

## 'Big business' giving SMEs a bad name, says survey

March 7 2012, By Emma Thorne

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(PhysOrg.com) -- Anti-business rhetoric, recently slammed as 'dangerous' and 'snobbish' by the Prime Minister is more likely a reflection of the behavior of large corporations than a distrust of small firms.

The outcome of a survey of small business owners and advisers by The University of Nottingham suggests that the perceived recent backlash against business stems from anti-capitalist feelings and not a mistrust of genuine entrepreneurial activity.

The UK Business Barometer (UKBB) and UK Business Adviser Barometer (UKBAB), run by the University of Nottingham Institute for Enterprise and Innovation, asked participants for their views on the media storm surrounding so called 'anti-business feeling'.

The survey followed the recent flurry of news reporting about multimillion pound losses by banks and their decisions on whether to pay

bonuses to their top executives, sparking the comments by David Cameron at the recent Business in the Community Conference.

In his speech he warned that he had seen “some dangerous rhetoric creeping into the national debate that wealth and creation is somehow anti-social.”

Responding to the survey, 40 per cent of Barometer panellists agreed that the ‘anti-business feeling’ was more a construct than a reality, while 32 per cent remained neutral and 28 per cent disagreed. The pattern was similar among advisers — 43 per cent agreed, 27 per cent were neutral and 29 per cent disagreed.

## **Big business**

If such a feeling does exist, UKBB and UKBAB panellists suggested that ‘big business’ and the financial sector were its source. One respondent to the UKBB made the following distinction: “I think there is a general confusion between anti-bank and financial sector feeling and anti-business sentiments.’ An adviser commented: “If there is an anti-business feeling around it may relate to some aspects of big business, it certainly doesn't relate to SME's.”

Another broadened the debate by adding that: “Anti business feeling varies a lot depending on who you talk with. Much is being done to inspire young people to consider a business career. However in this country we could still do much more to clear away unnecessary employment regulation and free up businesses to develop, to grow, and to employ people without burdensome rules.”

Cameron urged people to fight this mood, adding: “Business is not just about making money — vital as it is — it is also the most powerful force for social progress that the world has ever known.”

As to how business is fairing at this time, on the back of the CBI Economic forecast for the first quarter of 2012 which suggested that growth will restart in 2012, but high levels of uncertainty around the economic outlook mean growth will remain subdued, the survey asked participants how their level of confidence in the economic outlook had changed over the last six months.

## **Economic reality**

For more than half of businesses, the level of confidence remained unchanged (56 per cent). One-quarter (25 per cent) stated that conditions had improved and just under a fifth stated that conditions had worsened (19 per cent).

The confidence levels of business advisers were similar to businesses with 47 per cent remaining unchanged, 29 per cent improving and 24 per cent worsening.

One business adviser reports: “Several of my clients are seeing an increase in their work and it seems to be continuing.”

Another added: “(Members of ) the business community I work in are generally more confident about their workflows and are saying that the economic reality is that it seems to be business as usual.’

Also this month, panellists were asked if they could be persuaded to sign up to the government’s Youth Contract. Last week, Deputy Prime Minister Nick Clegg called on businesses to do just that, reminding participants that employers are offered a wage subsidy of £2,275 if they employ an 18-24 year old from the Work Program.

Among businesses who are recruiting — 29 per cent are not recruiting for the foreseeable future — only 10 per cent are persuaded to sign up,

17 per cent are neutral, and a large majority of 74 per cent are not persuaded.

Among advisers 33 per cent will suggest this to clients, 30 per cent were unsure, and 37 per cent won't suggest this to clients.

## **Business snapshot**

The UK Business Barometer (UKBB) and the UK Business Adviser Barometer (UKBAB) provide a snapshot of how small and medium-sized businesses are coping with the current state of the economy and aim to uncover the key issues affecting the small business market. Operating over the web means that results can be rapidly generated and the surveys have unique software that enables results to be processed and posted on their respective websites immediately they arrive.

More information, including results and analyses, can be found on the web at [www.ukbb.ac](http://www.ukbb.ac) and [www.ukbab.ac](http://www.ukbab.ac). Businesses and advisers wishing to contribute as panellists on the project should visit the appropriate [Business](#) Barometer website to register.

Provided by University of Nottingham

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