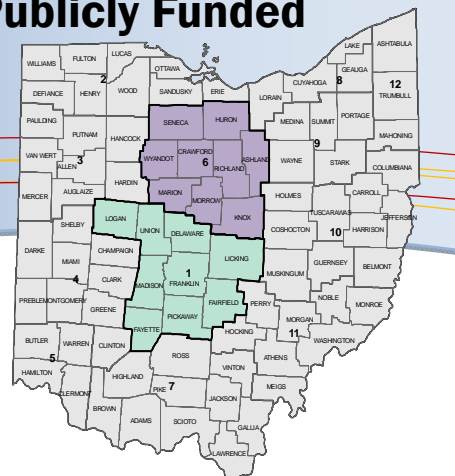


Employer Views of Ohio's Workforce and the Publicly Funded Workforce Development System

Central Ohio Regional Report



Economic Development Region Trends

The Central Region consists of two Economic Development Regions (EDRs), EDRs 1 and 6. In this section, survey findings are presented at the EDR sub-regional level.

EDR 1 is comprised of Delaware, Fairfield, Fayette, Franklin, Licking, Logan, Madison, Pickaway and Union Counties. EDR 6 consists of Ashland, Crawford, Huron, Knox, Marion, Morrow, Richland, Seneca and Wyandot Counties.

Skills Mismatch: One half of employers in EDR 1 report that current workers meet their skill requirements very well, consistent with nearly 53 percent of employers in EDR 6. (The statewide percentage is 42).

Job Vacancies: EDR 1 and 6 each report job vacancies. A larger percentage of employers in EDR 1, which contains the City of Columbus, reported job vacancies versus EDR 6 (20% and 12%, respectively). As noted in the executive summary, the number of employers reporting job vacancies was higher prior to the economic crisis that unfolded in mid September to early October.

Employee Recruitment and Retention: A majority of employers in EDRs 1 and 6 report that qualified applicants are hard to find (52% and 58%, respectively, compared to Ohio at 54%).

Dislocated Workers: Nearly one in five employers in EDR 1 say that they would not hire dislocated workers (individuals who have been terminated or laid off); while 14 percent of employers in EDR 6 say that they would not hire dislocated workers. These percentages compare to a statewide figure of 21 percent.

Public Workforce Development: Use of public workforce development services is consistent between the two EDRs. However, employers in EDR 1 are more likely to use transition services and labor market data than employers in EDR 6. In each case, 53%-55% of EDR 1 employers use these services versus 42%-44% of employers in EDR 6.

Executive Summary

In late 2008, thousands of interviews were conducted with employers across Ohio to assess their views of the workforce and the publicly funded workforce development system. Survey implementation occurred as the economic crisis was unfolding. The results offer insight into employer perspectives in the current economic climate. This report presents results for Central Ohio and its Economic Development Regions (EDR 1, including Columbus, and EDR 6, including Mansfield). Roughly 700 employer interviews were conducted in Central Ohio, resulting in a 36 percent response rate.

Skills Mismatch: In the Central Ohio Region, 52 percent of employers report that their current employees' skills meet their needs very well, while 48 percent of employers say that employees' skills are not well-suited to their needs. For Ohio, the percentage of employers having employees with skills unsuited to their needs is 58 percent.

Job Vacancies: Fifteen (15) percent of Central Ohio employers report job vacancies. This is a substantial decrease since the economic

crisis in fall 2008. Prior to the decline, 23 percent of employers in Central Ohio reported job vacancies.

Employee Recruitment and Retention: Identifying qualified applicants is a similar struggle in Central Ohio and the state as a whole, where 56 percent of employers in the Central region and 54 percent of employers statewide report that qualified applicants are hard to find.

Dislocated Workers: Employers in Central Ohio are generally more open to hiring dislocated workers; 84 percent of employers definitely or probably would hire displaced workers, compared to Ohio's 79 percent.

Public Workforce Development: Use of public workforce development services in Central Ohio lags the state for employee recruitment, training, and the use of internships and co-ops (e.g., 29% vs. Ohio's 33% usage of recruitment services). Conversely, Central Ohio's use of transition services and labor market data surpasses Ohio's (e.g., 26% vs. Ohio's 18% use of transition services).

Supply and Demand Mismatch

Nearly 48 percent of employers report that current workers' skills do not meet their needs. In Central Ohio, employers most need assistance in securing qualified applicants, and the need is similar among the goods producing and the service providing industries. Similarly for Ohio, the greatest need is for securing qualified applicants.

Workforce skill challenges are similar between the Central region and Ohio, except in terms of workers' cognitive skills, where the percentage of employers citing workforce cognitive skill challenges is 19 percent for Central Ohio and 15 percent for the State. Worker turnover and workers' non-cognitive skill issues are significantly greater challenges for medium sized firms in Central Ohio

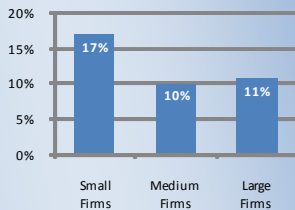
(medium sized firms employ 50 to 249 workers). The lack of non-cognitive skills (responsibility like attendance, self direction, etc.) is the most predominant workforce challenge in the Central region and in Ohio, where one in three employers cite this problem. Furthermore, one in four medium sized employers cite interactive communication as a common non-cognitive skill challenge.

Employee Recruitment and Retention: Nearly 56 percent of employers in the Central Ohio region report that qualified applicants are hard to find, compared to 54 percent statewide. Retaining qualified applicants is challenging for 13 percent of Central Ohio firms compared to 18 percent statewide.

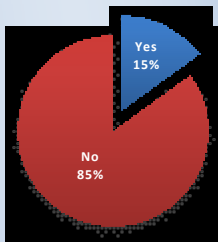
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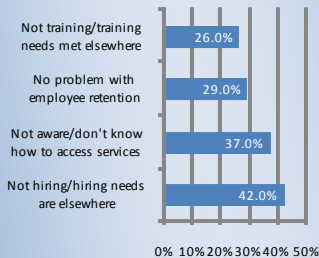
Unwillingness to Hire Displaced Workers by Employer Size



Do you have job vacancies?



Reasons for Not Using Public Workforce Development Services



Survey Implications: The public workforce development system in Central Ohio is inconsistently known and used, especially among small and medium firms. The relevancy of services is also an issue because many employers report that the services do not meet employer needs or they receive services elsewhere. While employers cite cognitive and non-cognitive training needs, the public workforce development system is not overt in how its resources can be tapped for on-the-job training and other types of employee training support.

Employer Perceptions of Dislocated Workers

Dislocated workers in Ohio face employment barriers, where more than one in five employers (21%) say that they would definitely not or probably not hire dislocated workers. In Central Ohio, the percentage is somewhat lower (16%); however, the percentage in EDR 1 (19%) approaches the statewide percentage. Furthermore, a near majority of Central Ohio's employers (49%) believe that dislocated workers, as a whole, have skill deficiencies that are barriers to employment

(Ohio's percentage is 53%).

Views of skill deficiencies did not vary by employer size, but did vary substantially by industry, where service providing industries were significantly more likely to say that dislocated workers from large manufacturing plants have barriers to their employability. The two primary barriers perceived by employers in the Central region are lack of skills and adaptability.

Characteristics of Employers with Particular Views of Dislocated Workers:

Across employer size classes, small firms were more likely to have a bias against hiring dislocated workers (17%) compared to medium size firms at 10 percent and large firms at 11 percent. No significant differences emerged between EDR 1 and 6 or between goods producing industries and service providing industries when examining employer willingness to hire dislocated workers.

Job Vacancy Opportunities

Regional View: Fifteen percent of employers in Central Ohio report job vacancies. Prior to the economy's steep downward trend around October 1, 2008, 23 percent of employers in Central Ohio reported job vacancies. Following the economic downward trend, job vacancies in Central Ohio decreased to 15 percent, a reflection

of the hiring freezes and general unwillingness to fill vacancies. The primary occupations for which there are job vacancies are customer sales representatives and registered nurses.

Employers in EDR 1 and 6 reported a different prevalence of job vacancies (20% and 12%,

respectively). In each EDR, larger employers were more likely to have job vacancies than smaller employers.

The survey also inquired about employment declines, which are significantly more likely to occur in goods producing industries.

Public Workforce Development

Roughly one in four employers in Central Ohio reported using public workforce development services.

Twenty-six percent of employers in Central Ohio uses transition services, employee training, and labor market data, while 29 percent reported using employee recruitment services.

Use of public workforce development services increases as the employment size of the firm increases.

The greatest reasons for not using Public Workforce Development services included companies not hiring or having hiring needs met elsewhere (42%). Additionally, nearly 37 percent are not

aware of or do not know how to access those services. Smaller firms are more likely to have never used public workforce development services.

Reasons for not using Public Workforce Development services differ by EDR. In EDR 1, nearly 48 percent of employers say they do not use public workforce development services because they are not aware of them, versus 29 percent in EDR 6.

Service providing industries were less likely to use public workforce development services than goods producing industries. Among service industries, the most prevalent reasons for not using public

workforce development services are due to lack of awareness (37%), not being in a hiring mode or hiring needs are met elsewhere (44%), and having no problems with employee retention (30%).

When asked if they had ever heard of One Stop Career Centers, 26 percent of employers in the Central Ohio region said "yes" (compared to 27% as the Ohio percentage). Larger firms were more likely to have heard of One Stops as were firms in the goods producing industries.