2018 North Carolina Employer Needs Study

NCWorks Commission Meeting
February 14, 2018

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Labor & Economic Analysis Division
NC Department of Commerce
About the Survey

• Sponsored by NCWorks Commission
• Phone survey administered by NCSU’s Center for Urban Affairs & Community Services
• 3rd Biennial Survey since 2014
• Representative sample of all NC employers with 10+ employees
• Additional sample of businesses in Manufacturing & STEM (in-process)
• Nearly 2,000 completed surveys (Oct-Nov, 2017), responses from all 100 counties
• New in 2018
  • Geographic analysis
  • Examination by position seniority
  • Adjusted questions on training needs / behavior
Needs In Context

How has NC’s Economy Changed in 5 Years?

400,000 more Jobs, 200,000 fewer Unemployed
Nov 2012 – Nov 2017

375,000+ Service Jobs, 55,000 Goods Producing Jobs
Nov 2012 – Nov 2017

Sources: NC Commerce, LEAD, LAUS (unemployed) & CES (jobs)
Statewide Total & 4 Regional Views
Largest Metro Areas (Charlotte & Triangle)
Small & Mid-Size Metros (all other MSA counties)
Micropolitan Counties (small cities/large towns)
Non-Metro, Rural Counties
Employers with Hiring Difficulties

Half of NC Employers Who Attempted to Hire had Some Difficulty

In past 12 months

More Difficulty in 2018 Study

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Percent of Employers Attempting to Hire

All Employers

2014
88.5%

2016
89.0%

2018
88.0%

2014
2016
2018
Employers with Hiring Difficulties

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<th>Year</th>
<th>Employers Attempting to Hire</th>
<th>Percentage</th>
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<tr>
<td>2014</td>
<td>43.6%</td>
<td></td>
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<tr>
<td>2016</td>
<td>38.5%</td>
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</tr>
<tr>
<td>2018</td>
<td>49.6%</td>
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Manufacturers with Hiring Difficulties

Percent of Manufacturers Attempting to Hire
In past 12 months

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<td>2014</td>
<td>45.3%</td>
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<tr>
<td>2016</td>
<td>45.9%</td>
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**More Difficulty** in 2018 Study

**Over Half** of NC Manufacturers *Who Attempted to Hire*
had Some Difficulty
Difficulty by Position Level

- **Entry-Level Positions** = 1 year experience or less
- **Mid-Level** = 2-4 years of experience
- **Senior** = 5 years or more experience

### Overall, all industries
- **Entry**: 42.6%
- **Mid-Level**: 35.5%
- **Senior**: 32.0%

### Manufacturers
- **Entry**: 44.2%
- **Mid-Level**: 44.6%
- **Senior**: 35.2%
Difficulty by Position Level

Entry-Level Positions

- 75% ‘Employability'/Personal Skills (work ethic, professionalism, reliability, motivation, etc.)
- 59% Low Number of Applicants cited by only 34% of employers for overall difficulties in 2014 study
- 52% Soft Skills (communication, teamwork, critical thinking, creativity, etc.)
- 45% Technical/Occupational Skills
- 45% Work Experience
- Criminal Record (29%) & Failed Drug Test (28%) mentioned >2-times as frequently as other position levels
- Commuting Distance cited at all three levels between 26%-33%
Difficulty by Position Level

Specifics

**Mid-Level Positions**

- 67% Technical/Occupational Skills
- 63% Work Experience
- 58% Low Number of Applicants
- 57% ‘Employability’/Personal Skills (work ethic, professionalism, reliability, motivation, etc.)
- 56% Education Level/Certification
- 48% Soft Skills (communication, teamwork, critical thinking, creativity, etc.)

Overall, all industries
Difficulty by Position Level

Senior-Level Positions

- 61% Work Experience
- 59% Low Number of Applicants
- 56% Education Level/Certification
- 49% ‘Employability’/Personal Skills (work ethic, professionalism, reliability, motivation, etc.)
- 45% Technical/Occupational Skills
- 40% Soft Skills (communication, teamwork, critical thinking, creativity, etc.)
- 40% Low Pay/Compensation mentioned for 34% & 37% of difficult to fill Entry & Mid-Level Positions
Difficulty by Position Level

Key Differences with Employers Overall

- ‘Employability’/Personal Skills lower problem for Senior Positions (~30%)
- Greater issues at Senior Level with Education/Certification & Technical/Occupational Skills
- 2/3rds say Low # of Applicants for Mid- & Senior Positions
- Higher issues with Drug Testing at Entry (35%) & Mid-Levels (24%)
- Fewer Soft Skills problems among Entry (43%) & Mid-Levels (36%)
Employers’ Greatest Workforce Challenge

Overall, all industries:

• **Finding Job Candidates** – 40%
• **Turnover** – 40%
• Staff Development/Training – 11%
• Hiring – 7%
• Promotion & Advancement – 3%

Manufacturers:

• **Finding Job Candidates** – 60%
• **Turnover** – 22%
• Staff Development/Training – 10%
• Hiring – 6%
• Promotion & Advancement – 2%
Sources of Recruitment

- All more frequently used than in ‘16 study
- Roughly ½ as many use Word of Mouth Exclusively

- Word of Mouth: 90%
- Internet Job Sites: 62%
- Online Company Job Boards: 55%
- Social Media: 44%
- Community Colleges: 39%
- Colleges/Universities: 31%
- NCWorks Online: 28%
- Newspapers: 26%
- Recruiting/Temp Agencies: 24%
- NCWorks Career Centers: 16%
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- Lower Career Center use in Charlotte/Triangle (10%), More in Micropolitans (24%) & Rural (23%)
- Higher among Manufacturers
Employers’ Responses to Challenges

- Majority increase **Trainings** (60%), revise Pay Scales & Benefits (51% all, 59% manufacturers)

- Median 20 total hours per year
- 40% use private trainers/vendors
- 19% use NC Community Colleges
  - 25% of Manufacturers
- 11% use Universities
- 6% use NCWorks Career Centers

Bar Chart:
- Informal, on the job: 93%
- Formal customized training: 71%
- Self-study or online: 42% (57%)
- Seminars / conferences: 46%
- Classes/general training (e.g. college, vendor, etc.): 33%
- Apprenticeship programs: 23%
Employers’ Responses to Challenges

• Majority increase Trainings (60%), revise Pay Scales & Benefits (51% all, 59% manufacturers)

• ½ of Manufacturers use **Temp Services** vs ¼ of all employers

• 28% automate functions
  39% of Manufacturers

• A few turn down business as result of challenges (11%)

• 28% use workforce system resources (NCWorks, NCCCS, WDBs, etc.)
  41% of Manufacturers
Why Employers Don’t Use NC’s Workforce System Resources

Career Centers, Workforce Boards, NCWorks Online, Community Colleges

Lower Awareness in Rural Areas
60% unaware

Lower Service Mismatch in Rural Areas
26% say don’t mismatch

Unaware of Resources

Services don't match needs

Available Job Candidates not right fit

Not Worth Time / Effort

Poor Quality Services

2x as High for Manufacturers
Employment Outlook for 2018

- 43% expect to Add Jobs at their site
  - Only 24% of Rural establishments expect to Add
  - 74% expect to Remain the Same in Rural

Similar percentages among Manufacturers & All Industries
Takeaways

• More employers claimed difficulty than 2016 study
  • Higher for Manufacturers
  • Tight labor market & structural economic changes are likely at least partially to blame

• Some limit to job growth (outsourcing & automation substitution)
  • A few forego business opportunities due to hiring difficulties

• Employers bullish on adding jobs in 2018
  • Less so in Rural areas

• Hiring Difficulties highest in mid-size Metro Areas (not Charlotte & Triangle)

• Difference in reasons for difficulty vary by position seniority
  • Employability/Personal Issues high – particularly for Entry-level positions
  • Lack of Relevant Experience high for Mid- & Senior Positions

• Employers expanding use of Internet resources for finding talent

• Opportunities exist for Workforce System to better market & match services
Questions?

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