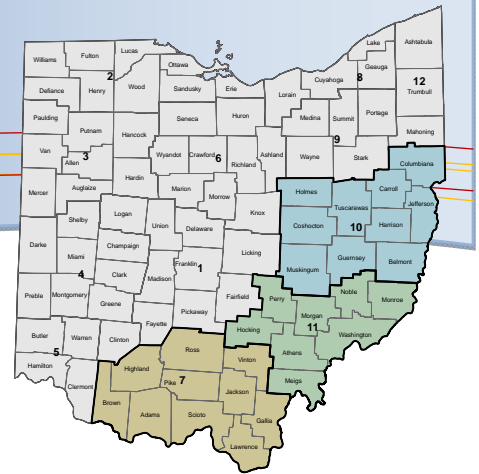


# Employer Views of Ohio's Workforce and the Publicly Funded Workforce Development System



## Economic Development Region Trends

The Southeast Region consists of three Economic Development Regions (EDRs)—7, 10, and 11—that comprise 28 counties as depicted in the map above, right. In this section, survey findings are presented at the EDR sub-regional level.

**Skills Mismatch:** Over half of employers in EDR 7 (56 percent) report that their current employees meet employer skill requirements very well (compared to 51% in EDR 10 and 52% in EDR 11). The statewide percentage is 42 percent.

**Job Vacancies:** Over 21 percent of employers in EDR 11 report job vacancies compared to EDRs 7 and 10, where 15 percent of employers report job vacancies. The statewide percentage is 25 percent.

**Employee Recruitment and Retention:** Nearly half of employers in both EDR 7 and EDR 11 (48 percent) report that qualified applicants are either hard to find or very hard to find, whereas 40 percent of EDR 10 employers report this difficulty. Statewide, 54 percent of employers report the difficulty.

Over 23 percent of employers in EDR 11 report employee retention as an issue compared to 22 percent for EDR 7 (17% for EDR 10). The statewide percentage is 18.

**Dislocated Workers:** EDRs in Southeast Ohio are among the most willing to hire dislocated workers. (In EDR 10, 12% are generally unwilling to hire dislocated workers, vs. 15% in EDR 7 and 17% in EDR 11 compared to 21% for the state as a whole).

**Public Workforce Development:** When asked if firms used public workforce development services, 29 percent of employers report service usage. Public workforce development services were used more by employers in EDR 7 than in EDRs 10 and 11. Such services include employee recruitment, employee training, co-ops and internships, transition services, and labor market data.

## Executive Summary

In late 2008, the Center for Urban and Public Affairs at Wright State University conducted interviews with thousands of employers across the State of Ohio to assess their views of the current workforce and the publicly funded workforce development system. Survey implementation followed employers as the economic crisis unfolded, and therefore offers insight into how the problem has evolved. This report presents findings for Southeast Ohio as a whole and for its three Economic Development Regions (EDRs 7, 10, and 11) depicted in the map above. Roughly 820 employer interviews were conducted in Southeast Ohio, resulting in a 36 percent response rate.

**Skills Mismatch:** In the Southeast region, just over half (53 percent) of employers report that their current employees' skills are very well suited to their needs. For the State of Ohio, the percentage is 42 percent, indicating a better match of skills and demand in Southeast Ohio.

**Job Vacancies:** Fewer employers have job vacancies in the Southeast (17% vs. 25% for Ohio). However, most data collection for the state survey was completed before October 1, 2008, when the economy started its steeper downward trend;

## Supply and Demand Mismatch

Employers report needing assistance in securing qualified applicants (22%), providing specialized skills training (22%), and providing basic workforce skills training (21% vs. 15% statewide). These needs are greatest among service providing industries (financial services, hospitality and leisure, and health services) and in smaller firms (1-49 employee firms). Across Ohio, the greatest need for assistance is in securing qualified applicants (27%).

Workforce challenges are generally similar between the Southeast region and all of Ohio combined. Southeast Ohio's most pressing challenges are workers' non-cognitive skills (36 percent) and the cost of labor (28 percent). The most predominant challenges with non-cognitive skills in the Southeast region compared to the State of Ohio are self-direction (22 percent vs. 25 percent) and responsibilities like attendance (26 percent vs. 27 percent). One difference is the percentage of organizations in Southeast Ohio (20 percent)

while 85 percent of Southeast Ohio's questionnaires were completed after October 1. Prior to this date, the percentage of employers having job vacancies in the Southeast was 20 percent compared to 17 percent after October 1.

**Employee Recruitment and Retention:** In the Southeast, 46 percent of employers say that qualified applicants are hard to find versus 54 percent for the State of Ohio. Retaining qualified workers is a similar struggle in the Southeast as on a statewide level. That is, 21 percent of Southeast employers report retention difficulties compared to 18 percent for the statewide percentage.

**Dislocated Workers:** In Southeast Ohio, 15 percent of employers either would definitely not or probably not hire displaced workers as compared to the state's 21 percent.

**Public Workforce Development:** The use of public workforce development services is similar in the Southeast as in all of Ohio. However, a higher percentage of employers in Southeast Ohio use the public workforce development system's transition services than the statewide percentage (29% vs. 18%, respectively).

which report challenges with workers' cognitive skills (i.e. ability to allocate time & resources, acquire & evaluate information, and ability to select & apply technology) compared to 15 percent for all of Ohio. Additionally, 24 percent of employers in Southeast Ohio report that the lack of a skilled labor pool was a challenge, while 19 percent agreed statewide.

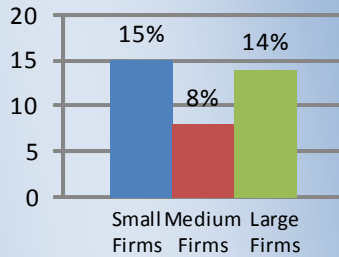
**Employee Recruitment and Retention:** Difficulty with securing qualified applicants is a recurring theme in the survey findings. Nearly 46 percent of employers in Southeast Ohio report that qualified applicants are either hard to find or very hard to find. The difficulty is similar in service providing (45%) and goods producing (48%) industries.

Similarly, 21 percent of firms in the Southeast report *retaining qualified applicants* to be a challenge. The challenge is greater for the service-providing sector and among smaller firms.

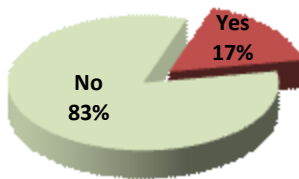
# Employer Views of Ohio's Workforce and the Publicly Funded Workforce Development System

## Southeast Ohio Regional Report

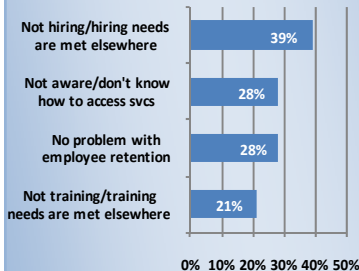
Unwillingness to Hire Displaced Workers by Employer Size



Do you have job vacancies?



Reasons for Not Using Public Workforce Development Services



### Employer Perceptions of Dislocated Workers

Dislocated workers face employment barriers in Ohio. While only 15 percent of employers in the Southeast report that they would definitely not or probably not hire displaced workers, nearly half of employers (46 percent) believe that dislocated workers, as a whole, have skill deficiencies that are barriers to employment. The statewide percentage of employ-

ers with this belief is 53 percent. The four primary barriers perceived by employers in the Southeast were the adaptability of dislocated workers, the cost of labor, their perceived lack of skills, and the aging of that workforce.

**Characteristics of Employers with Particular Views of Dislocated Workers:** Of the 15 percent of employers

who would definitely not or probably not hire displaced workers, medium size employers emerged as those most likely to hire them.

**Industry Affiliation:** Among industry classes, both goods-producing (86 percent) and service-providing industries (85 percent) similarly report their willingness to hire dislocated workers.

### Job Vacancy Opportunities

Over 17 percent of employers in the Southeast report that they have job vacancies. The primary occupations for which there are job vacancies are laborers and machinists in EDR 7, engineers and sales clerks in EDR 10 and waiters and laborers in EDR 11.

There is a statistically significant difference in how employers re-

spond to the job vacancy question depending on their size. Medium employers are more likely to have job vacancies than smaller size companies. Additionally, job vacancies are more prevalent in the service-providing industry.

Regarding future employment levels, 58 percent of Southeast Ohio firms predict that their total employment

will remain the same in the next six months. More small firms believe their employment levels will remain the same in the next six months as compared to medium and larger size firms. Twelve percent (12%) of firms predict that their employment levels will increase. This optimism is present in medium and large size firms and is equally present among goods producing and service providing industries.

### Public Workforce Development

Twenty-nine percent (29%) of Southeast Ohio employers use public workforce development services. Satisfaction with public workforce development services ranges from 77 percent for recruitment services to 99 percent for use of labor market data. Reasons for not using these services include the fact that an organization has not been hiring or its hiring needs are met elsewhere (39%), an employer is unaware of how to access the services (28%), or employers have no problems with employee retention at their organization (28%).

Small firms were more likely to use employee recruitment programs. Medium size firms were more likely to use internships and co-ops, and transition services. Large firms were more likely to use employee training, transition services, and labor market data.

The percentages of employers reporting that they have not been training or needs are met elsewhere (21%) and those reporting public workforce development services do not meet their needs (19%) are higher in the Southeast than for the State overall (14% and 10%, respec-

tively). Furthermore, 19 percent of small firms and 20 percent of service-providing industries report that they are not using public workforce development services because those services do not meet employers' needs.

When asked if they have ever heard of One Stop Career Centers, 39 percent of employers in the Southeast said "yes" compared to 27 percent of employers across Ohio. In Southeast Ohio, medium and large firms were more likely to have heard of One Stops as were employers in EDRs 7 and 11.

### Survey Implications

Public workforce development services in the Southeast are used by 29 percent of employers. Those who do use the services have a high satisfaction rate. At the same time, a substantial percent of employers do not use public workforce development services and a relatively high percent (19%) have

the view that these services do not meet employers' needs. A real opportunity is present for workforce development leaders in Southeast Ohio to use testimonials, measures of customer satisfaction, and other means to market the use of these services across the region. A service to promote is basic skills training,

given that a higher percentage of Southeast employers identify basic skills training as their greatest need (21% vs. 15% statewide).