



# National Small Business Poll

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## Small Business Poll

*Training Employees*

# NFIB National Small Business Poll

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The *National Small Business Poll* is a series of regularly published survey reports based on data collected from national samples of small-business employers. Eight reports are produced annually with the initial volume published in 2001. The *Poll* is designed to address small-business-oriented topics about which little is known but interest is high. Each survey report treats different subject matter.

The survey reports in this series generally contain three sections. The first section is a brief Executive Summary outlining a small number of themes or salient points from the survey. The second is a longer, generally descriptive, exposition of results. This section is not intended to be a thorough analysis of the data collected nor to explore a group of formal hypotheses. Rather, it is intended to textually describe that which appears subsequently in tabular form. The third section consists of a single series of tables. The tables display each question posed in the survey broken-out by employee size of firm.

Current individual reports are publicly accessible on the NFIB Web site ([www.nfib.com/research](http://www.nfib.com/research)) without charge. Published (printed) reports can be obtained at \$15 per copy or by subscription (\$100 annually) by writing the *National Small Business Poll*, NFIB Research Foundation, 1201 "F" Street, NW, Suite 200, Washington, DC 20004. The micro-data and supporting documentation are also available for those wishing to conduct further analysis. Academic researchers using these data for public informational purposes, e.g., published articles or public presentations, and NFIB members can obtain them for \$20 per set. The charge for others is \$1,000 per set. It must be emphasized that these data sets do NOT contain information that reveals the identity of any respondent. Custom cross-tabulations will be conducted at cost only for NFIB members on a time available basis. Individuals wishing to obtain a data set(s) should write the *Poll* at the above address identifying the prospective use of the set and the specific set desired.

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Small Business  
Poll



*Training Employees*

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## *Training Employees*

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# Executive Summary

- Small employers (defined as 5-250 employees) expect new hires to bring different skill levels to the job depending on the job to be performed. The amount and types of employee training vary with the skills accompanying them to the job and the job requirements, both initially (immediately after hire) and later.
- Small employers typically require minimal levels of formal education for both the most skilled and the most common jobs in the firm. Fifty-five (55) percent expect no more than a high school diploma for the most skilled job and 73 percent expect no more than a high school diploma for the most common job.
- Small employers typically require previous experience for the most skilled job, but require it much less often for the most common job. Experience appears to be a substitute for formal education.
- The skills most frequently expected to accompany new employees involve work habits and attitudes, the ability to follow directions, the capacity to read and write directions and explanations, and English proficiency. Small employers expect that employees for the most part will learn on the job occupational skills (when necessary), the products and services sold, and the firm's operational procedures.
- The most common form of employee training immediately after hire is having someone in the firm work with the new employee. The second most common form is letting employees learn on their own, essentially learning by doing. Training after the first year on the job still centers on the owner/employee assisting the employee, but is much more likely to involve sending him/her outside the business.
- About four in five small employers provide employee training beyond introductory activity. However, 40 percent-50 percent routinely train employees after the first year in the most skilled or most common position in the firm while another 35 percent-40 percent train them as needed. No information was collected on training the least skilled employees unless the least skilled are also the most common.
- No over-riding problem or set of problems beset small employers in their employee training efforts. The most severe, albeit severe only for a limited number, is the lack of time owners and/or other employees have available to help others; employees possessing inadequate learning skills and often interest, necessary to acquire new or upgraded skills; and cost, including the inability to pull the employee off the job.
- At least seven in 10 small employers use organizations outside the firm to train employees, particularly to train employees with longer tenures. Seventy-one (71) percent of small employers used in the last three years at least one of the seven organizational forms explored; 47 percent used at least two; and 28 percent used at least three.
- Over the last three years, the most used employee training organizations were in the private sector: industry-specific or trade associations (48% of small employers used at least once) and suppliers (40%). Less frequently used were vocational/trade schools (23%), junior or community colleges (14%), and four-year colleges/universities (6%). Government sponsored programs engaged about 10 percent. Distance or computer-based learning, public or private, was used by 21 percent of small employers.

# Training Employees

Small-business owners encountered increasing difficulties in the late 1990s recruiting and hiring qualified employees. People who wanted to work were difficult to locate (they already had jobs), let alone people with reasonable skill levels. The problem soared to one of small business's most serious. The options available to cushion the problem's impact were limited. One of those options was to upgrade the employment skills of employees working in the business, i.e., train them. Employment conditions that characterized the late 1990s changed. Labor markets loosened. Yet, there remain large parts of the country where the demand for employees makes hiring difficult. In these areas employee training is still an important way for small employers to compensate for labor shortages. Even in areas where labor markets are not tight, more skilled employees are more productive employees and contribute disproportionately to the success of a business. Training employees in these markets, too, typically proves beneficial to small employers. This issue of the *National Small Business Poll*, therefore, focuses on training employees.

## Training

Employee training is important. But not all employees are trained or trained in the same manner. An entire series of factors may influence how an employee is trained. One of those factors is the position in the firm an employee holds. Asking general questions about training without insights into the employee's position and other influences such as the business's industry, therefore, risks homogenizing the data obtained. As a result, the survey collects information on selected characteristics of the job and the firm in addition to information on training. Most important the survey distinguishes between employees filling the most skilled position in the business and employees filling the most common position.

## The Most Skilled Job

Small employers have had mixed experiences recruiting and hiring skilled employees over the last two years. Twenty-five (25)

percent of small employers claim that it has been very hard to recruit and hire people for the most skilled position in their businesses; another 26 percent say recruiting and hiring them has been hard (Q#1). On the other side of the ledger, 25 percent say that it has not been too hard while another 16 percent say it has been not at all hard. Seven (7) percent have had no experience recruiting and hiring this category of employee in the last two years.

One likely reason for the relative difficulty is that the most skilled positions typically require experience. Fifty (50) percent of small employers say that they require experience when hiring for their most skilled position and another 28 percent say that they typically require experience (Q#2). Only 21 percent either usually do not or do not hire someone with experience for their most skilled position.

The formal education requirements for these positions are remarkably low. Nine-

teen (19) percent have no education requirements whatsoever; 37 percent require a high school diploma or the equivalent compared to 20 percent requiring a college or post-graduate education (Q#3). These data raise a series of questions beginning with the skill levels of the most skilled job in many small firms. A related issue is whether small employers are less enamored with formal educational credentials than other potential employers. Modest academic requirements may also explain the emphasis on previous experience.

The median cost of the firm's most skilled employees (at the point of hire) is somewhat short of \$15.00 per hour including benefits (Q#4). The median betrays large differences at the extremes. Twelve (12) percent say the employees in this category typically earn less than \$7.50 per hour including wages and benefits. That compensation level suggests a relatively unskilled person even if he is the most skilled in the firm. In contrast, 11 percent earn \$30 per hour or more.

*a. Skills Brought to the Most Skilled Job*

Small employers expect remarkably little of employees when they hire them, even of employees who fill the firm's most skilled positions. They obviously believe that many of the necessary skills required to perform the job satisfactorily will be learned. That attitude leads to abundant employment opportunities, but also results in a high employee turnover rate. Part of the explanation for such low expectations may be that the most skilled position in many small firms may not be very skilled. Another possibility is that small employers have adjusted expectations to the available skill level. Whatever the reason, small employers operate in a labor market framed by their competitors, their resources, and the skills of people available to work.

Since small employers demand employees who have few skills when they are hired, it makes sense that they focus on those skills that allow them to obtain others. For example, the most frequently demanded skill is good work habits and attitudes. Sixty-six (66) percent demand them as a prerequisite to hiring someone to fill the most skilled job in the business (Q#5H). Eleven (11)

percent believe that they will teach (or employees will otherwise learn) such habits on-the-job and make no initial demands in this regard. Another 23 percent expect some good work habits and attitudes will be brought to the job, but that they will be enhanced while there.

Beyond work habits and attitudes, the job skills next most frequently expected to be brought to the job, i.e., an employee will possess when hired, by the firm's most skilled employee is the ability to follow directions. Sixty-three (63) percent of small employers expect employees to be able to follow direction when they arrive compared to 11 percent who expect employees will learn to follow directions while on the job (Q#5M). The remainder fall in the middle. Fifty-five (55) percent of small employers expect this category of employee to have the ability to read and write directions and explanations compared to 9 percent who expect they will have few if any of these skills and will learn them on the job (Q#5G).

Just 52 percent of small employers expect English proficiency in the person(s) they hire to fill the most skilled position in the firm compared to 9 percent who expect to have employees learn on the job (Q#5E); the remainder expect some of both. The issue for respondents may be the word "proficiency." But, it is striking that so few require a reasonable facility with the language. Forty-nine (49) percent expect new employees in the firm's most skilled job to know how to conduct themselves (behavior) and dress appropriate to the workplace compared to 8 percent who expect them to learn on the job (Q#5D). Eleven (11) percent believe that appropriate behavior and dress is not a necessary job skill for people in their most skilled position. About one in five expect the employee to bring some of these skills to the job and learn others while there.

Strong social and interpersonal skills are demanded even less frequently, but remain among the more sought after. Thirty-seven (37) percent report the most skilled employees must have strong social and interpersonal skills when hired compared to 7 percent who expect this category of employee to learn them on the job (Q#5L). However, almost another 50 percent expect these people to have some social skills when they first report for work. Math skills are in

less demand than language skills. However, small employers expect basic math skills, such as percentages and basic algebra, to be brought to the job almost as frequently as social skills. Thirty-six (36) percent expect their most skilled employees to have basic numeracy skills when hired while 14 percent expect that they will all be learned on the job. Eight percent say basic math skills are not necessary for the job.

Many think of job skills in terms of occupational skills. Occupational skills are narrower. For example, carpentry is an occupational skill; driving a big rig is an occupational skill; designing bridges is an occupational skill. Just 30 percent of small employers demand their most skilled employee have such occupational skills when hired (Q#5F); 20 percent expect employees to learn those skills on the job while another 10 percent claim that an occupational skill is not necessary for their most skilled position. The remainder should have some familiarity with an appropriate occupational skill, but more will be learned.

Many job skills find few small employers who demand employees bring them to the job. The most unlikely is the operating procedures used in the business. Since each firm is unique, it seems unreasonable to expect prospective employees to know those procedures prior to employment. Still, 21 percent say that they expect new hires for their most skilled position to know the operating procedures used in the business; 26 percent say they expect employees to learn them at work (Q#5B). While knowledge of operating procedures used in the business proved the only skill of the 14 evaluated where more were expected to learn on the job than to bring the skill with them, the response indicates that many employers believe that the procedures used in their businesses are common to the industry or the geographic area in which they do business. Effectively, these small employers appear to believe that their firms are not necessarily unique in the manner in which they operate.

Knowledge of the goods or services the business sells is another job skill, like occupational skills discussed above, that may be a prerequisite for hiring or may be learned on the job. Twenty-four (24) percent say that it is prerequisite; 21 percent say all will

be learned on the job with the remainder spread between the two extremes (Q#5C).

Small employers least frequently demand that computer literacy, leadership ability, and managing and organizing skills accompany new hires for the firm's most skilled position. Twenty (20) percent expect such employees to be computer literate when they are hired compared to 19 percent who expect them to learn completely on the job. Twelve (12) percent say that the most skilled employee in their firm has no need for computer literacy, following only basic math skills as the most frequent unneeded skill of the 14 skill sets evaluated.

Comparatively few expect leadership skills to be totally brought to the job or totally learned on it. Seventeen (17) percent adopted the former position and 12 percent the latter; 68 percent expected some combination of the two (Q#5I). These data imply that small-business owners often do not consider managers the most skilled people in the organization. If they did, leadership would be a more frequent prerequisite. Even then, the most skilled employee in a business should occupy some type of leadership role. Either many small employers believe leadership will be learned, or that they lead and there is little need for others to do so as well.

Finally, comparatively few expect that managing and organizing skills will be brought to the job. Just 15 percent expect their most skilled employee to have them at hire while 13 percent expect these employees to learn such skills on the job (Q#5A).

Further analysis is required to determine what factors most influence the extent to which small employers expect specific job skills to accompany newly hired people. Higher expectations (assuming they are realized) imply less training, all factors equal, and vice versa. For example, employee size of firm appears related to training expectations for certain skills. Those owning larger, small firms, i.e., 20 employees or more, are notably more demanding and expect to teach much less about behavior and dress appropriate to the workplace compared to those owning the smallest enterprises, i.e., 5-9 employees. They typically have higher entry standards, at least in terms of the skills they expect employees to bring to the most skilled job in the firm, for occu-

pational skills, managing and organizing skills, and the ability to read and write directions and explanations. The smallest employers in contrast are more demanding in English proficiency. The fact that larger, small firms pay higher starting compensation likely allows them to make increased demands and hence lower training costs, all factor equal. Still, employee-size of firm is not a factor with respect to many specific skills. The implication is that training decisions are shaped by the level of skills an employee brings to the job. But what shapes the employer's decisions to seek such level of skills in the first place?

*b. Training Employees in the Most Skilled Job*

Small employers expect their most skilled employees to learn a broad variety of skills on the job. The resulting question is how do they obtain those skills. The most frequent approach is to have someone, the owner, a manager, another employee, work with the new hire. Sixty-one (61) percent say that the most prominent method of training their most skilled employee is to have someone in the firm work with them (Q#6). The next most frequent, primary methods are to learn by doing (14%) and to send employees outside the firm for training, such as to a course or seminar (11%). Few are likely to employ self-help materials, such as manuals or videos (3%), online courses or distance learning (2%), or bring in an outside expert (2%) as their predominant method of helping a recently hired most skilled employee to obtain the job's required proficiencies.

The distribution of dominant learning methods raises an important issue. If training the most skilled employee occurs in-house, who in the firm has the technical skills to train them? The likely answer is the owner/manager. However, the distribution of primary training methods differs by firm size. The largest, i.e., those employing 20 or more people, are even more reliant on in-house people working with the new employee (70% primary method) than the smallest, i.e., those between five and nine employees, (56% primary method). In contrast, owners of smaller, small firms are more likely to send them outside the firm for training than are larger, small firms.

The learning process usually consumes somewhat over three months (the median), but the time frame varies widely. Fourteen (14) percent report that it typically takes about two weeks to bring the skills of a new hire in the most skilled position up to a satisfactory level (Q#7). Another 14 percent report it takes more than a year. Deleting five outlying cases of five years or more, the average is eight months.

Training by another person in the firm has the advantage that it requires little, if any, cash out-of-pocket. While cash out-of-pocket is not the same thing as cost, owners of cash-starved small firms often ignore the difference. The most frequent amount (25%) spent out-of-pocket on training the most skilled employee in the firm is between \$1,000 and \$4,999 a year (Q#8). Seventeen (17) percent average less and 23 percent average more. The striking point, however, is that over one in three (35%) cannot estimate typical annual per employee out-of-pocket costs of training. It is possible such a large number do not know because the amounts are minimal and therefore cannot be remembered. A second possibility is that out-of-pocket training costs are not tracked separately and therefore cannot be estimated. In either case, direct out-of-pocket training costs do not appear to reach the attention of the business's owner/manager. But since most training is conducted in-house, it is likely these cases involve de minimis out-of-pocket expenditures.

Training is not just for the uninitiated. Over 90 percent of small employers report that they at least sometimes continue to develop their most skilled employee's job skills after successful completion of the first year (Q#9). However, only 43 percent routinely continue the training; 40 percent continue it as needed. Meanwhile, 8 percent indicate that they normally do not continue training their most skilled employee after a year on the job, but make exceptions. Another 8 percent do not conduct or sponsor additional training for this group of employees.

The dominant sources of training for these more experienced employees shifts significantly from those used for new hires. While half still rely on owners/managers/employees to train employees who have successfully completed one year in the firm, outside sources become more prominent

(Q#10). For example, 29 percent report their most important training method involves sending people outside the firm to courses, seminars, etc. That is 18 percentage points higher than the primary method used for new hires. The proportion relying on such techniques as self-help material, bringing outside experts into the firm, etc., also rise substantially. Thus, as small employers move from the orientation-type training to up-grading skills training, they rely more heavily on outside expertise.

*c. Problems Training People for the Most Skilled Job*

Small employers were presented 11 potential training problems to evaluate on a five-point scale with “1” being a serious problem and “5” being no problem. The evaluations were averaged. To be statistically different, problem averages needed to be about 0.15 or greater.

The evaluations did not identify one problem or one group of problems as notably more difficult than any other. For example, on average, the three most serious problems are the lack of management or other employee time to train people who need it, employees not having the learning skills to train easily, and the inability to pull an employee off the job (in order to train them). All three yielded virtually identical averages, 3.52, 3.52, and 3.53.

Just 7 percent term the lack of time a serious problem; 32 percent say it is not a problem (Q#11E); the remainder lie between the poles. The reason this problem heads the list seems clear. The use of employees and/or owners to train even the firm’s most skilled people both initially and after the first year puts a strain on in-house resources, at least in many small firms. Owners identify that strain in their evaluations of the problem by indicating that it is comparatively difficult problem.

Relative concern also appears over an employee’s readiness to learn. This is particularly disconcerting given that small employers are evaluating people filling the business’s most skilled job. Nine percent say they have serious problems with employees not having the learning skills to train easily; 32 percent do not have that problem (Q#11A). A corollary is a lack of interest in upgrading skills. Ten percent of

small employers report employees showing a lack of interest in learning anything new as a serious problem compared to 35 percent who say it is not a problem (Q#11C). The average evaluation of the problem is 3.59, toward the top but not on top. However, the difference in evaluation between this and three problems heading the list is so small as to be statistically the same.

The last of the three problems heading the list is the ability to pull employees off the job to give them training. Eleven (11) percent term the problem a serious problem and 36 percent not a problem (Q#11K). Taking employees off the job is a cost, though not a direct out-of-pocket cost. But since most small employers train without direct cost, their identification of indirect costs as a relatively important training problem should be expected. Still, they identify overall costs as almost as severe. The expense of training’s average score is 3.58 with 10 percent reporting it a serious problem and 35 percent not a problem (#11D).

The training problem most frequently termed serious is employees leaving soon after they have received training. The issue for small-business owners is the lost training costs. Twelve (12) percent see early departure as a serious problem while 43 percent believe it is no problem at all (Q#11F). Its average score is 3.69, about in the middle of the 11 potential problems evaluated. This problem also yielded the largest standard deviation (most dispersed response pattern). That means the problem is most likely to affect a relatively large group seriously and another relatively large group not at all.

The least important problem on average is a lack of useful training material. Its average score is 4.08 with 5 percent considering it a serious problem and 52 percent considering it not a problem (Q#11B). Only one other question in the survey addresses training material per se and it shows their limited use. Further, the variety of training sources employed and the dependence on owner/other employee in-house tutoring suggest minimal problems in this regard.

The four remaining training problems evaluated, keeping employees up on the latest techniques and technologies, possessing the in-house technology resources to train, having only one or two employees to train at any time, and locating a convenient

place to send employees to train, fall toward the bottom of the problem list. In other words, they are less a problem than others presented.

Just 4 percent assess keeping employees up on the latest technologies or techniques as serious with 38 percent claiming it not to be a problem (Q#11I). The comparatively modest response at both extremes suggests on-going concern, but not a pressing matter. A likely reason for this reaction is that many small businesses do not employ technology extensively and therefore their owners do not see training in the area as a necessity. Another possibility is that the person in the most skilled position brings technological expertise with them when it is an important component of the job.

Economies of scale do not appear to have an unusually negative effect on training. Having only one or two employees to train at any one time can make bringing anyone in from the outside to offer training prohibitively expensive - even if that is the most desirable approach. Further, when only a single employee is in training, trainees cannot help one another. Still, the problem receives a 3.89 average evaluation with 9 percent believing it a serious problem and 50 percent not a problem (Q#11H).

Given that some required training might be quite specialized, it is possible that small employers cannot find or do not have a convenient place to send employees who require it. Yet, small employers evaluate locating a convenient place to send employees to learn the kinds of things they need to know at a 4.01 average. Eight percent believe it is a serious problem, but 54 percent believe it is not a problem (Q#11G). That 54 percent is the largest number registering a totally negative response of all the potential training problems evaluated. Part of the reason for owner views may be that so much of the training is done in-house and this potential problem focuses on outside resources. Further, as noted later in this report, a significant number of small employers use a wide variety of training sources.

Possessing the technology resources in-house to train employees is also not considered a notable problem. Its average evaluation is 3.92 with 7 percent terming it a serious problem and 46 percent no problem (Q#11J).

## The Most Common Job

If the skilled job in a four-star restaurant is the chef, the most common job is waiter or waitress. Similarly, the most skilled job in a hardware store may be the manager with the most common job sales clerks. Both are likely to require job training, but the skills demanded and training given are likely to be different. The following evaluates training for a firm's most common job.

Over the last two years, owners have experienced a wide variety of difficulty recruiting and hiring people for their most common job. The difficulty locating people for these positions appears only marginally less than the difficulty locating people for the firm's most skilled position. Twenty-two (22) percent say that it has been very hard recruiting and hiring such employees; 29 percent say, hard; 25 percent say, not too hard; and, 20 percent say, not at all hard (Q#12). Just 3 percent report no such hires over the last two years.

Small employers often require prior job experience when hiring people for these positions. However, there remain frequent opportunities for those with no prior job experience. Thirty-one (31) percent demand experience and another 27 percent generally demand it (Q#13). Eighteen (18) percent in contrast generally do not and 25 percent do not require prior job experience. Experience is required notably less often for these positions than for the most skilled job in the business.

Formal education requirements for the most common job are modest. Twenty-seven (27) percent have no formal educational requirements and another 46 percent require only a high school diploma or a GED. That means the most common positions in three of four small businesses are open to those with minimal formal education. The most skilled position typically requires a greater level of educational achievement.

The median starting compensation for the most common job in small firms is typically between \$10.00 and \$14.99 per hour. Those numbers include benefits and translate salaries into hourly figures. Twenty-eight (28) percent begin in the \$10.00 and \$14.99 per hour compensation range (Q#15). Forty-one (41) percent start below and 21 percent above. At the extremes, 19 percent

receive less than \$7.50 an hour in compensation for the most common job in a small business while 9 percent receive more than \$30.00 an hour. Starting compensation in these most common jobs is lower than in the most skilled job.

*a. Skills Brought to the Most Common Job*

The skills small employers (owning firms with 5-250 employees) demand that employees in the firm's most common position bring with them to the job are much as one would expect, and vary minimally from those required of people hired for the most skilled positions. In fact, the only skill sets small employers more often demand of the most skilled position at the time of hire than the most common position are familiarity with the operating procedures used in the business, occupational skills, and marginally, knowledge of the goods or services sold and leadership ability.

The skills most frequently expected to accompany people filling the most common job typically involve general competencies with specialized requirements learned at the firm. For example, the two most demanded skills that employees filling the most common positions have when hired are good work habits and attitudes (63%) (Q#16H) and the ability to follow directions (61%) (Q#16M). Relatively few expect large portions of these skills to be learned on the job. Still, 13 percent of the former and 12 percent of the latter expect that employees will learn the skill at the firm. Those between the poles typically see a blend of previously attained skills and additional learning.

Somewhat fewer small employers indicate that employees in the firm's most common position must be able to read and write directions and explanations, be proficient in English, and observe behavior and dress appropriate to the workplace. Fifty-one (51) percent indicate that this category of employee must be able to read and write directions when hired compared to 7 percent who say that the skill will be learned on the job (Q#16G). Forty-eight (48) percent expect English proficiency when they hire people for their most common employee category while 13 percent say they will learn it on the job. Two percent say that

English proficiency is not a necessary skill for the position. These data suggest that even if small employers expect employees to learn English proficiency on the job, they do expect some knowledge of English when hired. Finally, 45 percent expect that when employees start their jobs they will already know appropriate workplace dress and behavior (Q#16D). Fourteen (14) percent expect to teach it.

Fewer small employers still expect employees filling the most common position in the business to bring social and numeracy skills with them to the job. A substantial portion believe a significant share of those skills will be learned. For example, 35 percent expect that employees when hired will have strong social and interpersonal skills (Q#16L); they will not need to learn them on-the-job. Meanwhile, 9 percent expect employees to learn them on-the-job with over half expecting a blend. Small employers have similar expectations when it comes to basic math skills, such as percentages and basic algebra. Thirty-one (31) percent expect people to have them when hired while 17 percent believe they will all be acquired on the job (Q#16K). Seven percent say that numeracy is not needed for the most common position.

More small employers believe that employees will acquire some skills on the job than bring them to it. One third (33%) expect employees in their most common position will totally learn the operating procedures used in the business while on the job compared to 15 percent who expect employees to bring those skills (Q#16B). Half expect some combination. The same is true of the knowledge of goods and/or services sold in the business. Thirty-two (32) percent expect employees to totally acquire that knowledge on the job while 15 percent expect employees to bring it (Q#16C). About half expect some blend between the two poles

Significant percentages volunteer that employees in the firm's most common job do not need occupational skills (14%) (Q#16F) or computer literacy (16%) (Q#16J). However, when those skills are part of the job, similar proportions expect them to accompany the new hire and expect them to be learned at work. Sixteen (16) percent expect occupation skills to be totally present while

24 percent expect that they will be totally learned on the job. Twenty-one (21) percent expect computer literacy to be totally present at hire while 23 percent expect it will be totally learned on the job.

Large majorities require that new employees in the firm's most common position have some managing and organizing skills and leadership skills when they start, but expect them to acquire more on the job. Two-thirds (67%) expect this combination in managing and organizing capabilities; just 11 percent demand these skills be totally brought and 17 percent believe they will be totally acquired (Q#16A). Seventy (70) percent believe leadership skills will be a blend of prior and newly learned proficiencies (Q#16I). Eight percent expect them at hire while 16 percent expect them to be acquired.

*b. Training Employees in the Most Common Job*

Over three-quarters (76%) of small employers most often train their employees in the firm's most common job by having someone in the business work with them, about 14 percentage points more often than for the most skilled position (Q#17). No other method is remotely as prevalent. The second most common primary type of training (14%) is learning by doing. Four percent send such employees outside the firm for courses, etc., while another 3 percent rely on self-help materials. Other approaches are employed infrequently.

Between two and three months is the median time required to bring the skills of this category of employee up to a satisfactory level. Twenty (20) percent report their required time is two weeks or less while nine percent report it greater than one year (Q#18). Those in the most skilled positions require somewhat more time.

Given the dependence on training sources that do not involve out-of-pocket expenditures, the amounts reported directly spent on training is incongruous. Just 20 percent claim to spend less than \$1,000 per employee annually while another 21 percent claim to spend more than \$5,000 (Q#19). The single largest group (36%) is not certain how much it spends, likely reflecting a low figure. As noted earlier, there may be other reasons for the do not

know response as well. Still, it is difficult to reconcile reported outlays with reported training methods.

Most employees in this job classification continue to receive job training once they have successfully completed their first year on the job. Fifty-one (51) percent routinely provide further training to these employees while another 38 percent say they provide additional training as needed (Q#20). Only 6 percent definitely do offer additional training though another 6 percent typically do not. The most common type of employee is therefore more likely to receive training initially than is the most skilled.

While help from another person in the firm remains the most common type of training for those developing their skills after at least a year with the firm (62%), other training methods take on added importance (Q#21). Sending employees outside the firm for training such as attending a course or seminar becomes much more important relatively. Twenty-one (21) percent say that type of training is the most frequent method of developing employee skills. Seven percent bring in an outside expert and 5 percent use videos, tapes, etc., as their primary training method. The use of long distance and online training is rare.

*c. Problems Training People for the Most Common Job*

The differences in problems training employees in the most common compared to the most skilled job are typically more a matter of degree than kind. The problems training the most common employee are generally evaluated as more severe, but only marginally so, and not for every problem. Comparisons in this regard are not totally appropriate, however, as one must assume that those filling the most skilled positions are more skilled to begin with (though their jobs also require greater skill levels).

There is comparatively little difference in the average score of the potential training problems evaluated. No single problem or set of problems run to the fore overwhelming (or hugely lag) all others. Averages do not statistically differ from one another unless they are about 0.15 or greater and many do not. These themes echo those reported earlier in training problems associated with the most skilled job.

The two most pressing training problems on average for small employers when dealing with employees in the most common job are the lack of management or other employee time to train people needing it and employees not having the learning skills to train easily. On a “1” to “5” scale, they averaged 3.40 and 3.44 respectively. Those numbers are somewhat more unfavorable than those registered for training the most skilled position. Still, only 8 percent term the lack of time a serious problem while 29 percent term it not a problem (Q#16E). Seven percent say employees who do not have adequate learning skills are a serious problem compared to 27 percent who say it is not a problem (Q#16A).

In contrast, the two problems most often believed to be serious are employees leaving soon after they receive training and the inability to pull an employee off the job. Eleven (11) percent report each of the two as serious problems (Q#16F and Q#16K), though both are near the middle in average evaluation (3.67 and 3.62).

The two other problems that small employers consider of the more serious variety include: employees not showing interest in anything new – 3.52 average evaluation and 9 percent say a serious problem (Q#16C) and the expense of training – 3.61 average and 7 percent serious (Q#16D). Both problems are variants of problems mentioned earlier. The lack of employee interest is associated with their capacity to learn. Training expense is associated with employees leaving shortly after training, also a training cost.

One level less serious are the potential problems having only one or two employees to train at any time – 3.73 average evaluation and 8 percent serious problem (Q#16H) and keeping employees up on the latest technologies – 3.75 average evaluation and 3 percent serious problem (Q#16I). The 3 percent figure is the smallest number reporting a problem serious. Tied for the second smallest number is the only other technology related problem evaluated.

The least serious problems on average are locating a convenient place to send employees to learn – 3.91 average and 8 percent a serious problem (Q#16G), possessing the technology resources in-house to train employees – 3.97 average and 5

percent serious (Q#16J), and a lack of useful training materials – 4.08 average and 5 percent serious (Q#16B).

## Sources of Outside Training Used

While most employee training is conducted within the firm, training outside is often important. Owners of smaller firms are familiar with many potential sources of employee training outside their businesses and use them more often than one might suspect given data presented earlier. For example, 67 percent of those employing five or more people (up to 250) say that they are a member of an industry specific trade association or business organization (Q#23). Of that number, 83 percent say that one or more of those organizations offer materials or programs specifically designed to train or upgrade the skills of at least some employees (not necessarily the most skilled nor the most common) (Q#23a). Thus, 55 percent of the small employer population as defined are members of a business association that provides employee training. Within the last three years, 86 percent of them or 48 percent of the small business population (as defined here) used industry-specific or trade association resources for employee training (Q#23b).

The list of other potential sources is lengthy and most small-business owners are aware they exist whether or not they use them. Formal educational institutions head the list. For example, 63 percent of owners are aware of a vocational or trade school in the area that holds classes or can otherwise teach or upgrade the skills of employees (Q#24). Thirty-seven (37) percent of those aware of this opportunity (or 23% of the population) have taken advantage of it in the last three years (Q#24a). They employ junior or community colleges somewhat less frequently. While 60 percent are aware of such educational institutions in their area and believe they conduct activities that potentially could upgrade the skills of their employees (Q#25), just 23 percent of them or 14 percent of the total population have used one for that purpose in the last three years (Q#25a). Small employers believe that the least appropriate type of educational institution to use for employee training is a four-year college or university. About half know of a four-year institution in their

area that they believe could help. Yet, 12 percent of them, or 6 percent of the population, have used one in the last three years to train employees.

Small-business owners are less likely to be aware of distance, computer-based learning programs than other formal education programs (41%) (Q#28). But when they are aware of distance learning activities, they are more likely to use them than formal educational institutions. Fifty-one (51) percent of those aware of such a program have used one in the last three years (Q#28a). That represents 21 percent of the population.

Government at the federal, state, and local levels supports a plethora of employee training programs outside formal educational institutions. One in four (25%) small employers (with five employees and above) are aware of at least one such program (Q#27) and 39 percent of those used their services in the last three years. About one small employer in 10 sent at least one employee to a government-sponsored program in the last three years.

Suppliers often train the employees of customers. Such programs are most likely to appear when a business up the supply chain has a strong interest in ensuring that those further down understand their product/service. An automobile dealer sending employees to a program sponsored by an automobile manufacturer is an example. Fifty-two (52) percent of small-business owners are aware of employee training programs of this nature (Q#29) and 77 percent of those owners have sent one or more employees to such a program over the last three years. That means 40 percent of the population used the technique over the reference period, second only to trade and business associations as an outside employee training source.

Given the dependence of small firms on internal sources of employee training, it is fair to ask whether this seemingly robust use of outside sources is confined to relatively few firms. The answer is mixed. Seventy-one (71) percent have used at least one of the examined seven potential outside sources of employee training over the last three years. Forty-seven (47) percent used at least two and 28 percent used at least three. However, there are no data to determine the extent and intensity of training received. Did one

employee use a source one time for an hour long how-to? Or, were several employees sent for a week-long, out-of-town session? Still, the use of these training sources was not confined to just a few businesses.

Initial employee training is given in-house, but is likely that subsequent skill development increasingly comes from sources outside the firm. Comparing data on the means to train employees immediately after they have been hired and after one successful year, it appears that increasing job tenure accompanies the greater use of outside training resources. That could also explain the relatively large per employee training expenditures reported.

## Final Comments

Small employers hire people for the most skilled and most common positions in their firms with modest regard to a prospective employee's formal educational credentials, though they exhibit somewhat more interest in experience. Still, many jobs effectively require neither. To a remarkable degree small employers expect prospective employees to learn their skills on the job, particularly those that are occupational and firm specific. The most demanded job skills for newly arrived employees revolve around things like a willingness to work and the ability to follow directions. While tight labor markets in some parts of the country contribute to the small employer's modest expectations, the quality of the labor pool and the capacity to easily dismiss employees if necessary play important roles.

The small employer approach toward recruiting and hiring influence subsequent employee training. Employee training, at least as it involves the most skilled and most common employees in the firm, appears to involve initial orientation-type training that principally entails learning directly from the owner/another employee and/or learning by doing. Following successful completion of some probationary-type period, training becomes more intense but in fewer businesses. Four of five report training employees who have passed this period, about one of two on a routine basis. The nature of training also seems to change from more experienced people training new people in-house to much greater reliance on instruction by those outside the firm.

If frequency of use is evidence, small employers feel notably more comfortable having their employees trained by people with whom they frequently interact than those whose primary purpose it is to train or educate. They overwhelmingly rely on themselves (in-house training), trade or industry associations and suppliers to train their people. While they use others, such as educational institutions for instruction, these appear on the list of sources used much less frequently. The reason likely has to do with the expertise available at each, though the comfort level of working with colleagues probably also plays a role. Small employers most often expect employees to learn the type of skills that only those familiar with an industry or type of business know. Who has that type of knowledge? The firm, trade associations and suppliers. Meanwhile, the job skills best taught elsewhere are those they most often expect employees to bring with them. It is natural that small employers gravitate to those who best fit their needs.

The problems small-business owners encounter training their employees seem to vary substantially on a firm-by-firm basis. That makes it difficult to develop a public job training strategy when one firm has a serious problem with one aspect of employee training while its 10 neighbors do not. The prospect of more and better distance or online training hold significant possibilities in this regard. However, disturbing are the frequent reports of substantial numbers of prospective employees who lack the ability to learn (let alone English proficiency or basic math). The best long-term training program may be the assurance that Americans leaving high school have these rudimentary skills.

# Training Employees

(Please review notes at the table's end.)

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms
<b>1. Over the last two years, how hard has it been to recruit and hire people for the most skilled type of job your business has? Has it been?:</b>				
1. Very hard	23.9%	27.5%	25.9%	25.3%
2. Hard	25.0	27.5	24.7	25.6
3. Not too hard	21.1	29.4	29.4	25.3
4. Not at all hard	20.0	10.8	14.1	16.1
5. (Not applicable/No hires/Etc.)	9.4	4.9	5.9	7.4
6. (DK/Refuse)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368
<b>2. Do you require experience when hiring people for the most skilled job?</b>				
1. Yes	48.6%	55.3%	50.0%	50.8%
2. Generally, yes	28.5	25.2	29.1	27.7
3. Generally, no	10.1	8.7	3.5	8.2
4. No	12.3	9.7	16.3	12.5
5. (DK/Refuse)	0.6	1.0	1.2	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368
<b>3. What are the formal educational requirements for your most skilled job?</b>				
1. No educational requirements	22.3%	11.7%	18.8%	18.5%
2. High school graduate or GED	36.9	41.7	29.4	36.5
3. Vocational/Trade school degree	11.7	11.7	12.9	12.0
4. Two-year associates degree	3.4	5.8	4.7	4.4
5. An apprentice certificate	4.5	6.8	3.5	4.9
6. Four-year college or university degree	11.2	9.7	22.4	13.4
7. Post-graduate or professional degree	7.3	6.8	5.9	6.8
8. (Other)	2.2	3.9	1.2	2.5
9. (DK/Refuse)	0.6	1.9	1.2	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**4. When hired, how much per hour do such people earn typically in wages and benefits? Include tips if applicable.**

1. < \$7.50/hr.	13.3%	11.7%	9.4%	12.0%
2. \$7.50-\$9.99/hr.	12.8	17.5	10.6	13.6
3. \$10.00-\$14.99/hr.	24.4	22.3	21.2	23.1
4. \$15.00-\$19.99/hr.	16.1	19.4	14.1	16.6
5. \$20.00-\$29.99/hr.	10.6	9.7	16.5	11.7
6. \$30.00 or more	10.6	8.7	16.5	11.4
7. (DK/Refused)	12.2	10.6	11.8	11.6
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**5. Think of the employees who fill the most skilled job. On a scale of one-to-five, where 1 means the employee MUST have such job skills when hired and 5 means you expect the employee to learn them on the job, what skills do you expect the employee to have when hired? If they do not need a skill for the job, just say so. How about:?**

**A. Managing and organizing skills**

1. Must have when hired	11.7%	16.7%	19.5%	14.9%
2.	26.7	28.4	19.5	25.5
3.	32.2	27.5	37.9	32.2
4.	10.6	12.7	11.5	11.4
5. Learn on-the-job	15.6	10.8	9.2	12.7
6. (Don't need the skill)	3.3	3.9	2.3	3.3
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**B. The operating procedures used in your business**

1. Must have when hired	22.8%	19.6%	18.8%	21.0%
2.	14.4	16.7	17.6	15.8
3.	24.4	25.5	20.0	23.7
4.	12.8	11.8	12.9	12.5
5. Learn on-the-job	23.9	26.5	29.4	25.9
6. (Don't need the skill)	1.1	—	1.2	0.8
7. (DK/Refused)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**Employee Size of Firm**  
**5-9 emp    10-19 emp    20-249 emp    All Firms**

**C. Knowledge of the goods or services you sell**

1. Must have when hired	20.6%	25.2%	29.4%	23.9%
2.	18.9	16.5	11.8	16.6
3.	23.3	26.2	22.4	23.9
4.	10.0	13.6	12.9	11.7
5. Learn on-the-job	25.0	13.6	20.0	20.7
6. (Don't need the skill)	2.2	3.9	3.5	3.0
7. (DK/Refused)	—	1.0	—	0.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>181</b>	<b>98</b>	<b>89</b>	<b>368</b>

**D. Behavior and dress appropriate to your workplace**

1. Must have when hired	40.8%	53.8%	59.3%	48.8%
2.	18.4	18.3	12.8	17.1
3.	20.7	7.7	10.5	14.6
4.	6.7	8.7	8.1	7.6
5. Learn on-the-job	13.4	7.7	9.3	10.8
6. (Don't need the skill)	—	3.8	—	1.1
7. (DK/Refused)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>181</b>	<b>98</b>	<b>89</b>	<b>368</b>

**E. English proficiency**

1. Must have when hired	55.6%	49.0%	45.9%	51.5%
2.	12.8	19.2	14.1	14.9
3.	15.0	14.4	23.5	16.8
4.	5.6	8.7	8.2	7.0
5. Learn on-the-job	10.6	8.7	4.7	8.7
6. (Don't need the skill)	—	—	3.5	0.8
7. (DK/Refused)	0.6	—	—	0.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>181</b>	<b>98</b>	<b>89</b>	<b>368</b>

**F. Occupational skills, such as cooking for a chef or carpentry for a carpenter**

1. Must have when hired	27.2%	30.1%	36.0%	30.1%
2.	15.0	17.5	11.6	14.9
3.	16.1	15.5	11.6	14.9
4.	8.9	7.8	8.1	8.4
5. Learn on-the-job	18.9	15.5	25.6	19.5
6. (Don't need the skill)	11.7	11.7	5.8	10.3
7. (DK/Refused)	2.3	2.0	1.2	1.9
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>181</b>	<b>98</b>	<b>89</b>	<b>368</b>

**G. Read and write directions and explanations**

1. Must have when hired	53.3%	51.5%	61.2%	54.6%
2.	19.4	15.5	9.4	16.0
3.	11.1	15.5	14.1	13.0
4.	4.4	12.6	3.5	6.5
5. Learn on-the-job	10.0	4.9	10.6	8.7
6. (Don't need the skill)	1.7	—	1.2	1.1
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**H. Good work habits and attitudes**

1. Must have when hired	64.6%	64.4%	68.6%	65.5%
2.	11.0	13.5	12.8	12.1
3.	5.5	3.8	7.0	5.4
4.	6.1	6.7	2.3	5.4
5. Learn on-the-job	12.2	10.6	9.3	11.1
6. (Don't need the skill)	0.6	1.0	—	0.5
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**I. Leadership ability**

1. Must have when hired	15.0%	18.4%	18.8%	16.8%
2.	23.3	28.2	30.6	26.4
3.	37.2	30.1	27.1	32.9
4.	6.7	8.7	12.9	8.7
5. Learn on-the-job	13.9	13.6	5.9	12.0
6. (Don't need the skill)	3.9	1.0	3.5	3.0
7. (DK/Refused)	—	—	1.2	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**J. Computer literacy**

1. Must have when hired	19.6%	21.6%	17.4%	19.6%
2.	15.1	15.7	16.3	15.5
3.	21.2	25.5	30.2	24.5
4.	9.5	5.9	9.3	8.4
5. Learn on-the-job	19.6	19.6	17.4	19.1
6. (Don't need the skill)	14.5	11.8	8.1	12.3
7. (DK/Refused)	0.6	—	1.2	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms

**K. Basic math skills, such as percentages and basic algebra**

1. Must have when hired	32.8%	35.9%	40.7%	35.5%
2.	16.7	16.5	12.8	15.7
3.	22.2	14.6	22.1	20.1
4.	4.4	13.6	5.8	7.3
5. Learn on-the-job	16.1	11.7	10.5	13.6
6. (Don't need the skill)	7.8	7.8	8.1	7.9
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**L. Strong social and interpersonal skills**

1. Must have when hired	35.6%	35.3%	40.7%	36.7%
2.	26.1	25.5	22.1	25.0
3.	20.0	28.4	19.8	22.3
4.	6.7	4.9	8.1	6.5
5. Learn on-the-job	10.6	4.9	3.5	7.3
6. (Don't need the skill)	0.6	1.0	3.5	1.4
7. (DK/Refused)	0.6	—	2.4	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**M. The ability to follow directions**

1. Must have when hired	62.2%	61.2%	65.1%	62.6%
2.	14.4	13.6	12.8	13.8
3.	7.2	6.8	5.8	6.8
4.	5.6	6.8	3.5	5.4
5. Learn on-the-job	10.6	11.7	12.8	11.4
6. (Don't need the skill)	—	—	—	—
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

Employee Size of Firm  
5-9 emp    10-19 emp    20-249 emp    All Firms

**6. How do you most often train your most skilled employees or otherwise help them obtain needed skills? Do you?: (If learning expected Q#5A-M.)**

1. Let them learn by doing it	15.4%	12.0%	11.5%	13.5%
2. Provide self-help materials, such as books tapes and videos	3.4	5.0	1.1	3.3
3. Have someone in the firm work with them	56.0	64.0	70.1	61.6
4. Bring in an expert	2.9	—	2.3	1.9
5. Send them outside the firm for training, such as to a course or seminar	11.4	15.0	6.9	11.3
6. Take online courses or distance learning	4.0	—	1.1	2.2
7. (Other)	3.4	4.0	2.3	3.3
8. (Nothing)	2.3	—	—	1.1
9. (DK/Refuse)	1.2	—	4.6	1.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>177</b>	<b>96</b>	<b>89</b>	<b>362</b>

**7. How long does it typically take to bring such a person's skills up to a satisfactory level? (If train in Q#6.)**

1. Two weeks or less	13.8%	15.2%	12.0%	13.8%
2. Two weeks up to one month	16.2	18.2	24.1	18.6
3. One month up to three months	8.4	9.1	14.5	10.0
4. Three months up to one year	43.7	45.5	39.8	43.3
5. >One year	18.0	12.1	9.6	14.3
6. (DK/Refuse)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>94</b>	<b>86</b>	<b>347</b>

**8. What are your typical annual per employee, out-of-pocket costs to train your most skilled employees?**

1. <\$500	10.9%	9.0%	9.2%	9.9%
2. \$500-\$999	4.0	11.0	10.3	7.5
3. \$1,000-\$4,999	29.1	18.0	26.4	25.4
4. \$5,000-\$9,999	12.6	9.0	5.7	9.9
5. \$10,000-\$24,999	8.0	11.0	3.4	7.7
6. \$25,000 or more	4.6	4.0	6.9	5.0
7. (DK/Refuse)	30.9	38.0	37.9	34.5
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>177</b>	<b>96</b>	<b>89</b>	<b>362</b>

**Employee Size of Firm**  
**5-9 emp    10-19 emp    20-249 emp    All Firms**

**9. After employees in the most skilled job have successfully completed at least one year in this job, do you continue to develop the individual's skills through formal or informal training? Would you say?:**

1. Yes, routinely	41.1%	40.8%	50.0%	43.1%
2. Yes, as needed	44.4	40.8	31.4	40.4
3. No, with a few exceptions	8.3	9.7	7.0	8.4
4. No, do not	6.1	8.7	11.6	8.1
5. (DK/Refuse)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>181</b>	<b>98</b>	<b>89</b>	<b>368</b>

**10. When you do so, which of the following is the way you most often develop their skills? (If training given in Q#9.)**

1. Provide self-help material such as books, tapes, videos	9.4%	4.3%	3.9%	6.7%
2. Have someone in the firm work with them	50.6	48.9	48.1	49.6
3. Bring in an expert	5.9	3.2	9.1	5.9
4. Send them outside the firm for training, such as to take a course or seminar	25.3	37.2	26.0	28.7
5. Take an online course or distance learning	5.9	3.2	1.3	4.1
6. (Other)	2.4	2.1	6.5	3.2
7. (DK/Refuse)	0.6	1.1	5.2	1.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>171</b>	<b>90</b>	<b>79</b>	<b>340</b>

**11. What types of problems have you experienced, if any, in training and/or upgrading the skills of employees in the most skilled job in your business? On a five-point scale where "1" means serious problem and "5" means no problem, how much of a problem is?:**

**A. Employees not having the learning skills to train easily**

1. Serious problem	10.0%	6.7%	10.5%	9.2%
2.	8.9	15.4	9.3	10.8
3.	28.9	31.7	34.9	31.1
4.	19.4	13.5	16.3	17.0
5. No problem	32.8	32.7	29.1	31.9
6. (DK/Refused)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>181</b>	<b>98</b>	<b>89</b>	<b>368</b>

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms

**B. A lack of useful training material**

1. Serious problem	4.4%	2.9%	7.1%	4.6%
2.	5.0	8.7	8.2	6.8
3.	18.3	20.4	12.9	17.7
4.	18.3	20.4	15.3	18.2
5. No problem	53.3	47.6	56.5	52.4
6. (DK/Refused)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**C. Employees showing little interest in learning anything new**

1. Serious problem	8.9%	9.7%	14.1%	10.3%
2.	7.8	14.6	10.6	10.3
3.	24.4	30.1	17.6	24.5
4.	24.4	13.6	16.5	19.6
5. No problem	34.4	32.0	40.0	35.1
6. (DK/Refused)	—	—	1.2	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**D. The expense of training**

1. Serious problem	11.7%	9.7%	4.7%	9.5%
2.	12.3	11.7	12.9	12.3
3.	24.6	25.2	22.4	24.3
4.	14.5	18.4	24.7	18.0
5. No problem	36.3	33.0	34.1	34.9
6. (DK/Refused)	0.6	1.9	1.2	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**E. The lack of management or other employee time to train people needing it**

1. Serious problem	6.1%	5.9%	9.3%	6.8%
2.	16.2	16.7	12.8	15.5
3.	26.3	36.3	30.2	30.0
4.	14.5	10.8	17.4	14.2
5. No problem	36.3	30.4	29.1	33.0
6. (DK/Refused)	0.6	—	1.2	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**Employee Size of Firm**  
**5-9 emp    10-19 emp    20-249 emp    All Firms**

**F. Employees leaving soon after they receive training**

1. Serious problem	13.3%	13.5%	9.3%	12.4%
2.	6.1	11.5	15.1	9.7
3.	15.0	10.6	19.8	14.9
4.	16.7	20.2	20.9	18.6
5. No problem	47.2	44.2	33.7	43.2
6. (DK/Refused)	1.1	—	1.2	1.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**G. Locating a convenient place to send employees to learn the kinds of things they need to know**

1. Serious problem	6.1%	14.6%	4.8%	8.2%
2.	7.8	6.8	10.7	8.2
3.	10.6	15.5	9.5	11.7
4.	15.1	11.7	11.9	13.4
5. No problem	56.4	48.5	56.0	54.1
6. (DK/Refused)	3.9	2.9	7.2	4.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**H. Having only one or two employees to train at any time**

1. Serious problem	6.1%	10.8%	12.8%	9.0%
2.	7.3	9.8	10.5	8.7
3.	15.6	20.6	14.0	16.6
4.	14.5	12.7	16.3	14.4
5. No problem	54.6	45.1	45.3	49.9
6. (DK/Refused)	1.7	1.0	1.2	1.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**I. Keeping employees up on the latest technologies or techniques**

1. Serious problem	4.5%	5.9%	2.4%	4.4%
2.	11.2	11.8	12.9	11.7
3.	20.7	23.5	24.7	22.4
4.	22.9	22.5	22.4	22.7
5. No problem	40.2	35.3	36.5	38.0
6. (DK/Refused)	0.6	1.0	1.2	0.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**J. Possessing the technology resources in-house to train employees**

1. Serious problem	8.4%	6.9%	2.4%	6.6%
2.	5.6	10.8	14.1	9.0
3.	22.3	17.6	15.3	19.4
4.	15.1	22.5	17.6	17.8
5. No problem	47.5	40.2	48.2	45.6
6. (DK/Refused)	1.1	2.0	2.4	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**K. The inability to pull the employee off the job**

1. Serious problem	10.9%	12.6%	9.3%	10.8%
2.	15.6	14.6	8.1	13.6
3.	22.2	22.3	20.9	22.0
4.	12.8	15.5	17.4	14.6
5. No problem	36.1	33.0	39.5	36.0
6. (DK/Refused)	2.8	1.9	4.7	3.0
Total	100.0%	100.0%	100.0%	100.0%
N	181	98	89	368

**12. Over the last two years, how hard has it been to recruit and hire people for the most common type of job your business has? Has it been?:**

1. Very hard	25.9%	21.7%	19.1%	22.8%
2. Hard	25.9	23.6	38.2	28.8
3. Not too hard	22.3	29.2	23.6	24.6
4. Not at all hard	22.9	18.9	18.2	20.4
5. (Not applicable/No hires/Etc.)	2.4	6.6	0.9	3.1
6. (DK/Refuse)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**13. Do you require experience when hiring people for the most common job?**

1. Yes	31.3%	33.6%	26.4%	30.5%
2. Generally, yes	27.1	29.0	23.6	26.6
3. Generally, no	18.7	14.0	19.1	17.5
4. No	22.3	22.4	30.9	24.8
5. (DK/Refuse)	0.6	0.9	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**Employee Size of Firm**  
**5-9 emp    10-19 emp    20-249 emp    All Firms**

**14. What are the formal educational requirements for your most common job?**

1. No educational requirements	22.3%	29.9%	32.4%	27.3%
2. High school graduate or GED	47.6	44.9	44.1	45.8
3. Vocational/Trade school degree	10.8	11.2	2.7	8.6
4. Two-year associates degree	4.2	1.9	7.2	4.4
5. An apprentice certificate	1.2	—	1.8	1.0
6. Four-year college or university degree	10.2	8.4	7.2	8.9
7. Post-graduate or professional degree	1.2	0.9	2.7	1.6
8. (Other)	2.4	2.8	1.8	0.8
9. (DK/Refuse)	0.6	1.9	1.2	1.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>103</b>	<b>114</b>	<b>384</b>

**15. When hired, how much per hour do such people earn typically in wages and benefits? Include tips if applicable.**

1. < \$7.50/hr.	19.4%	16.8%	18.8%	18.5%
2. \$7.50-\$9.99/hr.	22.4	17.8	26.8	22.4
3. \$10.00-\$14.99/hr.	29.7	29.9	25.0	28.4
4. \$15.00-19.99/hr.	9.1	9.3	9.8	9.4
5. \$20.00-29.99/hr.	6.1	6.5	8.0	6.8
6. \$30.00 or more	4.2	7.5	3.6	4.9
7. (DK/Refused)	9.1	12.2	8.1	9.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>103</b>	<b>114</b>	<b>384</b>

**16. Think of the employees who fill the most common job. On a scale of one-to-five, where “1” means the employee MUST have such job skills when hired and “5” means you expect the employee to learn them on the job, what skills do you expect the employee to have when hired? If they do not need a skill for the job, just say so. How about?:**

**A. Managing and organizing skills**

1. Must have when hired	1.4%	13.2%	9.2%	11.3%
2.	16.9	18.9	17.4	17.6
3.	34.9	34.0	40.4	36.2
4.	14.5	15.1	12.8	14.2
5. Learn on-the-job	17.5	14.2	17.4	16.5
6. (Don't need the skill)	4.8	4.7	2.8	4.2
7. (DK/Refused)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>103</b>	<b>114</b>	<b>384</b>

**B. The operating procedures used in your business**

1. Must have when hired	16.2%	13.1%	15.5%	15.1%
2.	9.6	14.0	6.4	9.9
3.	22.2	28.0	25.5	24.7
4.	15.6	13.1	16.4	15.1
5. Learn on-the-job	34.7	29.0	34.5	33.1
6. (Don't need the skill)	1.2	1.9	1.8	1.6
7. (DK/Refused)	0.6	0.9	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**C. Knowledge of the goods or services you sell**

1. Must have when hired	14.5%	12.0%	20.0%	15.4%
2.	15.1	16.7	13.6	15.1
3.	17.5	30.6	19.1	21.6
4.	10.8	13.0	11.8	11.7
5. Learn on-the-job	39.2	21.3	32.7	32.3
6. (Don't need the skill)	2.4	6.5	2.7	3.6
7. (DK/Refused)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**D. Behavior and dress appropriate to your workplace**

1. Must have when hired	45.2%	44.4%	45.5%	45.1%
2.	18.7	17.6	21.8	19.3
3.	12.0	22.2	13.6	15.4
4.	4.8	6.5	2.7	4.7
5. Learn on-the-job	17.5	8.3	14.5	14.1
6. (Don't need the skill)	1.8	0.9	1.8	1.6
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**E. English proficiency**

1. Must have when hired	49.1%	50.9%	42.3%	47.6%
2.	11.5	15.1	15.3	13.6
3.	17.6	14.2	23.4	18.3
4.	4.8	6.6	7.2	6.0
5. Learn on-the-job	15.8	11.3	9.0	12.6
6. (Don't need the skill)	0.6	1.9	2.7	1.6
7. (DK/Refused)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**Employee Size of Firm**  
**5-9 emp    10-19 emp    20-249 emp    All Firms**

**F. Occupational skills, such as cooking for a chef or carpentry for a carpenter**

1. Must have when hired	15.1%	16.7%	15.5%	15.6%
2.	15.7	11.1	14.5	14.1
3.	19.3	31.5	21.8	23.4
4.	8.4	8.3	7.3	8.1
5. Learn on-the-job	24.1	21.3	25.5	23.7
6. (Don't need the skill)	15.7	11.1	13.6	13.8
7. (DK/Refused)	1.8	—	1.8	1.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>103</b>	<b>114</b>	<b>384</b>

**G. Read and write directions and explanations**

1. Must have when hired	49.4%	53.8%	49.1%	50.5%
2.	17.5	11.3	18.2	16.0
3.	12.7	13.2	17.3	14.1
4.	6.6	10.4	4.5	7.1
5. Learn on-the-job	13.3	10.4	10.0	11.5
6. (Don't need the skill)	0.6	0.9	0.9	0.8
7. (DK/Refused)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>103</b>	<b>114</b>	<b>384</b>

**H. Good work habits and attitudes**

1. Must have when hired	63.0%	62.6%	62.7%	62.8%
2.	12.1	16.8	15.5	14.4
3.	6.1	4.7	2.7	4.7
4.	3.6	6.5	4.5	4.7
5. Learn on-the-job	15.2	9.3	13.6	13.1
6. (Don't need the skill)	—	—	—	0.3
7. (DK/Refused)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>103</b>	<b>114</b>	<b>384</b>

**I. Leadership ability**

1. Must have when hired	8.4%	10.4%	5.5%	8.1%
2.	15.1	20.8	15.6	16.8
3.	39.2	35.8	39.4	38.3
4.	12.0	16.0	19.3	15.2
5. Learn on-the-job	19.3	11.3	16.5	16.3
6. (Don't need the skill)	6.0	5.7	3.7	5.2
7. (DK/Refused)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>167</b>	<b>103</b>	<b>114</b>	<b>384</b>

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms

### J. Computer literacy

1. Must have when hired	25.0%	11.3%	22.7%	20.5%
2.	11.6	10.4	10.0	10.8
3.	18.3	20.8	16.4	18.4
4.	9.8	13.2	12.7	11.6
5. Learn on-the-job	22.6	22.6	23.6	22.9
6. (Don't need the skill)	12.8	21.7	14.5	15.8
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

### K. Basic math skills, such as percentages and basic algebra

1. Must have when hired	32.3%	32.1%	28.2%	31.1%
2.	15.0	15.1	13.6	14.6
3.	18.6	15.1	21.8	18.5
4.	12.0	14.2	10.0	12.0
5. Learn on-the-job	16.2	16.0	20.0	17.2
6. (Don't need the skill)	6.0	7.5	6.4	6.5
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

### L. Strong social and interpersonal skills

1. Must have when hired	36.1%	31.1%	36.0%	34.7%
2.	17.5	14.2	23.4	18.3
3.	25.3	34.0	24.3	27.4
4.	6.0	8.5	9.0	7.6
5. Learn on-the-job	12.0	7.5	5.4	8.9
6. (Don't need the skill)	3.0	4.7	1.8	3.1
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

### M. The ability to follow directions

1. Must have when hired	59.4%	61.7%	61.3%	60.6%
2.	12.7	14.0	14.4	13.6
3.	5.5	8.4	7.2	6.8
4.	6.7	8.4	5.4	6.8
5. Learn on-the-job	15.2	7.5	11.7	12.0
6. (Don't need the skill)	0.6	—	—	0.3
7. (DK/Refused)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**Employee Size of Firm**  
**5-9 emp    10-19 emp    20-249 emp    All Firms**

**17. How do you most often train your most common employees or otherwise help them obtain needed skills? Do you?: (If learning expected in Q#16A-M.)**

1. Let them learn by doing it	12.2%	18.7%	12.7%	14.2%
2. Provide self-help materials, such as books tapes and videos	4.3	—	2.7	2.6
3. Have someone in the firm work with them	76.2	73.8	76.4	75.6
4. Bring in an expert	—	—	0.9	0.3
5. Send them outside the firm for training, such as to a course or seminar	3.7	3.7	4.5	3.9
6. Take online courses or distance learning	2.4	—	—	1.0
7. (Other)	0.6	—	0.9	0.5
8. (Nothing)	—	0.9	—	0.3
9. (DK/Refuse)	0.6	2.8	1.8	1.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>165</b>	<b>103</b>	<b>114</b>	<b>382</b>

**18. How long does it typically take to bring such a person's skills up to a satisfactory level? (If train in Q#17.)**

1. Two weeks or less	17.9%	23.0%	21.3%	20.3%
2. Two weeks up to one month	20.4	12.0	15.7	16.8
3. One month up to three months	16.0	16.0	25.0	18.6
4. Three months up to one year	35.2	37.0	34.3	35.4
5. >One year	10.5	12.0	3.7	8.9
6. (DK/Refuse)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>163</b>	<b>97</b>	<b>112</b>	<b>372</b>

**19. What are your typical annual per employee, out-of-pocket costs to train your most common employees?**

1. <\$500	10.4%	14.0%	10.8%	11.5%
2. \$500-\$999	9.1	10.3	7.2	8.9
3. \$1,000-\$4,999	23.2	20.6	24.3	22.8
4. \$5,000-\$9,999	14.0	3.7	12.6	10.7
5. \$10,000-\$24,999	9.1	8.4	7.2	8.4
6. \$25,000 or more	—	3.7	3.6	2.1
7. (DK/Refuse)	35.1	39.3	34.2	35.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>165</b>	<b>103</b>	<b>114</b>	<b>382</b>

**20. After employees in the most common job have successfully completed at least one year in this job, do you continue to develop the individual's skills through formal or informal training? Would you say:?**

1. Yes, routinely	45.5%	51.9%	57.3%	50.7%
2. Yes, as needed	44.2	33.0	31.8	37.5
3. No, with a few exceptions	4.2	8.5	6.4	6.0
4. No, do not	6.1	6.6	4.5	5.8
5. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**21. When you do so, which of the following is the way you most often develop their skills? (If training given in Q#20.)**

1. Provide self-help material such as books, tapes, videos	6.4%	3.1%	5.7%	5.3%
2. Have someone in the firm work with them	61.5	64.3	61.9	62.4
3. Bring in an expert	4.5	9.2	9.5	7.2
4. Send them outside the firm for training, such as to take a course or seminar	23.7	21.4	15.2	20.6
5. Take an online course or distance learning	3.2	1.0	1.0	1.9
6. (Other)	0.6	—	3.8	1.4
7. (DK/Refuse)	—	1.0	2.9	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	157	96	109	362

**22. What types of problems have you experienced, if any, in training and/or upgrading the skills of employees in the most common job in your business? On a five point scale where "1" means serious problem and "5" means no problem, how much of a problem is:?**

**A. Employees not having the learning skills to train easily**

1. Serious problem	6.6%	5.6%	10.1%	7.3%
2.	13.3	16.8	17.4	15.4
3.	25.9	33.6	31.2	29.6
4.	25.3	17.8	14.7	20.2
5. No problem	28.9	24.9	25.7	26.7
6. (DK/Refused)	—	1.9	0.9	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms

**B. A lack of useful training material**

1. Serious problem	7.2%	1.9%	5.5%	5.2%
2.	6.0	12.1	7.3	8.1
3.	12.0	8.4	19.1	13.0
4.	18.6	22.4	19.1	19.8
5. No problem	55.1	53.3	46.4	52.1
6. (DK/Refused)	1.2	1.9	2.7	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**C. Employees showing little interest in learning anything new**

1. Serious problem	7.2%	8.4%	11.9%	8.9%
2.	14.5	11.2	14.7	13.6
3.	16.9	34.6	32.1	26.2
4.	23.5	16.8	13.8	18.8
5. No problem	38.0	28.0	27.5	32.2
6. (DK/Refused)	—	0.9	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**D. The expense of training**

1. Serious problem	6.6%	3.7%	11.8%	7.3%
2.	14.5	6.5	15.5	12.5
3.	24.1	28.7	27.3	26.3
4.	15.7	25.0	12.7	17.4
5. No problem	36.7	35.2	31.8	34.9
6. (DK/Refused)	2.4	0.9	0.9	1.5
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**E. The lack of management or other employee time to train people needing it**

1. Serious problem	8.5%	8.5%	8.1%	8.4%
2.	13.9	16.0	21.6	16.8
3.	33.3	29.2	27.9	30.6
4.	15.8	14.2	15.3	15.2
5. No problem	27.9	32.1	27.0	28.8
6. (DK/Refused)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms

**F. Employees leaving soon after they receive training**

1. Serious problem	9.6%	9.5%	15.6%	11.3%
2.	9.0	11.4	13.8	11.1
3.	18.1	18.1	14.7	17.1
4.	13.9	21.9	24.8	19.2
5. No problem	48.8	39.0	30.3	40.8
6. (DK/Refused)	0.6	—	0.9	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**G. Locating a convenient place to send employees to learn the kinds of things they need to know**

1. Serious problem	10.3%	4.8%	7.3%	7.9%
2.	12.1	11.4	13.8	12.4
3.	7.9	14.3	16.5	12.1
4.	9.1	8.6	11.0	9.5
5. No problem	55.8	55.2	46.8	53.0
6. (DK/Refused)	4.8	5.8	4.6	5.1
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**H. Having only one or two employees to train at any time**

1. Serious problem	7.8%	6.5%	9.1%	7.8%
2.	12.7	14.0	13.6	13.3
3.	15.1	24.3	20.9	19.3
4.	12.7	11.2	20.9	14.6
5. No problem	50.0	42.1	32.7	42.8
6. (DK/Refused)	1.8	1.9	2.7	2.0
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**I. Keeping employees up on the latest technologies or techniques**

1. Serious problem	4.2%	4.6%	0.9%	3.4%
2.	11.4	7.4	11.7	10.4
3.	25.9	26.9	31.5	27.8
4.	20.5	26.9	27.0	24.2
5. No problem	37.3	32.4	28.8	33.5
6. (DK/Refused)	0.6	1.8	—	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**Employee Size of Firm**  
**5-9 emp    10-19 emp    20-249 emp    All Firms**

**J. Possessing the technology resources in-house to train employees**

1. Serious problem	7.2%	5.7%	1.8%	5.2%
2.	10.2	3.8	6.4	7.3
3.	17.5	18.9	25.2	20.2
4.	19.3	23.6	17.3	19.9
5. No problem	45.8	46.2	47.3	46.3
6. (DK/Refused)	—	1.9	1.8	1.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**K. The inability to pull the employee off the job**

1. Serious problem	7.2%	4.7%	10.0%	10.8%
2.	11.4	13.1	14.5	13.6
3.	20.5	32.7	26.4	22.0
4.	16.3	12.1	16.4	14.6
5. No problem	43.4	34.6	27.3	36.0
6. (DK/Refused)	1.2	2.8	5.4	2.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	167	103	114	384

**23. Are you a member of any industry-specific trade or business organizations?**

1. Yes	61.2%	67.3%	75.5%	67.0%
2. No	38.2	31.8	23.6	32.2
3. (DK/Refuse)	0.6	0.9	0.9	0.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**23a. Do any of these organizations offer materials or programs specifically designed to train or upgrade the skills of ANY of your employees? (If “Yes” in Q#23.)**

1. Yes	82.2%	82.2%	84.3%	82.9%
2. No	17.8	16.4	13.3	16.0
3. (DK/Refuse)	—	1.4	2.4	1.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	193	135	143	471

**23a1. Within the last three years, have one or more employees used materials or programs from trade or business organizations to obtain or upgrade job skills? (If “Yes” in Q#23a.)**

1. Yes	80.7%	84.7%	93.0%	85.9%
2. No	19.3	13.6	5.6	13.1
3. (DK/Refuse)	—	1.7	1.4	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	169	111	117	397

**24. Are you aware of any vocational or trade schools in your area that hold classes or can otherwise teach or upgrade the skills of ANY of your employees?**

1. Yes	58.8%	65.1%	67.3%	63.0%
2. No	40.6	34.9	32.7	36.7
3. (DK/Refuse)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**24a. Within the last three years, have you sent one or more employees to a vocational or trade school to obtain or upgrade job skills? (If “Yes” in Q#24.)**

1. Yes	38.1%	30.0%	41.9%	36.9%
2. No	61.9	70.0	58.1	63.1
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	195	121	132	448

**25. Are you aware of any junior or community colleges in your area that hold classes or can otherwise teach or upgrade the skills of ANY of your employees?**

1. Yes	54.8%	63.6%	65.5%	60.3%
2. No	44.6	36.4	34.5	39.4
3. (DK/Refuse)	0.6	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

Employee Size of Firm  
 5-9 emp    10-19 emp    20-249 emp    All Firms

**25a. Within the last three years, have you sent one or more employees to a junior or community college to obtain or upgrade job skills? (If “Yes” in Q#25.)**

1. Yes	22.0%	20.6%	29.2%	23.8%
2. No	78.0	79.4	70.8	76.2
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	183	118	130	431

**26. Are you aware of any four-year colleges or universities in your area that hold classes or can otherwise teach or upgrade the skills of ANY of your employees?**

1. Yes	46.4%	44.9%	57.3%	49.1%
2. No	53.6	53.3	42.7	50.4
3. (DK/Refuse)	—	1.8	—	0.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**26a. Within the last three years, have you sent one or more employees to a four-year college or university to obtain or upgrade job skills? (If “Yes” in Q#26.)**

1. Yes	10.4%	8.3%	16.1%	11.8%
2. No	89.6	91.7	83.9	88.2
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	155	88	107	350

**27. Are you aware of any federal, state or local government programs in your area that hold classes or can otherwise teach or upgrade the skills of ANY of your employees?**

1. Yes	27.9%	24.5%	20.9%	24.9%
2. No	71.5	75.5	79.1	74.8
3. (DK/Refuse)	0.6	—	—	0.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**27a. Within the last three years, have you sent one or more employees to a federal, state or local government program to obtain or upgrade job skills? (If “Yes” in Q#27.)**

1. Yes	37.5%	—%	—%	43.6%
2. No	62.5	—	—	56.4
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	73	46	43	162

**28. Are you aware of any online course or distance learning programs, regardless of sponsor that can teach or upgrade the skills of ANY of your employees?**

1. Yes	44.6%	40.2%	35.5%	40.7%
2. No	55.4	59.8	64.5	59.3
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**28a. Within the last three years, have you asked one or more of your employees to use online courses or distance learning to obtain or upgrade job skills? (If “Yes” in Q#28.)**

1. Yes	56.8%	51.2%	38.5%	50.6%
2. No	43.2	48.8	61.5	49.4
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	143	95	76	314

**29. Are you aware of any supplier or customer that offers training that can teach or upgrade the skills of ANY of your employees?**

1. Yes	47.0%	56.1%	56.4%	52.2%
2. No	52.4	43.9	43.6	47.5
3. (DK/Refuse)	0.6	—	—	0.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**29a. Within the last three years, have one or more of your employees used those training sessions to obtain or upgrade job skills? (If “Yes” in Q#29.)**

1. Yes	74.4%	81.4%	75.4%	76.8%
2. No	25.6	18.6	24.6	23.2
3. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	181	118	117	416

## Demographics

### D1. Which best describes your position in the business?

1. Owner/manager	82.1%	83.7%	80.1%	82.0%
2. Owner but NOT manager	4.9	3.8	7.7	5.3
3. Manager but NOT owner	13.0	12.4	12.2	12.6
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

### D2. Is your primary business activity: (NAICs code)

1. Agriculture, forestry, fishing	2.0%	1.4%	0.5%	1.5%
2. Construction	7.5	9.0	11.2	8.9
3. Manufacturing, mining	11.3	6.7	10.7	9.9
4. Wholesale trade	6.7	7.6	4.1	6.3
5. Retail trade	18.8	19.0	13.7	17.6
6. Transportation and warehousing	3.2	3.3	6.1	4.0
7. Information	0.9	0.5	1.5	0.9
8. Finance and insurance	3.2	5.2	1.0	3.2
9. Real estate and rental leasing	5.5	2.9	2.5	4.0
10. Professional/scientific/ technical services	10.4	12.9	11.7	11.4
11. Adm. support/waste management services	2.3	5.7	3.0	3.5
12. Educational services	0.9	1.0	2.0	1.2
13. Health care and social assistance	4.3	5.7	8.1	5.7
14. Arts, entertainment, or recreation	2.6	1.9	3.0	2.5
15. Accommodations or food service	7.5	8.1	12.7	9.0
16. Other service, incl. repair, personal care	11.6	8.6	5.6	9.2
17. (Other)	0.6	0.5	1.0	0.6
18. (DK/Refuse)	0.6	—	1.0	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**D3. Over the last two years, have your real volume sales:?**

1. Increased by 30 percent or more	17.1%	16.7%	19.5%	17.6%
2. Increased by 20 to 29 percent	13.0	11.0	8.7	11.3
3. Increased by 10 to 19 percent	28.9	27.6	31.8	29.3
4. Changed less than 10 percent one way or the other	24.0	25.7	25.1	24.8
5. Decreased by 10 percent or more	13.6	15.7	8.7	12.9
6. (DK/Refuse)	3.5	3.3	6.2	4.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>348</b>	<b>201</b>	<b>203</b>	<b>752</b>

**D4. Is this business operated primarily from the home, including any associated structures such as a garage or a barn?**

1. Yes	11.0%	9.1%	5.6%	9.1%
2. No	87.9	90.9	93.3	90.1
3. (DK/Refuse)	1.1	—	1.0	0.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>348</b>	<b>201</b>	<b>203</b>	<b>752</b>

**D5. How long have you owned or operated this business?**

1. < 6 years	24.9%	22.5%	19.4%	22.8%
2. 6-10 years	22.0	17.2	21.9	20.7
3. 11-20 years	22.9	25.4	29.1	25.2
4. 21-30 years	18.6	19.1	19.9	19.1
5. 31 years+	10.7	15.8	8.2	11.5
6. (DK/Refuse)	0.9	—	1.5	0.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>348</b>	<b>201</b>	<b>203</b>	<b>752</b>

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms

**D6. What is your highest level of formal education?**

1. Did not complete high school	2.9%	2.4%	0.5%	2.1%
2. High school diploma/GED	17.6	19.0	17.9	18.1
3. Some college or an associates degree	27.2	24.8	21.4	25.0
4. Vocational or technical school degree	4.0	1.4	1.5	2.7
5. College diploma	31.2	37.6	37.8	34.7
6. Advanced or professional degree	15.9	14.8	19.9	16.6
7. (DK/Refuse)	1.2	—	1.0	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**D7. Please tell me your age.**

1. <25	0.3%	—%	0.5%	0.3%
2. 25-34	8.1	11.0	8.7	9.1
3. 35-44	22.3	18.7	16.9	19.9
4. 45-54	34.7	36.8	32.8	34.8
5. 55-64	22.8	21.5	27.7	23.7
6. 65+	9.5	11.5	9.7	10.1
7. (DK/Refuse)	2.3	0.5	3.6	2.1
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**D8. What is the zip code of your business?**

1. East (zips 010-219)	13.0%	12.3%	15.8%	13.5%
2. South (zips 220-427)	19.4	17.5	21.4	19.4
3. Mid-West (zips 430-567, 600-658)	27.2	25.6	26.5	26.6
4. Central (zips 570-599, 660-898)	25.4	24.6	20.4	23.9
5. West (zips 900-999)	13.6	18.0	14.3	15.0
6. (DK/Refuse)	1.4	1.9	1.5	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

	Employee Size of Firm			
	5-9 emp	10-19 emp	20-249 emp	All Firms

**D9. Urbanization (Derived from zip code.)**

1. Highly Urban	11.5%	12.4%	11.3%	11.7%
2. Urban	16.7	21.4	16.3	17.8
3. Fringe Urban	19.3	22.4	22.7	21.0
4. Small Cities/Towns	20.1	17.9	22.2	20.1
5. Rural	26.7	20.9	21.7	23.8
6. (DK/Refuse)	5.7	5.0	5.9	5.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**D10. Sex**

Male	77.2%	77.0%	76.9%	77.1%
Female	22.8	23.0	23.1	22.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	348	201	203	752

**Table Notes**

1. All percentages appearing are based on **weighted** data.
2. All “Ns” appearing are based on **unweighted** data.
3. Data are not presented where there are fewer than 50 unweighted cases.
4. ( )s around an answer indicate a volunteered response.

**WARNING** – When reviewing the table, care should be taken to distinguish between the percentage of the population and the percentage of those asked a particular question. Not every respondent was asked every question. All percentages appearing on the table use the number asked the question as the denominator.

# Data Collection Methods

The data for this survey report were collected for the NFIB Research Foundation by the executive interviewing group of The Gallup Organization. The interviews for this edition of the *Poll* were conducted between May 3 - June 27, 2005 from a sample of small employers. “Small employer” was defined for purposes of this survey as a business owner employing no fewer than one individual in addition to the owner(s) and no more than 249.

The sampling frame used for the survey was drawn at the Foundation’s direction from the files of the Dun & Bradstreet Corporation, an imperfect file but the best currently available for public use. A random stratified sample design is typically employed to compensate for the highly skewed distribution of small-business owners by employee size of firm (Table A1). Almost 60 percent of employers in the United States employ

just one to four people meaning that a random sample would yield comparatively few larger small employers to interview. Since size within the small-business population is often an important differentiating variable, it is important that an adequate number of interviews be conducted among those employing more than 10 people. The interview quotas established to achieve these added interviews from larger, small-business owners are arbitrary but adequate to allow independent examination of the 10-19 and 20-249 employee size classes as well as the 1-9 employee size group.

For this particular issue of the *Poll*, the 1-4 employee size class was excluded. A random sample might, therefore, have been employed. The decision was made to continue using the stratified random sampling method and a weighting scheme to be consistent.

**Table A1**

## Sample Composition Under Varying Scenarios

Employee Size of Firm	Expected from Random Sample*		Obtained from Stratified Random Sample			
	Interviews Expected	Percent Distribution	Interview Quotas	Percent Distribution	Completed Interviews	Percent Distribution
5-9	345	46	350	47	348	46
10-19	210	28	200	27	201	27
20-249	195	26	200	27	203	27
All Firms	750	100	750	101	752	100

\* Sample universe developed from the Bureau of the Census (2002 data) and published by the Office of Advocacy at the Small Business Administration.

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- Volume 1, Issue 1 *The Changing Search  
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The **NFIB Research Foundation** is a small-business-oriented research and information organization affiliated with the National Federation of Independent Business, the nation's largest small and independent business advocacy organization. Located in Washington, DC, the Foundation's primary purpose is to explore the policy related problems small-business owners encounter. Its periodic reports include *Small Business Economic Trends*, *Small Business Problems and Priorities*, and now the *National Small Business Poll*. The Foundation also publishes ad hoc reports on issues of concern to small-business owners. Included are analyses of selected proposed regulations using its Regulatory Impact Model (RIM). The Foundation's functions were recently transferred from the NFIB Education Foundation.



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