απόδοσης ανθρώπινου δυναμικού | ΝΑΙ | ΟΧΙ |
| Συχνή επαναπληροφόρηση στον εργαζόμενο σχετικά με την απόδοσή του από διάφορες πηγές (π.χ. προιστάμενος, συνάδελφοι) | ΝΑΙ | ΟΧΙ |
| Ατομικές αμοιβές ανάλογες με την απόδοσή του κάθε εργαζόμενου | ΝΑΙ | ΟΧΙ |
| Ευέλικτα συστήματα απασχόλησης (π.χ. μερική απασχόληση, προσωρινή απασχόληση) | ΝΑΙ | ΟΧΙ |
| Προγράμματα καριέρας με σκοπό την ανάπτυξη εργαζομένων | ΝΑΙ | ΟΧΙ |

**Τμήμα Τρίτο: Σκοπός αυτού του τμήματος είναι να διερευνηθεί το εύρος εκπαίδευσης και ανάπτυξης που λαμβάνει χώρα στην επιχείρησή σας**

**Ε1:** Εχει η επιχείρησή σας έναν ξεχωριστό προϋπολογισμό για προγράμματα εκπαίδευσης και ανάπτυξης;  

| NAI | OXI |

Εάν **NAI**, παρακαλώ συνεχίστε στην ερώτηση 2. Εάν **OXI**, παρακαλώ συνεχίστε στην ερώτηση 5.

**Ε2:** Ποιος είναι υπεύθυνος για την κατάρτιση του προϋπολογισμού για τα προγράμματα εκπαίδευσης και ανάπτυξης;

<table>
<thead>
<tr>
<th>Χαρακτηριστικό</th>
<th>NAI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ιδιωτικότητας</td>
<td>NAI</td>
</tr>
<tr>
<td>Ανώτατο διοικητικό στέλεχος</td>
<td>NAI</td>
</tr>
<tr>
<td>Διευθυντής ανθρώπινου δυναμικού</td>
<td>NAI</td>
</tr>
<tr>
<td>Αμεσος προϊστάμενος</td>
<td>NAI</td>
</tr>
<tr>
<td>Άλλος (παρακαλώ προσδιορίστε)</td>
<td>ΝΑΙ</td>
</tr>
</tbody>
</table>
E3: Πόσο επαρκής θεωρείτε ότι είναι ο προϋπολογισμός αυτός για την επίτευξη των σκοπών των εκπαιδευτικών σας προγραμμάτων;

<table>
<thead>
<tr>
<th>Πολύ επαρκής</th>
<th>Επαρκής</th>
<th>Δεν γνωρίζω</th>
<th>Ανεπαρκής</th>
<th>Πολύ ανεπαρκής</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

E4: Τι ποσοστό του συνολικού προϋπολογισμού της επιχείρησης σας αντιπροσώπευσε η επένδυση για εκπαίδευση και ανάπτυξη το 2006;

___% 

E5: Έλαβε η επιχείρησή σας κάποια χρηματική υποστήριξη από το Ελληνικό κράτος για προγράμματα εκπαίδευσης και ανάπτυξης (π.χ. δάνεια, επιδοτήσεις) το 2006;

NAI OXI

E6: Εάν η απάντηση σας στην ερώτηση 5 είναι NAI, παρακαλώ προσδιορίστε το είδος της χρηματικής υποστήριξης;

.................................................................

.................................................................

.................................................................

.................................................................

E7: Τι ποσοστό των εργαζομένων συμμετέχει σε προγράμματα εκπαίδευσης και ανάπτυξης το 2006;

<table>
<thead>
<tr>
<th>Εκπαίδευση στον χώρο εργασίας</th>
<th>% των εργαζομένων</th>
</tr>
</thead>
<tbody>
<tr>
<td>Εκπαίδευση εκτός του χώρου εργασίας</td>
<td>% των εργαζομένων</td>
</tr>
<tr>
<td>Εκπαίδευση εντός και εκτός χώρου εργασίας</td>
<td>% των εργαζομένων</td>
</tr>
</tbody>
</table>

E8: Πόσες μέρες εκπαίδευση έλαβαν οι εργαζόμενοι των παρακάτων κατηγοριών το 2006;

<table>
<thead>
<tr>
<th>Ιδιωτήτης/Διοικητικό στελέχη</th>
<th>Μέρες</th>
<th>Κατηγορία</th>
<th>Μέρες</th>
<th>Κατηγορία</th>
</tr>
</thead>
<tbody>
<tr>
<td>Τεχνικό προσωπικό</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
</tr>
<tr>
<td>Υπάλληλοι γραφείου</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
</tr>
<tr>
<td>Ανιδικαιούχο χειρονακτικό προσωπικό</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
</tr>
<tr>
<td>Άλλη ειδικότητα (παρακαλώ προσδιορίστε)</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
<td>Μέρες</td>
<td>Κατηγορία</td>
</tr>
</tbody>
</table>
Ε9: Ποιο ήταν το περιεχόμενο των ανωτέρω εκπαιδευτικών προγραμμάτων για κάθε κατηγορία εργαζομένων; (παρακαλούν κυκλώστε όλα όσα ισχύουν)

<table>
<thead>
<tr>
<th>Ιδιοκτητής / Διοικητική στέλεχη</th>
<th>Τεχνικό προσωπικό</th>
<th>Υπάλληλοι γραφείου</th>
<th>Ανιδείκτευτο χειρωνακτικό προσωπικό</th>
<th>Άλλη ειδικότητα</th>
</tr>
</thead>
<tbody>
<tr>
<td>Πρόγραμμα προσαρμογής (αρχική εκπαίδευση) για νεοπροσληφθέντες</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
<tr>
<td>Νέες πρακτικές στον χώρο εργασίας</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
<tr>
<td>Υγεία και ασφάλεια στο εργασιακό περιβάλλον</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
<tr>
<td>Πρότυπα ποιότητας της επιχείρησης</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
<tr>
<td>Θέματα πληροφορικής (υπολογιστικές και νέα τεχνολογία)</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
<tr>
<td>Σχεδιασμός επιχειρησιακής στρατηγικής</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
<tr>
<td>Άλλο θέμα, παρακαλώ προσδιορίστε</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
<td>NAI</td>
</tr>
</tbody>
</table>

Τμήμα Τέταρτο: Σκοπός αυτού του τμήματος είναι να κατανοηθεί ο τρόπος με τον οποίο υλοποιείται η εκπαίδευση και ανάπτυξη στην επιχείρησή σας

Ε1: Διαβάστε η επιχείρησή σας ξεχωριστό τμήμα εκπαίδευσης και ανάπτυξης ανθρώπινου δυναμικού;

NAI OXI

Ε2: Ποιός αναλαμβάνει την διοίκηση των προγραμμάτων εκπαίδευσης και ανάπτυξης στην επιχείρησή σας;

<table>
<thead>
<tr>
<th>Ιδιοκτήτης</th>
<th>NAI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ανώτατο διοικητικό στέλεχος</td>
<td>NAI</td>
</tr>
<tr>
<td>Διευθυντής ανθρώπινου δυναμικού</td>
<td>NAI</td>
</tr>
<tr>
<td>Άμεσος προϊστάμενος</td>
<td>NAI</td>
</tr>
<tr>
<td>Άλλος (παρακαλώ προσδιορίστε)</td>
<td>NAI</td>
</tr>
</tbody>
</table>

Ε3: Πόσο συχνά τα εργατικά σωματεία ενημερώνουνται, παρέχουν συμβουλές ή συμμετέχουν ενεργά στις αποφάσεις σχετικά με την εκπαίδευση των εργαζομένων;

<table>
<thead>
<tr>
<th>Ενημερώνονται</th>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pάντα</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Παρέχουν συμβουλές</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Συμμετέχουν ενεργά</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
E4: Υπάρχει πρόγραμμα προσαρμογής (αρχική εκπαίδευση) για τους νεοπροσληφθέντες στην επιχείρηση; 

<table>
<thead>
<tr>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

- Εάν Πάντα, Σχεδόν πάντα ή Μερικές φορές, παρακαλώ συνεχίστε στην ερώτηση 5. Εάν Σχεδόν ποτέ ή Ποτέ, παρακαλώ συνεχίστε στην ερώτηση 6.

E5: Πόσο συχνά χρησιμοποιείται τις παρακάτω εκπαιδευτικές μεθόδους για να προσφέρετε αρχική εκπαίδευση στους νεοπροσληφθέντες; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)

<table>
<thead>
<tr>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Ε6: Πραγματοποιείτε ανάλυση εκπαιδευτικών αναγκών των εργαζομένων στην επιχείρησή σας:

<table>
<thead>
<tr>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

- Εάν Πάντα, Σχεδόν πάντα ή Μερικές φορές, παρακαλώ συνεχίστε στην ερώτηση 7. Εάν Σχεδόν ποτέ ή Ποτέ, παρακαλώ συνεχίστε στην ερώτηση 2.

E7: Πόσο συχνά αξιολογείται ο καθένας από τους παρακάτω παράγοντες για τον εντοπισμό των εκπαιδευτικών αναγκών; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)

<table>
<thead>
<tr>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>


**Ε8: Ποιες από τις παρακάτω μεθόδους χρησιμοποιείτε για την ανάλυση εκπαιδευτικών αναγκών; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)**

<table>
<thead>
<tr>
<th></th>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Απόδειξη δεξιοτήτων</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Περιγραφή θέσης εργασίας</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Αξιολόγηση απόδοσης</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Αμεση επιτήρηση της εργασίας</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Συνέντευξη με τον εργαζόμενο</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Έρευνα (ερευνητικό γλώσσα) ικανοποίησης εργαζομένων</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Άλλη μέθοδος (παρακαλώ προσδιορίστε).................................</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Ε9: Πόσο σημαντικό είναι οι παρακάτω λόγοι στο να σας εμποδίσουν να πραγματοποιήσετε ανάλυση των εκπαιδευτικών αναγκών των εργαζομένων; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)**

<table>
<thead>
<tr>
<th></th>
<th>Πολύ σημαντικός</th>
<th>Σημαντικός</th>
<th>Δεν γνωρίζω</th>
<th>Οχι πολύ σημαντικός</th>
<th>Καθόλου σημαντικός</th>
</tr>
</thead>
<tbody>
<tr>
<td>Έλευση ανάγκης</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Περιορισμένοι χρηματικοί πόροι</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Περιορισμένος χρόνος</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Έλευση γνώσεως, ικανοτήτων και εμπειρίας για την υπολογιστή ανάλυσης εκπαιδευτικών αναγκών</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Άλλος λόγος (παρακαλώ προσδιορίστε).................................</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Ε10: Ποιες από τις παρακάτω μεθόδους χρησιμοποιείτε για την εκπαίδευση του προσωπικού σας; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)**

<table>
<thead>
<tr>
<th></th>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Εκπαίδευση στον χώρο εργασίας</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Εκπαίδευση εκτός χώρου εργασίας</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**Ε11: Πόσο συχνά σχεδιάζετε εσωτερικά την εκπαίδευση του προσωπικού σας και κόσο συχνά επιλέγετε να προμηθευτέτε προγράμματα εκπαίδευσης και ανάπτυξης από εξωτερικό οργανισμό/σύμβουλο; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)**

<table>
<thead>
<tr>
<th></th>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Εσωτερικός σχεδιασμός εκπαιδευτικών προγραμμάτων (σχεδιασμός από την επιχείρηση)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Αγορά εκπαιδευτικών προγραμμάτων από εξωτερικό οργανισμό/σύμβουλο</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Ε12: Αξιολογείτε την σημαντικότητα των παρακάτω λόγων στην απόφασή σας να σχεδιάσετε εσωτερικά τα εκπαιδευτικά σας προγράμματα (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)

<table>
<thead>
<tr>
<th>Πολύ σημαντικός</th>
<th>Σημαντικός</th>
<th>Δεν γνωρίζω</th>
<th>Οχι πολύ σημαντικός</th>
<th>Καθόλου σημαντικός</th>
</tr>
</thead>
<tbody>
<tr>
<td>Συνάφεια εκπαιδευτικών προγραμμάτων με τις ανάγκες της επιχείρησης</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Άμεση μεταφορά της αποκτηθείσας από την εκπαίδευση γνώσης στην εργασία του εκπαιδευόμενου</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Εξοικονόμηση κόστους και χρόνου</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Άλλος λόγος (παρακαλώ προσδιορίστε)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Ε13: Πώς συχνά χρησιμοποιείτε τις παρακάτω εκπαιδευτικές τεχνικές όταν σχεδιάζετε και υλοποιείτε εσωτερικά την εκπαίδευση του προσωπικού σας; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)

<table>
<thead>
<tr>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ατομική καθοδήγηση από ιδιοκτήτη/πεπεισμένο προσωπικό</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Εναλλαγή θέσεων εργασίας</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Επισκέψεις σε εμπορικές εκθέσεις</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Διάλογο με πελάτες και προμηθευτές</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Συσκέψεις προσωπικού</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Διευθέτηση/Συμβουλή/Συνέδρια</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Ατομικά projects</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Ανάλυση υποθέσεων/Υπόθεση ρόλων</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Προσανατολίσματα</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Εκπαίδευση με την χρησιμοποίηση ηλεκτρονικών υπολογιστών</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Μελέτη εικεριδίων</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Άλλη τεχνική (παρακαλώ προσδιορίστε)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Ε14: Πώς συχνά αξιολογείτε την αποτελεσματικότητα των εκπαιδευτικών προγραμμάτων σας;

<table>
<thead>
<tr>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

- Εάν Πάντα, Σχεδόν πάντα ή Μερικές φορές, παρακαλώ συνεχίστε στην ερώτηση 15. Εάν Σχεδόν ποτέ ή Ποτέ, παρακαλώ συνεχίστε στην ερώτηση 17.
E15: Πόσο συχνά αξιολογείτε τα εκπαιδευτικά σας προγράμματα σύμφωνα με τα παρακάτω κριτήρια; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)

<table>
<thead>
<tr>
<th>Αντίδραση (Ικανοποίηση εκπαιδευόμενου)</th>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Μάθηση (εάν απόκτησαν οι εκπαιδευόμενοι την γνώση και τις δεξιότητες που προέβλεπε το εκπαιδευτικό πρόγραμμα)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Συμπεριφορά (εάν υπήρξε αλλαγή στην γνώση και τις δεξιότητες των εκπαιδευόμενων)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Αποτελέσματα (εάν υπήρξε αλλαγή στην αποτελεσματικότητα της επιχείρησης)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

E16: Ποιες από τις παρακάτω μεθόδους χρησιμοποιείτε για να αξιολογήσετε την αποτελεσματικότητα των εκπαιδευτικών προγραμμάτων σας; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)

<table>
<thead>
<tr>
<th>Προσωπική συνέντευξη με τον εκπαιδευόμενο</th>
<th>Πάντα</th>
<th>Σχεδόν πάντα</th>
<th>Μερικές φορές</th>
<th>Σχεδόν ποτέ</th>
<th>Ποτέ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ερωτηματολόγια</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Άμεση επιτήρηση του εκπαιδευόμενου</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Γραπτή εξέταση</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Προσωπική εξέταση</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Μελέτη στοιχείων αποτελεσματικότητας της επιχείρησης (π.χ. κέρδη, πωλήσεις)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Άλλη μέθοδος, παρακάλω προσδιορίστε</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

E17: Πόσο σημαντικοί είναι οι παρακάτω λόγοι στο να σας εμποδίσουν να αξιολογήσετε τα εκπαιδευτικά σας προγράμματα; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)

<table>
<thead>
<tr>
<th>Πολύ σημαντικός</th>
<th>Σημαντικός</th>
<th>Δεν γνωρίζω</th>
<th>Οχι πολύ σημαντικός</th>
<th>Καθόλου σημαντικός</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Ελλειψη ανάγκης</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Περιορισμένοι χρηματικοί πόροι</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Περιορισμένος χρόνος</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>'Ελλειψη γνώσης, iκανοτήτων και εμπειρίας για αξιολόγηση των εκπαιδευτικών προγραμμάτων</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Άλλος λόγος (παρακάλω προσδιορίστε)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Τμήμα Πέμπτον: Σκοπός αυτού του τμήματος είναι να εξακριβωθούν οι παράγοντες που καθορίζουν την εκπαιδευτική δραστηριότητα στην επιχείρησή σας, καθώς και να εξακριβωθούν τα οφέλη της εκπαίδευσης και ανάπτυξης ανθρώπινου δυναμικού για τον οργανισμό σας.
**Ε1: Πόσο σημαντικό είναι οι παρακάτω παράγοντες στο να σας ενθαρρύνουν να εκπαιδεύσετε το προσωπικό σας; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)**

<table>
<thead>
<tr>
<th>Πολύ σημαντικός</th>
<th>Σημαντικός</th>
<th>Δεν γνωρίζω</th>
<th>Ωχι πολύ σημαντικός</th>
<th>Καθόλου σημαντικός</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Επιχειρησιακή στρατηγική</strong> (ανάπτυξη προϊόντος ή αγορών/τεχνικές αλλαγές/διαφοροποίηση προϊόντος/εισαγωγή νέου εξοπλισμού)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Ανταγωνιστικές πιέσεις</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Συγκεκριμένα τεχνικά προβλήματα</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Εξωτερική αγορά εργασίας</strong> (έλεγχη καταρτισμού ανθρώπινου δυναμικού)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Εσωτερική αγορά εργασίας</strong> (ανάγκη για ανθρώπινο δυναμικό με πολλαπλές δεξίοτητες)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Πρόβλημα εργαζομένων</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Έντονο ενδιαφέρον από τον ειδικότητα/ανάπτυξη διοίκηση για την εκπαίδευση των εργαζομένων</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Πιέσεις από εργατικά σωματεία</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Υλικοτεχνική υποδομή της επιχείρησης για παροχή εκπαιδευτικών προγραμμάτων και διαθέσιμοι εκπαιδευτές εντός της επιχείρησης</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Εξωτερικές πηγές χρηματοδότησης</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Νομοθεσία που επιβάλλει την παροχή εκπαίδευσης</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Απαιτήσεις πελατών για βελτιωμένη ποιότητα προϊόντος/ιμπρεσιών</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Τοποθέτηση της επιχείρησης στην αγορά (π.χ. φτηνά προϊόντα-χαμηλή ποιότητα/ακριβά προϊόντα-υψηλή ποιότητα)</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Ενδιαφέρον εργαζομένων για εκπαίδευση</strong></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

**Άλλος παράγοντας (παρακαλώ προσδιορίστε).**

306
**Ε2: Πόσο σημαντικό είναι οι παρακάτω παράγοντες στο να σας εμποδίσουν να εκπαιδεύσετε το προσωπικό σας; (παρακαλώ κυκλώστε μόνο έναν αριθμό ανά σειρά)**

<table>
<thead>
<tr>
<th>Έλλειψη ανάγκης για εκπαίδευση ανθρώπινου δυναμικού (οι εργαζόμενοι είναι ήδη καταρτισμένοι κατά την πρόσληψή τους, οι προσφερόμενες θέσεις εργασίας αφορούν ανειδίκευτο προσωπικό)</th>
<th>Πολύ σημαντικός</th>
<th>Σημαντικός</th>
<th>Δεν γνωρίζω</th>
<th>Όχι πολύ σημαντικός</th>
<th>Καθόλου σημαντικός</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

| Χαμένος χρόνος εργασίας κατά τη διάρκεια εκπαίδευσης των εργαζομένων | 5 | 4 | 3 | 2 | 1 |

| Κόστος εκπαιδευτικής δραστηριότητας | 5 | 4 | 3 | 2 | 1 |

| Έλλειψη επιδότησης για εκπαίδευση προσωπικού | 5 | 4 | 3 | 2 | 1 |

| Αρνητική αντίληψη του ιδιοκτήτη/ανώτατη διοίκηση/προσωπικό σχετικά με τα οφέλη της εκπαίδευσης εργαζομένων | 5 | 4 | 3 | 2 | 1 |

| Έλλειψη ενημέρωσης σχετικά με διαθέσιμα προγράμματα εκπαίδευσης προσωπικού | 5 | 4 | 3 | 2 | 1 |

| Έλλειψη εξωτερικών οργανισμών/συμβουλών που προσφέρουν εκπαιδευτικά προγράμματα | 5 | 4 | 3 | 2 | 1 |

| Έλλειψη ποιότητας εκπαιδευτικών προγραμμάτων προσφέρομενα από εξωτερικούς οργανισμούς/συμβουλές | 5 | 4 | 3 | 2 | 1 |

| Έλλειψη ικανοτήτων και/ή ύλικη-τεχνικής υποδομής για παροχή εκπαιδευτικών προγραμμάτων εντός της επιχείρησης | 5 | 4 | 3 | 2 | 1 |

| Έλλειψη ενδιαφέροντος εργαζομένων για εκπαίδευση | 5 | 4 | 3 | 2 | 1 |

| Ενδεχόμενος οι εκπαιδευτικοί να εργαζόμενοι να εκταθείσπουν την επιχείρηση μετά την εκπαίδευση για να απασχοληθούν σε ανταγωνιστική επιχείρηση | 5 | 4 | 3 | 2 | 1 |

| Άλλος παράγοντας (παρακαλώ προσθετείτε) | 5 | 4 | 3 | 2 | 1 |

307
**Ε3:** Παρακαλώ υποδείξτε σε τι βαθμό συμφωνείτε ή διαφωνείτε με τα παρακάτω οφέλη που ενδέχεται να προσφέρει η εκπαίδευση και ανάπτυξη ανθρώπινου δυναμικού στην επιχείρησή σας; (παρακαλώ κυκλώστε όλα όσα ισχύουν)

<table>
<thead>
<tr>
<th>H εκπαίδευσης ανθρώπινου δυναμικού δεν προσφέρει οφέλη στην επιχείρησή μου</th>
<th>H εκπαίδευσης ανθρώπινου δυναμικού προσφέρει οφέλη στην επιχείρησή μου</th>
</tr>
</thead>
<tbody>
<tr>
<td>Οι εργαζόμενοι είναι ήδη πλήρως καταρτισμένοι κατά την πρόσληψή τους NAI</td>
<td>Βελτιωμένη απόδοση επιχείρησης (π.χ. αυξημένη παραγωγικότητα/ κερδοφορία) NAI</td>
</tr>
<tr>
<td>Οι προσφερόμενες θέσεις εργασίας αφορούν ανιδείκτευτο προσωπικό NAI</td>
<td>Μεγαλύτερη δέσμευση των εργαζόμενων προς την επιχείρηση NAI</td>
</tr>
<tr>
<td>Άλλος λόγος (παρακαλώ προσδιορίστε)……………………………………. NAI</td>
<td>Βελτίωση της ευελιξίας των εργαζομένων NAI</td>
</tr>
<tr>
<td>Άλλος λόγος (παρακαλώ προσδιορίστε)……………………………………. NAI</td>
<td>Βελτιωμένη παροχή υπηρεσιών και/ή ποιότητα προϊόντος NAI</td>
</tr>
<tr>
<td>Ικανότητα καλής θέσεων που απαιτούν δεξιότητες οι οποίες απουσιάζουν από την αγορά εργασίας NAI</td>
<td>Εισαγωγή νέας τεχνολογίας NAI</td>
</tr>
<tr>
<td>Άλλος λόγος (παρακαλώ προσδιορίστε)……………………………………. NAI</td>
<td>Βελτιωμένο κλίμα εργασίας NAI</td>
</tr>
</tbody>
</table>

**Τμήμα Έκτον:** Σκοπός αυτού του τμήματος είναι να αποκτήσουν γενικές πληροφορίες σχετικά με εσάς ως ανώνυμο συμμετέχοντα στην παρόνσα έρευνα.

**Ε1:** Ποιός είναι ο τίτλος της θέσης σας;

| Ιδιοκτήτης | NAI |
| Ανώτατο διοικητικό στέλεχος | NAI |
| Διευθυντής ανθρώπινου δυναμικού | NAI |
| Άμεσος προϊστάμενος | NAI |
| Άλλος (παρακαλώ προσδιορίστε)……………………………………. | NAI |

**Ε2:** Ποιο είναι το φύλο σας;

| Άντρας | Γυναίκα |

**Ε3:** Πόσα χρόνια εργασιακή εμπειρία έχετε συνολικά;

| Χρόνια |
**Ε4: Ποιός είναι ο υψηλότερος τίτλος εκπαιδευσης που κατέχετε;**

<table>
<thead>
<tr>
<th>Απολυτήριο Γυμνασίου</th>
<th>NAI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Απολυτήριο Λυκείου</td>
<td>NAI</td>
</tr>
<tr>
<td>Πτυχίο ΑΕΙ/ΤΕΙ σε (παρακαλώ προσδιορίστε το γνωστικό αντικείμενο)</td>
<td>NAI</td>
</tr>
<tr>
<td>Μεταπτυχιακός τίτλος σε (παρακαλώ προσδιορίστε το γνωστικό αντικείμενο)</td>
<td>NAI</td>
</tr>
<tr>
<td>Διδακτορικό σε (παρακαλώ προσδιορίστε το γνωστικό αντικείμενο)</td>
<td>NAI</td>
</tr>
<tr>
<td>Άλλος τίτλος (παρακαλώ προσδιορίστε)</td>
<td>NAI</td>
</tr>
</tbody>
</table>

Παρακαλώ διατυπώστε παρακάτω οποιαδήποτε σχόλια ή προτάσεις που ενδεχομένως έχετε, τα οποία θεωρείται ότι σχετίζονται με το αντικείμενο της παρούσας έρευνας.


Εάν είστε πρόθυμος να συμμετάσχετε σε μια πιο λεπτομερή έρευνα (προσωπική συνέντευξη) σχετικά με τα θέματα που διερευνήθηκαν στο παρόν ερωτηματολόγιο, παρακαλώ σημειώστε παρακάτω το ονοματεπώνυμό σας, τη διεύθυνσή σας και ένα τηλέφωνο επικοινωνίας και όταν επικοινωνήσουμε μαζί σας το συντομότερο.

**Ονοματεπώνυμο:**

**Διεύθυνση:**

**Τηλέφωνο:**

---

*Σας ευχαριστούμε θερμά για τον χρόνο που αφιερώσατε για την συμπλήρωση του παρόντος ερωτηματολόγιου. Παρακαλώ επιστρέψτε το ερωτηματολόγιο ως την 10/08/07 χρησιμοποιώντας τον ΠΡΟΠΗΛΗΡΩΜΕΝΟ φάκελο.*

309