NSBA
National Small Business Association

Issue Brief

Improve Workforce Training

Problem:

A small business that makes good hiring decisions tends to have higher productivity and lower turnover, which positively affects the bottom line. Hiring the wrong people can have a negative impact on employee morale and management time and can waste valuable training and development dollars.

- Smaller employers place a premium on their employees: nearly all small businesses provide opportunities for on-the-job learning. The majority of small-business owners say employees stay with their business four or more years, with 37 percent reporting employees remain on average eight years or more.
- According to NSBA's Small Business Workforce and Labor Survey, when it comes to workforce preparedness, nearly one-quarter of small-business owners believe the quality of high-school educated workers has gotten worse in the last five years.
- Consequently, nearly one-quarter of small firms seek employees with a masters or higher degree.
- Therefore, it is no surprise that one-third of small businesses pay for off-site training for employees and one-fourth provide money toward employees' continuing education, underscoring the real-world cost of the skills gap many employers face.

Solution:

Small businesses around the country believe lack of education, experience, and training is one of biggest challenges they face when it comes to hiring and employment, and they are willing to act to ensure they have the skilled workers they need to run their businesses.

Policymakers must ensure small business hiring is not hampered by unnecessary and unfair regulations that interfere with the regular hiring process, or other state-level requirements.