Employer Survey: Nearly 40% Left Jobs Unfilled Due to Under-Qualified Applicants Published on July 2, 2014

(INDIANAPOLIS) – Jobs are there, but the employability of some Hoosiers isn't matching what's available says a new <u>statewide survey</u> by the <u>Indiana Chamber of Commerce</u>. Of the 532 participating employers, 39% (202) said they recently have left jobs unfilled due to unqualified applicants.

"That number is way too high and speaks to the work that policymakers, educators and employers still have to do. And also what individuals often need to do to make themselves more marketable for the type of employment they desire," asserts Indiana Chamber President and CEO Kevin Brinegar. "Collectively, we need to do better at connecting the dots regarding the open jobs and the qualifications it takes to land one of them."

The survey, in its seventh year, asked employers about their recruiting practices, training and continuing education offerings and skills needs in their workforce. More than 40% of the survey participants had under 50 employees and just over one-third represents manufacturing or advanced manufacturing industries.

In response to what education level is required for their unfilled jobs, two-thirds (67%) indicated beyond a high school degree, with 38% saying middle skills (certificates, certification or associate's degree) and 29% a bachelor's degree or higher. The most often cited occupations in need of good applicants were those in the skilled trades (such as an electrician or plumber) and engineering (from technician to design).

What makes getting the right talent pool mix all the more critical, Brinegar notes, is that 96% of the respondents said they expected the size of their workforce to increase or stay the same over the next 1-2 years. The majority – at 57% – are actually looking to add more employees during that time.

On a related topic, more than 70% of respondents (72%) said that filling their workforce was challenging, with nearly 20% labeling it the single biggest challenge they faced. "So even those that are able to find people for their open positions are having to spend more time on it than they would like, and more time away from the company's direct mission," Brinegar offers.

When it came to identifying what skills are the most difficult to find among applicants and new hires, several "soft skills" that are traditionally not assessed in an education setting were at the top.

Work ethic was the most lacking at 55%. Communication, problem solving and attendance/punctuality each registered 42-43%. Each of these soft skills was indicated as far more challenging to find than academic skills, such as reading, writing and math. Only 10% of the respondents said they had no challenges finding the skills they needed. Derek Redelman, the Indiana Chamber's vice president of education and workforce policy, emphasizes that "employers have tried to help themselves and their workers by offering tuition reimbursement, but not enough are taking advantage of the opportunity."

Case in point: Over half of employers surveyed (242 of 447) reported having tuition reimbursement programs. Yet, 64% of those respondents (156 of 242) stated the programs were seldom used by their employees and 5% said they were never used. Only 31% of employers reported that their tuition reimbursement programs were used frequently.

"Hoosier employers are frustrated by the skills of available workers," Redelman declares. "They are willing to invest time and resources to address those challenges, but what's too often missing is the willingness of workers and applicants to pursue the training and skills that employers value."

Employers surveyed also expressed interest in working with the education community to a greater extent. Two-thirds of respondents (67% of 458) said they felt businesses should be more involved in reviewing high school diploma and college degree requirements. And 90% felt employers should be more involved in the design of career and technical education (CTE) programs to make sure they were on target. Over half of employers (56% of 458) reported that they are currently involved with local schools, including internships (35%), classroom presentations (18%), job shadowing (16%) and more.

Consistent with last year's results, over two-thirds of employers (72% of 508) said they were getting little to no support from Indiana's workforce development system: Some 36% reported knowing about WorkOne but never having had any contact; 25% accessed the system but were not finding the services helpful; and 11% had no knowledge of these services. Only 19% of employers reported success in hiring applicants using WorkOne recruiters or the Indiana Career Connect job matching system.

"Given the continuing needs of employers and the persistent number of unemployed adults, these responses point to the critical importance of the Governor's focus on these issues and, specifically, the development of a strategic plan through the Indiana Career Council and local employer engagement through the Works Councils," Redelman concludes.

According to Brinegar, the results of this employer survey will also guide how the Indiana Chamber concentrates its efforts to achieve several goals under the organization's long-term economic development plan, <u>Indiana Vision 2025(www.indianachamber.com/2025</u>).

Among those goals: increase to 60% the proportion of Indiana residents with high quality postsecondary credentials, especially in the STEM-related fields (of science, technology, math and engineering); see a notable increase in Hoosiers having bachelor's degrees or higher; and develop, implement and fully fund a comprehensive plan for addressing the skills shortages of adult and incumbent workers who lack minimum basic skills.

View the survey results and executive summary at www.indianachamber.com/education.