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# Capacity Building

FOR EQUIPPING AND REPRESENTING  
MICRO BUSINESS EMPLOYERS



Operational Programme II – Cohesion Policy 2007-2013  
*Empowering People for More Jobs and a Better Quality of Life*  
Project part-financed by the European Union  
European Social Fund (ESF)  
Co-financing rate: 72.25% EU; 12.75% MT; 15% Beneficiary



*Investing in your future*



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## Capacity Building Project for Micro Business Employers – CB4MicBEs

- ▶ The "CB4MicBEs project" is part-financed by Operational Programme II - Cohesion Policy 2007 - 2013 ESF, Co-financing rate: 72.25% EU, 12.75% MT, 15% MEA
- ▶ Officially launched on May 21<sup>st</sup>, 2010 and was finalised in September 2012
- ▶ Administered by MEA in partnership with ETC, the Ministry of Finance and the German Centre for Productivity
- ▶ Main Aims:
  - To have more informed and active micro business employers in the fields of employment policies (HR, gender issues, H&S)
  - Create public awareness on the need for micro businesses to be informed and always up to date (lack of HR Dep.)



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# Overview



## Activities of the Project:

- ▶ Outreach Meetings
- ▶ Educational Media Campaign
- ▶ Training Seminars
- ▶ Transfer of Innovation
- ▶ Research



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# Outreach Meetings



- ▶ MEA's Outreach Approach
- ▶ Process of outreach meetings (ETC list, calls, locality, resources, presentation, application/questionnaire)
- ▶ Minimum target: 750 Effort to reach 1000 and over
- ▶ Started July 2010 (learning curve)
- ▶ Outreach Participants are given:
  - Brochure (English or Maltese)
  - HR Handbook
  - Calendar (beg. of year 2011)
- ▶ Outreach Participants fill an application form to keep updated regarding project events



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# Outreach Meetings



- ▶ Numbers of Micro Businesses visited per month:
  - (2010)July:60
  - September: 69
  - October: 6
  - November: 52
  - (2011)January: 38
  - February: 38
  - March:43
  - April:8
  - May:32
  - June:33
  - July:70
  - August:38
  - September:37
  - October: 70
  - November: 165
  - **Total Number of Outreach Visits: 759**



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# Educational Media Campaign



- ▶ Inform and reach Micro Business Employers through media which include:
  - TV & Radio Spots
  - English/Maltese Brochure
  - Newspaper + SMS alerts (2000)
  - Appearances on TV programmes
  - HR Handbook (Official Release on 17<sup>th</sup> Nov 2010)
    - 6000 copies printed & distributed by end of project
    - FAQ format & User Friendly/directory/sample contracts
    - Very good feedback from micro business employers
  - 2011 Calendar (sent by post to those employing 5+) and the rest by outreach



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# Training Seminars



- ▶ Location at MaltaPost Head Office (Qormi) from 3pm to 6pm; Gozo at the NGO Centre (Xewkija)
- ▶ Total 10 seminar subjects available
- ▶ Delivered by experts in the field
- ▶ Participation limited to 15 participants per seminar (more individual attention)





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# Training Seminars



- ▶ A total of 235 participants attended the seminars
- ▶ Aim of seminars: To be engaging, specified to their needs, actual case studies
- ▶ Total 22 seminars from Nov 2010 till September 2012:  
Human Resources Mgmt (x2); Health and Safety (x4); Finance  
Legislation Mgmt (x2); Employment of TCNs (x1); EU Rights and  
Obligations (x2) ; EU Labour Law Leg (x3); Marketing (x3); EU and  
Local Taxation Mgmt (x2); Energy and Water Saving , Waste Mgmt  
(x3)





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# Transfer of Innovation



- ▶ Meeting with RKW (German centre for Innovation & Productivity), in Frankfurt on 9/12/2011
- ▶ RKW are experts in supporting SMEs with information, consultancy services and VET
- ▶ RKW is involved in various EU projects to raise efficiency & innovation in German SMEs





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# Transfer of Innovation



- ▶ MEA representatives gave a brief introduction on the project: CB4MicBEs
- ▶ Ms Bechert of RKW gave a presentation on the role of RKW
- ▶ Important common patterns and problems and how to overcome them
- ▶ RKW Contribution: Show their exp. how to reach micros and help them to be more informed about emp. policies & good practices



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# Research Overview



- ▶ Background Information
- ▶ Research Methods
- ▶ The Questionnaire
- ▶ The Interview
- ▶ Results
- ▶ Concluding Remarks



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# Background Information



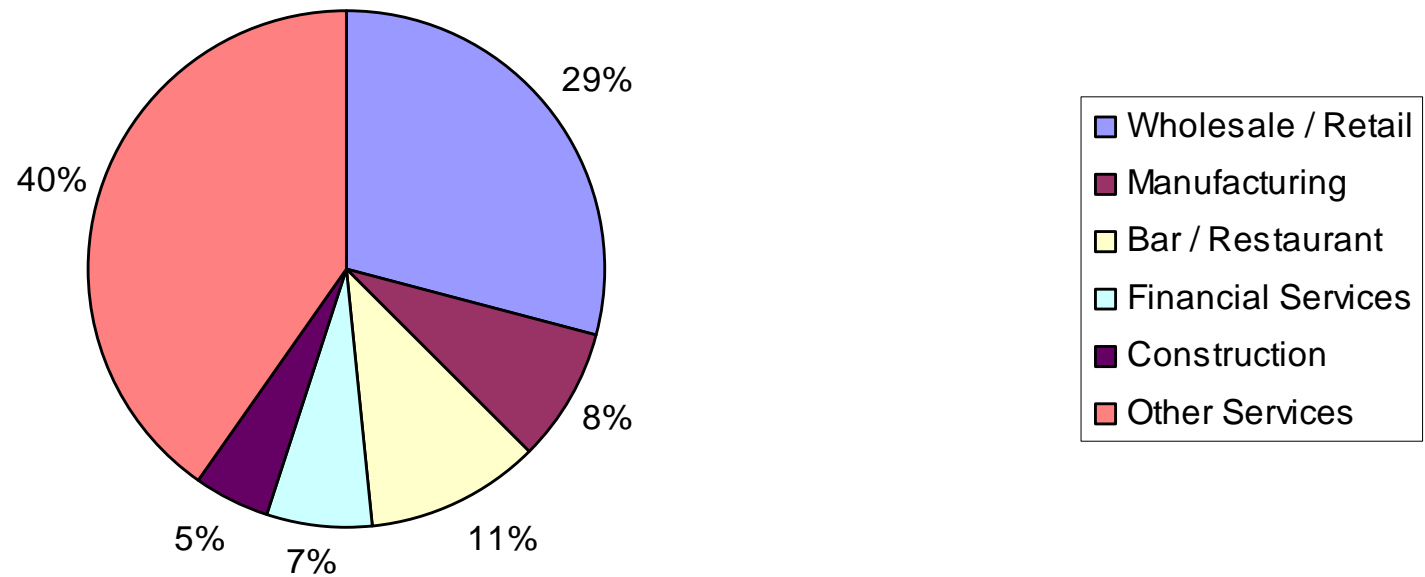
- ▶ Aim of research is to give us a better picture about the situation that micro business employers are facing
- ▶ Sub components focusing on:
  - Capacity needs in general; HRM; FFM; Gender Equality; Impact of EU directives; TCNs; Energy & Water Saving
- ▶ ETC 2009 database of Enterprises employing 2–9 employees:
  - Total: 9520 Enterprises
  - 77% of those employ less than 5 employees
  - % of Enterprises by Sector:



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### Percent by Sector





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# Research Methods



- ▶ Adopted both the quantitative and qualitative methods for data gathering
- ▶ Special focus to gather information directly from the employer
- ▶ Data collection tools:
  - Background/Desk Research (International + Local Lit.)
  - Quantitative Questionnaire
  - Qualitative Interview
- ▶ Dissemination
  - Useful glimpse of situation of these last 2 years
  - Better know-how for MEA to deal with micros
  - Setting up of SME desk within MEA



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# The Questionnaire



- ▶ Sampling: 120 micros from November 2010 to April 2011
- ▶ Done face to face in conjunction with outreach meetings
- ▶ Quantitative style; tick the box (15 mins. circa)
- ▶ Some employers gave additional (qualitative) information
- ▶ Sample questions:
  - Does your company invest in training activities to help your business grow?
  - Are you aware of any government scheme to promote efficient energy use?
  - Do you keep up to date with the latest EU directives regarding employment and social policy?



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# The Interview



- ▶ Sampling: 100 Micros from Dec 2011 to March 2012
- ▶ Interview strictly by appointment with employer – outreach approach
- ▶ Duration
- ▶ Open ended questions – more open to interpretation
- ▶ Medium used
- ▶ Interviews to complement the data gathered by the questionnaires
- ▶ Feedback on Project (handbook, seminars, EU Directives etc.)
- ▶ Resulting trends to be discussed





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# Results

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# Human Resources Management



- ▶ (i) **Human Resources Development & Training**
  - Mostly in-house training
  - 3<sup>rd</sup> party courses not common
  - Finance, Accounts (CPE hrs) & IT exception
- ▶ (ii) **Expert advice to deal with employees**
  - The Trustworthy accountant
  - Free sources (internet, ETC, DIER, Social Services)
  - Private companies not the norm
- ▶ (iii) **Recruitment**
  - Trust & loyalty – Word of mouth
  - ETC, University & MCAST
  - Newspaper ads
  - Recruitment agencies
- ▶ (iv) **Availability of Labour:**
  - Shortage of skilled employees (Audit & Financial firms)
  - Lack of motivation, attitude & discipline
  - Employee not skillful enough – ETC and University/ MCAST
  - 'Just for wages' mentality – expectations of high wages



# ETC and DIER

- ▶ Employers rated the services (base of overall satisfaction) of both ETC and DIER from a scale from 5 to 1 in questionnaire:

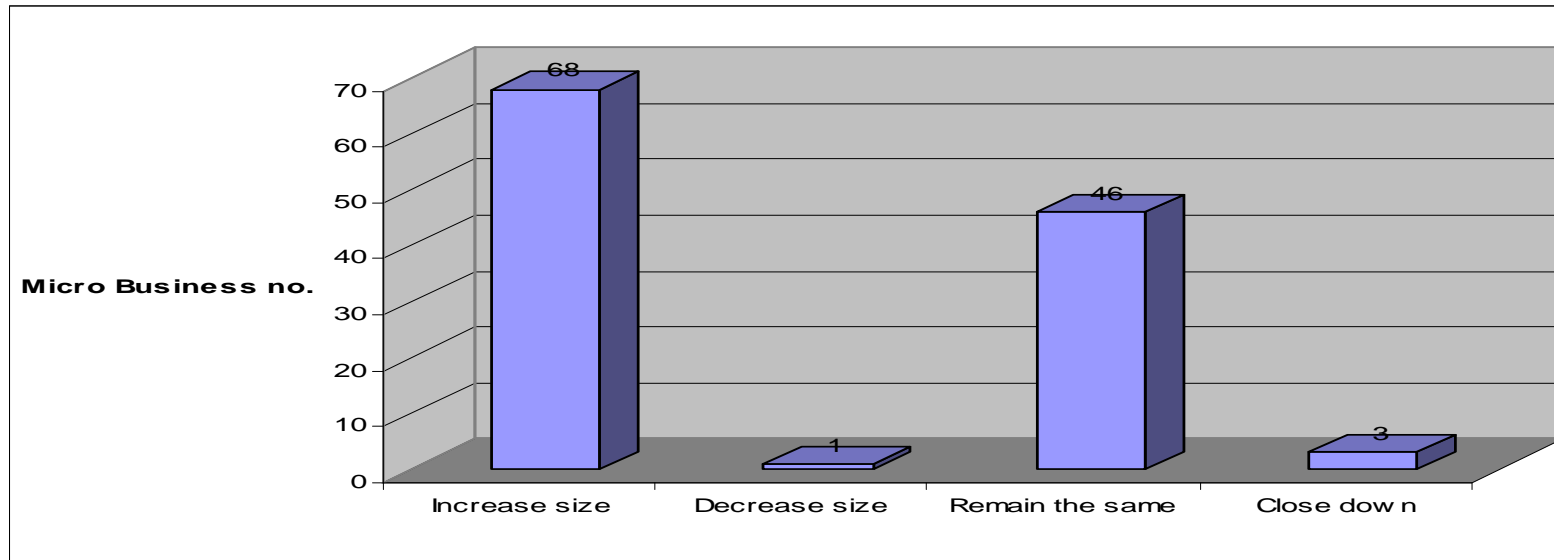
	5	4	3	2	1	Total
ETC	28	44	30	5	3	110
DIER	20	21	53	3	2	99

- ▶ Participation & Awareness of ETC Programmes
  - Mostly know due to media awareness
  - Small % of participation – ease recruitment but adm. burden/concerns about reimbursement of funds
  - Overall general satisfaction with recent improvements
- ▶ DIER:
  - Most do not recur to DIER
  - Mainly for consultation
  - Not the preferred solution for litigations



# Capacity Building in General

- ▶ In the Questionnaire, employers were asked what do they plan to do with their business in the coming 3 years:



Response	Frequency	Percent
Increase size	68	58%
Decrease size	1	1%
Remain the same	46	39%
Close down	3	3%
Total	118	100%



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# Capacity Building in General (2)



- ▶ During the course of the questionnaire and outreach meetings, it was found out that micro businesses that come from the same sector have a tendency to have the same problems:
  - (i) Travel Agencies – Competition from the internet & low cost airlines
  - (ii) IT companies – economic crisis
  - (iii) Crafts – Competition from other businesses (especially souvenir shops)
  - (iv) Retail – High taxation and economic crisis (recession)
  - (v) Architecture & Design – MEPA and complicated EU Directives & Standards
  - (vi) Hairdressing and Beauty – Unfair competition from persons working from home
  - (vii) Bars and Restaurants – High energy and water costs
- ▶ This shows that in order to better address the problems that micro businesses are facing, it is important to take into consideration their respective sector



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# Capacity Building in General (3)



- ▶ Main challenges for business growth according to Qualitative Interviews:
  - (i) Expensive Overheads
  - (ii) The Liquidity/ Cash flow problem
  - (iii) Unnecessary bureaucracy & red tape
  - (iv) Cutthroat competition & 'copy cat effect'
  
- ▶ Effective Countermeasures proposed:
  - (i) Tackling/Removal of excessive bureaucracy
  - (ii) Banks more accommodating to their fin. needs.
  - (iii) Provide one stop facilities – use more technology
  - (iv) Better enforcement regulations against unfair business practices
  - (v) Better guidance on how to access EU funds



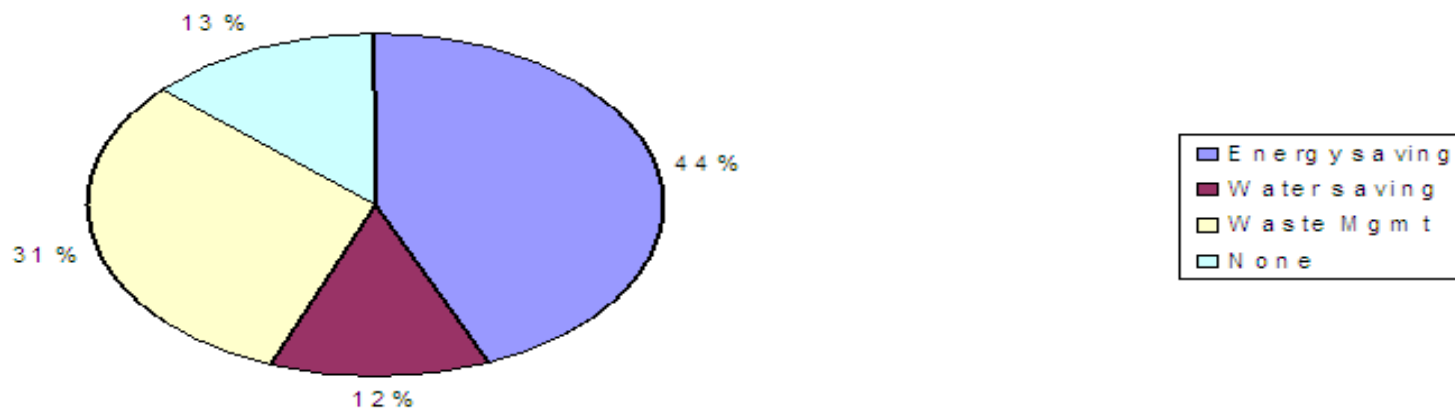
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# Energy & Water Saving; Waste Management



- ▶ Energy Saving
- ▶ Water Saving
- ▶ Waste Management
- ▶ Figure shows implementation of measures at workplace:

Energy, Water Saving and Waste Management by Percentage





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## Energy & Water Saving; Waste Management(2)



- ▶ 85% were aware of government schemes that promote efficient energy use
- ▶ Energy Audit – Many employers did not know about Malta Enterprise scheme
  - 54% would consider applying
  - 35% refused to consider this audit (some of them did not have a large premises or have already done it)
  - 16% undecided





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# Impact of Foreigners



- ▶ Micro business employers tend not to employ foreigners
  - Only 18% (21 micro businesses from 119) employed a non-Maltese employee.
  - From these 18%, 57% were from the EU
- ▶ The questionnaire found out that if micro business employers could not find local human resources, 81% would consider employing a foreign employee



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# Gender Equality



- ▶ Gender equality is an accepted, universal concept
- ▶ Questionnaire: 58% of the employers thought that an increase in female labour participation in Malta would benefit their business
- ▶ Exceptions:
  - Manual work
  - Cost related to increased maternity leave
- ▶ Family core values and traditional role of woman/mother still very important



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# Family Friendly Measures



- ▶ Many micros are family businesses – not so rigid
- ▶ 5–10 employees – Rigidity tends to increase
- ▶ 95% of employers stated that they did not turn down requests for FFMs
- ▶ Asked whether employers had requests for FFMs:
  - 70% had no requests for FFMs
- ▶ It is important to note that many did not know the meaning of the term even though they may have had informal requests by employees
- ▶ Most common FFMs requested were flexitime and reduced working hours



# Impact of EU Directives

- ▶ Interviews: 64% familiar with an EU Directive (questionnaire: 58%)
- ▶ 60% of employers admitted that they do not keep up to date with EU directives. Following table explains why:

**Reasons for not keeping up to date with EU Directives**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
No time	33	43%
No access to information	16	21%
Only interested in local legislation	14	18%
Not interested	11	14%
Other	2	3%
<b>Total</b>	<b>76</b>	<b>100%</b>

- ▶ 97% of those interviewed said it is important to keep up to date with EU Directives



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# Concluding Remarks



- ▶ Research aimed to find certain patterns and data in order to provide more important information on how to help micro businesses in 3 main ways:
  - (i) Inform them about the various laws and directives related to employment policies so as to avoid unnecessary infringements
  - (ii) Find out what really hampers business growth and how to solve such problems
  - (iii) Keep employers updated during the course of the project with regular follow ups like newsletters, emails and interviews
- ▶ Research to be utilised to give MEA, as well as, partners a better understanding of the national situation in order to be improved



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# Thank you for your attention

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