

Survey results: Small business views on the Canadian workforce

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While there is no shortage of advice for job seekers—particularly at the corporate level—many wonder what business owners are looking for when they hire and what work may be like in smaller firms. To shed some light on these issues, CFIB surveyed its members and received over 8,800 responses. Small business owners rank their employees as the single most important element in their business success. As a result, business owners believe they are doing everything they can to keep good staff. However, a different picture emerges when it comes to hiring: a lack of qualified applicants is the biggest issue for entrepreneurs and concerns about the quality and work ethic of new hires suggests a worrisome trend ahead for Canada’s workforce.

Employees are most important to business success

A small firm’s employees are the most important element in its success (see Figure 1). Other key success factors are a firm’s products or services, customer loyalty and hard work. Interestingly, only four per cent of firms felt their business plan was a key success factor.

Figure 1

Most important elements to business success (% response)



Flexibility #1 advantage to working in small business

Flexibility to accommodate personal issues is offered to employees in most small businesses. Competitive pay, a wide range of responsibility, and training or opportunities for learning and development are also offered by many small businesses (see Figure 2).

Figure 2

Which of the following does your business offer to employees? (% response)



When asked about how they retain staff, many small business owners said that they offer a good working environment (e.g. treat employees “like family” and with respect; open line of communication). Below is a sampling of other perks and benefits small businesses offer:

“No hierarchy, regular team meetings, relaxed attire, work from home, no set clock, slush machine and foosball.”

Computer systems design services, Saskatchewan

“Staff functions including golf tournaments, bowling parties for them to include their families, and Christmas parties. These give employees an opportunity to spend time together in a relaxed setting and grow relationships.”

Residential building construction, Alberta

“We have a flexible work schedule giving each full time employee every other weekend off. We also provide monthly gas bonuses along with Christmas bonuses. Periodically we surprise staff with a small gift for no other reason than saying thank you for the work you do for us.”

Gas station, Newfoundland and Labrador

“Family and pets are welcome. Weekly staff lunch.”

Electronics and appliances store, British Columbia

“Offer to become shareholders after five years.”

Fabricated metal product manufacturing, Manitoba

“Recently added a pension plan. Annual pay increases now as opposed to every other year.”

Construction, Nova Scotia

“We offer all that stay a fitness membership at local gym. We offer free golf to all staff.”

Full service restaurant, P.E.I.

“We offer amazing milestones to encourage employees to maintain their employment with us. For instance, our employees that have been with us for 15 years are provided a one-week all-inclusive trip to a place such as Mexico, etc.”

Office furniture, Alberta

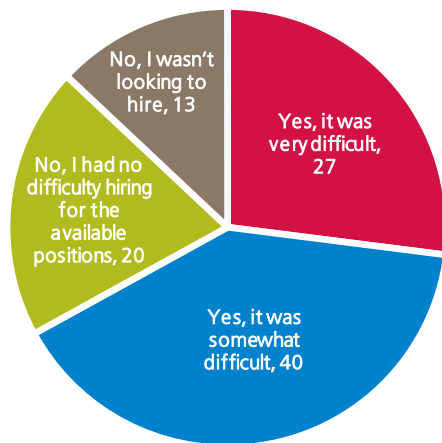
Hiring is a big challenge for smaller firms

Two-thirds of small businesses have experienced difficulties hiring in the past three years (see Figure 3). Hiring was especially difficult for businesses in Alberta and natural resources.

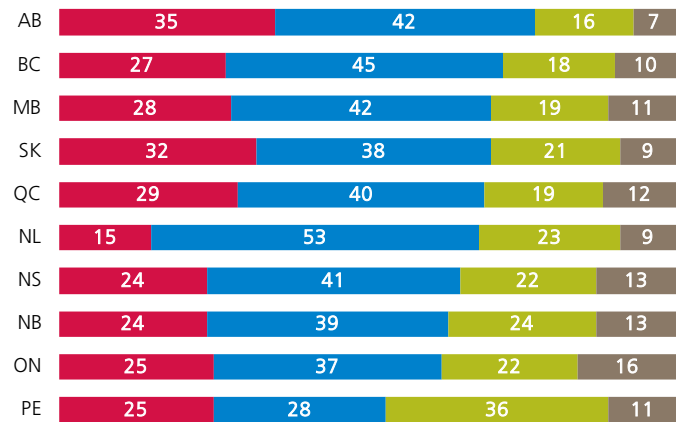
Figure 3

During the past three years, have you had any difficulty hiring? (% response)

Canada

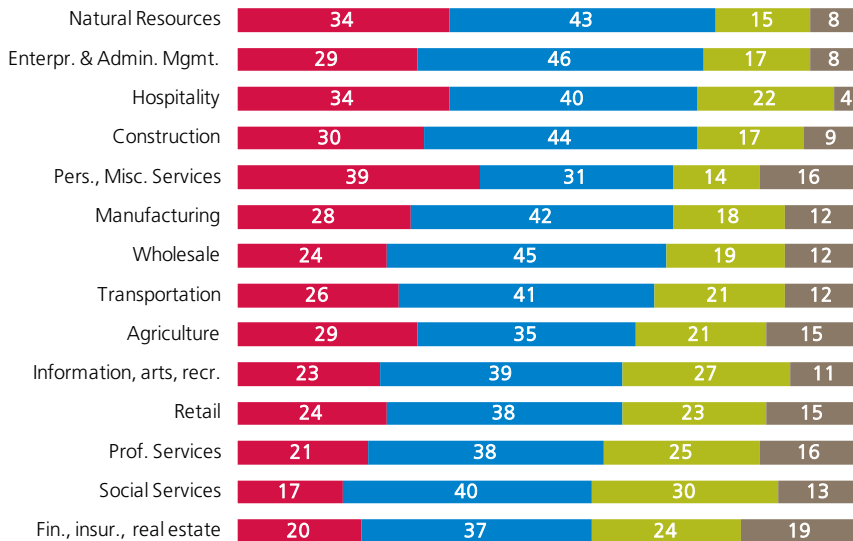


Provinces



- Yes, it was very difficult
- Yes, it was somewhat difficult
- No, I had no difficulty hiring for the available positions
- No, I wasn't looking to hire

Sectors



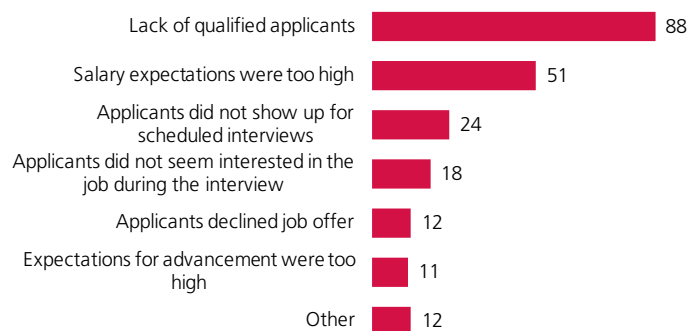
- Yes, it was very difficult
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- No, I had no difficulty hiring for the available positions
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Finding qualified staff is the biggest hiring challenge

The lack of qualified applicants is by far the biggest difficulty when hiring (see Figure 4). Salary expectations that exceed a small firm's ability to pay is the second biggest issue. Applicants' not showing up for scheduled interviews is an issue for one in four small businesses, with an additional 18 per cent suggesting that applicants did not appear interested in the job during interviews.

Figure 4

During the past three years, what were your biggest difficulties with applicants when hiring? (% response)



Note: Only business owners who indicated that it was very or somewhat difficult to hire employees in the past three years responded to this question.

Salary expectations that are too high is a more significant issue in Alberta than in other parts of Canada, for example, because applicants expect wages similar to those paid in the natural resources sector. No-shows for interviews are also more common in Alberta.

Applicants' not showing up for interviews, or when they do, not seeming interested in the job are more severe difficulties in the hospitality sector than other sectors.

No or few applications, an unwillingness to work in remote or rural areas, and new hires not showing up for work were often mentioned as other difficulties. Several business owners also mentioned a sense of entitlement and poor work ethic among applicants (e.g. asking for high wages despite little experience, unwillingness to do physical labour).

"Our problem is trying to find the right person willing to buy the business; young people these days want the money but don't want to have to work for it, especially if the job is physically demanding."

Personal household goods repair, Nova Scotia

"Applicants need to be realistic about the progression of pay rate in conjunction with the level of experience. They need to understand the concept of an entry level position."

Health and personal care store, Alberta

"We are not getting that many applicants. Attitudes towards physical labour need to change."

Specialty trade contractor, British Columbia

"Young, new employees present the biggest challenges, often arriving with a sense of entitlement and lacking strong work ethics."

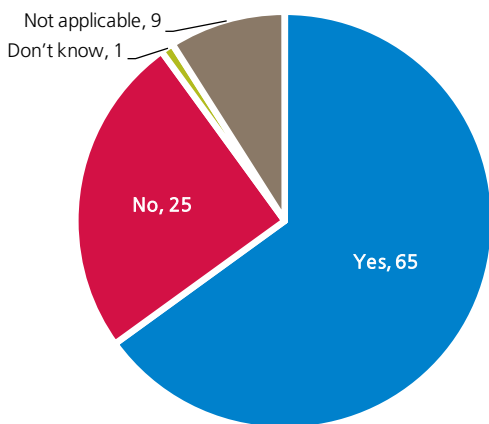
Hotel/Motel/B&B, New Brunswick

Employees do not always quit with adequate notice

Employees typically give reasonable (e.g. two weeks) notice before leaving their job. Yet, one quarter of small businesses have not had this experience (see Figure 5). Most affected are firms in Alberta and Saskatchewan, as well as the hospitality and natural resources sectors.

Figure 5

In your experience, have employees typically given you reasonable notice (e.g. two weeks) before leaving their jobs? (% response)

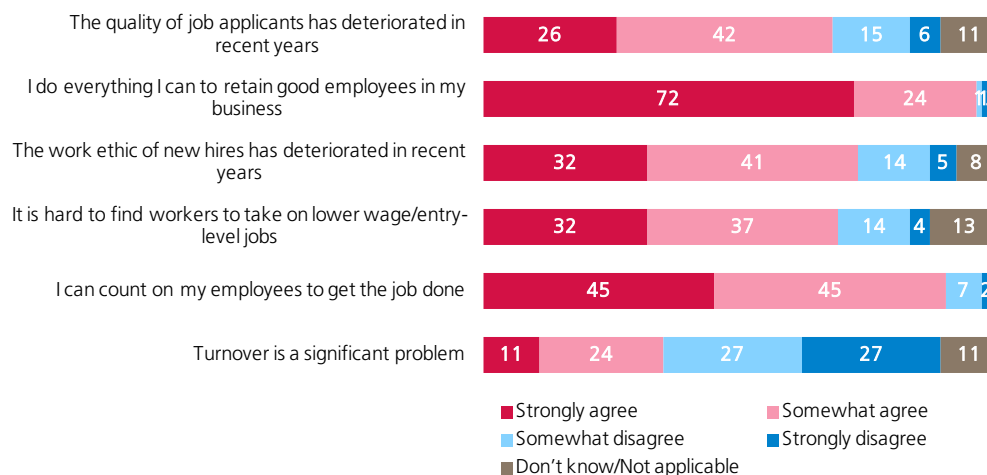


Small employers happy with current workers but struggle to find quality new recruits

Most business owners can count on their employees to get the job done and do everything they can to retain good employees. But while they are pleased with most existing workers, they find that the quality of applicants and the work ethic of new hires have deteriorated in recent years, particularly when recruiting for entry-level jobs. Turnover is a significant problem for about a third of small businesses (see Figure 6). These challenges are more severe for businesses in hospitality, and in Newfoundland and Labrador and Alberta.

Figure 6

To what extent do you agree or disagree with the following statements about your business? (% response)

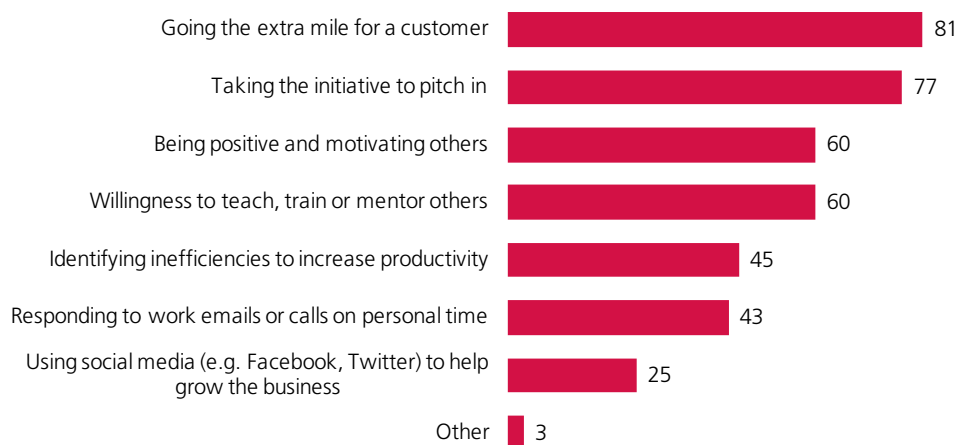


Business owners notice employees going above and beyond

Going the extra mile for a customer and taking the initiative to pitch in are the top two employee behaviours that boost business productivity, followed by staff being positive and motivating others, and being willing to teach, train and mentor others (see Figure 7).

Figure 7

The following is a list of behaviours that may positively affect productivity. Among your employees, have you observed any of the following? (% response)

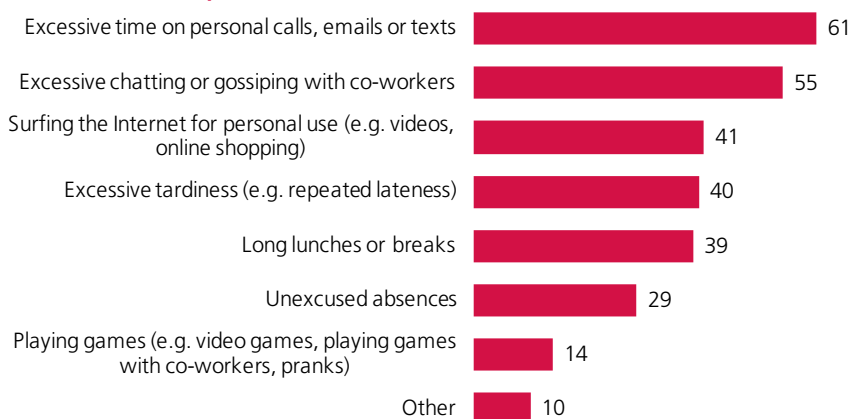


Personal calls, texts, web present productivity challenges

Employees spending excessive time on personal calls, emails or texts, or chatting with co-workers are the top two challenges to workplace productivity (see Figure 8). Notably, one quarter of those who selected “other” said they had not observed these behaviours.

Figure 8

The following is a list of behaviours that may negatively affect productivity. Among your employees, have you observed any of the following during work hours? (% response)



Tips for job seekers from small business owners

As part of this survey, CFIB asked its members for their best advice for job seekers. We were overwhelmed by the responses—almost 4,500 comments filling 200 pages. Some job seekers may not like some of these ideas or think that they are reasonable. Not all small business owners may share these views either. However, it is important information nonetheless if one is trying to understand the perspective of those on the other side of a desk in a job interview.

- ▶ Leave the PJs & flip flops at home. Come dressed appropriate to the nature of the work you are considering. Be clean and well-groomed.
- ▶ Prepare a short, simple resume. No need for flowery prose, but, above all, ensure there are zero spelling or grammatical errors.
- ▶ Don't have mom talk for you in interviews.
- ▶ Consider jobs in smaller communities - often there are fewer people looking for work.
- ▶ Think long-term. Consider the experience you're going to get, not just the immediate paycheque.
- ▶ Be honest about skills, but express eagerness to fill any gaps.
- ▶ Make sure you network - employers often prefer to get a referral from someone they know or trust.
- ▶ Research the company and industry in which you are applying to work.
- ▶ Try to stick with jobs for at least two years. Lots of short-term jobs raise questions.
- ▶ Don't talk about money until all other issues are discussed.
- ▶ Be aware that employers use Facebook too. What you post may affect your chances.
- ▶ Don't rely on the Internet alone for job applications. Seek out smaller, independent firms and bring in your resume personally. Employers won't bite.
- ▶ Provide short, truthful explanations for any employment gaps or sudden departures but don't slam your previous employers.
- ▶ Look for ways to demonstrate enthusiasm for the company or industry you are considering. Often, this counts for more than your experience or education.
- ▶ Everyone has scheduling constraints, but don't lead with asking for every weekend or evening off. Small employers provide extra flexibility to those who show it in return.

*"Know something about the business for which you are applying. Know whether or not you are really targeting an appropriate line of work."
Fleet trucking business, P.E.I.*

*"With respect to the first point of contact, nothing says 'serious contender' like someone who comes in person to introduce themselves to the hiring manager, all the while prepared with CV/resume in hand and a clean, professional image."
Recreation, Ontario*

*"Persistence: we aren't always hiring but when we do we call the people that kept calling and stopping by."
Specialty trade contractor, Manitoba*

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- "Be energetic and positive, put your heart into your work, because you will be happier in your job and it will rub off on the rest of your team and the customers."
Self-storage business, British Columbia
- "We hire as much based on personality and fit, as we do experience and education."
Insurance company, Ontario
- "Think long term. Don't think about what you're getting paid today for what you're doing today. Instead, consider the experience and knowledge you will gain and the benefits they will bring you for the rest of your life."
Accounting, Manitoba
- "Realize the job market and salary pay scale within the area that you are applying for work. For example, people expect oil patch type wages in non-oil patch markets."
Fabricated metal product manufacturer, British Columbia
- "Don't worry about what level you start at. Get a foot in the door where you can follow your passion and advancement and salary will follow you."
Newspaper, Alberta
- "Be prepared to get in at the ground level and work your way up. Too many young people today want it all NOW."
Retailer, Quebec
- "Job seekers should be ready and willing to do a variety of tasks - especially when working for small family run businesses."
Farm, British Columbia
- "Be prepared to leave the urban areas for work in the rural areas. Wages may not be as high, but neither is the cost of living."
Quick-service restaurant, Saskatchewan
- "Be able to clearly articulate what you know, show an understanding of where your skills fit in the broader industry context, and display a passion for continuous learning."
Software publisher, Nova Scotia
- "Dress appropriately (you could be the next representative for the business that's interviewing you), speak clearly and courteously on your cell phones (how you speak/text is very indicative of how you would speak to clients)."
Health and personal care store, Ontario
- "When you come to an interview don't bring your mother – I kid you not. Try to dress up a bit and don't wear sweat pants, crop tops or flip flops."
Trucking, Saskatchewan
- "We recommend networking. We much prefer hiring a person we have a connection with from a personal network rather than meeting someone for the first time. Job seekers should do their best to build a network and seek out meetings just to ask questions, understand and make personal connections."
Transportation, British Columbia
- "Be honest about experience. Don't try and bluff your way in, admit any weakness and specify how you intend on improving. Present a clear and concise resume and be prepared to answer questions about the job you are applying for. In other words, do your homework."
Consulting services, New Brunswick
- "When applying to work in a retail environment, you need to be flexible and available when employers need you the most...evenings and weekends."
Retail, Newfoundland and Labrador
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Survey methodology

Results are based on CFIB's *Small Business and Labour Survey* (conducted May 11-25, 2015 online, n=8,824) and are accurate to ± 1.0 percentage points 19 times out of 20. Please refer to the separate Appendix for additional survey results by province and sector.