

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

Economic Development Region Trends

The Northeast Region consists of three Economic Development Regions (EDRs)—8, 9, and 12—that comprise 12 counties as depicted in the map above, right. In this section, survey findings are presented at the EDR sub-regional level. Participation from EDR 8 was low, therefore results for EDR 8 should be viewed with caution.

Skills Mismatch: Over half of employers in EDRs 8 and 12 (about 52%) report that current workers meet their skill requirements very well while 48% of employers in EDR 9 say so. The statewide percentage is 42%. Employers in EDR 12 more commonly cite non-cognitive skill deficiencies as challenges (42%) compared to EDRs 8 and 9 (36% and 26%, respectively).

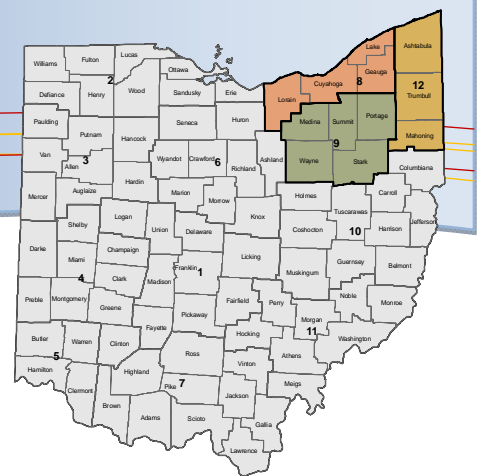
Job Vacancies: A similar percentage of employers in EDRs 8, 9, and 12 reported job vacancies (17-19%). Over half of employers in EDRs 8, 9 and 12 (51%, 57% and 56%, respectively) expect their employment levels to stay the same. The percentage of employers expecting to increase their total employment level is similar across EDRs (12-15%).

Employee Recruitment and Retention: A majority of employers in EDRs 8, 9, and 12 report that qualified applicants are hard to find (56-62% compared to Ohio at 54%).

A similar percentage of employers in EDRs 9 and 12 report difficulty in retaining qualified workers (19% and 20% vs. 18% for Ohio).

Dislocated Workers: Over 16% of employers in EDRs 8, 9 and 12 report that they would not hire dislocated workers (individuals who have been terminated or laid off). The statewide percentage is 21 percent.

Public Workforce Development: In terms of public workforce development services, such as employee recruitment and training services, EDR 12 generally had a higher usage rate than EDRs 8 and 9, with EDR 9 having generally substantially lower usage.



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 walked alongside employers as the economic crisis unfolded, and therefore offers insight. This report presents findings for Northeast Ohio and for its Economic Development Regions (EDRs 8, 9, and 12). Roughly 760 employers were interviewed for the Northeast Ohio analysis, resulting in a response rate of 29 percent.

Skills Mismatch: In the Northeast Ohio Region, over half of employers (51%) report that their current employees' skills meet their needs very well. For Ohio, the percentage is 42 percent.

Job Vacancies: Over 18 percent of Northeast Ohio employers report job vacancies. Prior to the economy's steeper downward trend around October 1, 2008, 32 percent of employers in Northeast Ohio had been reporting job vacancies.

Employee Recruitment and Retention: The survey asked employers if they could describe their

experience in securing qualified applicants and in retaining qualified workers. Identifying qualified applicants is a struggle for both Northeast Ohio and the state, with 58 percent and 54 percent of employers, respectively, citing that it is hard or very hard to secure qualified applicants. Retaining qualified workers is a similar struggle for employers in Northeast Ohio and Ohio as a whole (where 19% and 18%, respectively stated that it is very hard or hard to retain qualified workers).

Dislocated Workers: The survey asked employers if they would hire displaced workers (those who have been terminated or laid off). In Northeast Ohio, 17 percent of employers would either definitely not or probably not hire displaced workers compared to Ohio's 21 percent.

Public Workforce Development: When asked about use of public workforce services, 25 percent of employers in Northeast Ohio use the services compared to 33 percent for employers across Ohio.

Supply and Demand Mismatch

A majority of employers in the Northeast region of Ohio, 51 percent, perceive that the skills of their current workforce meet their needs very well. The services that employers most need are "specialized skills training" and "assistance in securing qualified applicants." A higher percentage of medium sized firms and firms in the service providing industries need assistance in securing qualified applicants, while smaller firms and firms in the goods producing industries were more likely to need help with specialized skills training.

Primary workforce challenges are similar between the Northeast region and Ohio. The greatest workforce challenges in Northeast Ohio are workers' non-cognitive skills (34%), the cost of labor (27%), and the lack of a skilled labor pool (21%). Workers' non-cognitive skills and turnover issues are greater challenges for medium sized firms compared to smaller firms. Responsibility like

attendance and self-direction are the most predominant non-cognitive workforce challenges in the Northeast region and in Ohio.

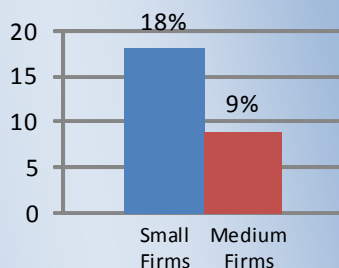
Employee Recruitment and Retention: Difficulty in securing qualified applicants is a recurring theme within the survey findings. Over 58 percent of employers in the Northeast Ohio region report that qualified applicants are hard or very hard to find (vs. 54% for Ohio). Securing qualified applicants is consistently difficult no matter the size of the firm or the industry classification of the firm.

Retaining qualified applicants is challenging for 19 percent of firms in Northeast Ohio. The challenge is present for goods producing and service providing sectors alike, but more difficult for smaller firms. The statewide percentage for difficulty in retaining employees is 18%.

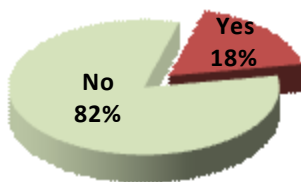
Employer Views of Ohio's Workforce and the Publicly Funded Workforce Development System

Northeast Ohio Regional Report

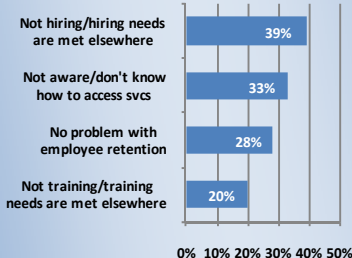
Unwillingness to Hire Displaced Workers by Employer Size



Do you have job vacancies?



Reasons for Not Using Public Workforce Development Services



Survey Implications

There is quite uneven usage of the public workforce development system across the EDRs that comprise the Northeast Ohio region, with higher usage occurring in EDR 12 and a substantially lower usage rate in EDR 9, while the need for services appears to be relatively high in EDR 9. Most employers in EDR 9 report never having heard of One Stops (85%) and being unaware of public workforce services (42%). Branding and opportunities to share lessons learned would be beneficial strategies for EDR-level systems across the Northeast region.

Employer Perceptions of Dislocated Workers

Dislocated workers in Ohio face employment barriers from the start, where more than one in five employers (21%) say that they would definitely not or probably not hire dislocated workers. In Northeast Ohio, the percentage is somewhat lower (17%). Yet, a near majority of Northeast Ohio's employers (48%) 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 employment size or by industry. The three primary barriers perceived by employers in the Northeast region are lack of skills, cost of labor, and attendance.

Characteristics of Employers with Particular Views of Dislocated Workers:

Among employer class, small firms are more likely to have a bias against

hiring displaced workers (18%) compared to medium firms at 9 percent. Between goods producing and services providing industries, over 17 percent of service providing industries are more likely to have a bias against hiring displaced workers than goods producing industries at 12 percent.

Job Vacancy Opportunities

Regional View: Eighteen percent (18%) of Northeast Ohio employers report job vacancies. Prior to the economy's steeper downward trend around October 1, 2008, 32 percent of employers in Northeast Ohio reported job vacancies. Following this downward trend, job vacancies reported by employ-

ers in Northeast Ohio dropped by nearly half. For the statewide survey, where most data collection concluded by October 1, the job vacancy rate was 25 percent.

In Northeast Ohio, job vacancies continue to be reported for selected occupations such as for nurses and engineers.

There is a statistically significant difference in how employers respond to the job vacancy question depending on employer size. Over 28 percent of medium size employers report job vacancies compared to 16 percent of smaller employers. Employment declines are equally likely to occur in the goods producing and service providing industries.

Public Workforce Development

One-fourth (25%) of employers in Northeast Ohio report using public workforce development services compared to 33 percent for Ohio overall. In Northeast Ohio, there is very little variability in the types of workforce development services used—22 percent to 25 percent of employers use employee recruitment services, internships/co-ops, transition services (like help with layoffs), labor market data, and training services. Service providing industries were more likely to use these services than goods producing industries. Reasons for not using these services include the fact that the company has not been hiring or its hiring needs are met elsewhere (39%), employers are unaware or do not know how to access services (33%), they do not have a problem with employee retention (28%), and they are not training or their training needs are

met elsewhere (20%). Smaller firms are less likely to have used public workforce development services compared to medium sized firms. Smaller firms were also less likely to know how to access the services or have employee retention problems compared to medium size firms. While the employment size of the firm affected responses, the industry (whether goods producing or service providing) had no bearing on responses.

Use of public workforce development services increases as the employment size of the firm increases. Over 32 percent of medium size firms in Northeast Ohio report using public workforce development services, compared to 16 percent of small firms.

The percentage of employers reporting that public workforce development services do not meet their

needs (16%) and those reporting past dissatisfaction with services like inflexibility and timeliness (3%) are higher in Northeast Ohio than the percentages for all of Ohio (10% and 2%, respectively).

When asked if they had ever heard of One Stop Career Centers, 30 percent of employers in Northeast Ohio said "yes" compared to 27 percent of employers across Ohio. Medium size firms were more likely to have heard of One Stop Career Centers. A higher percentage of firms in the goods producing industries have heard of One Stop Career Centers than those in the service providing industry but the difference was not significant.