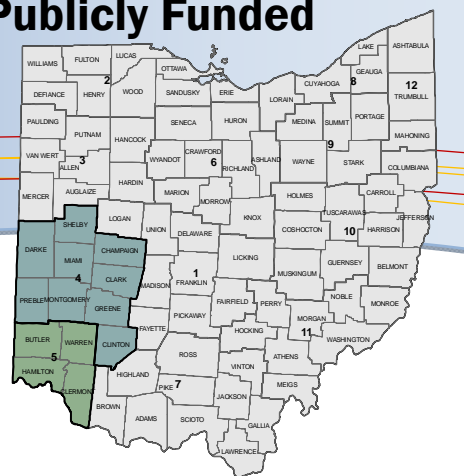


Employer Views of Ohio's Workforce and the Publicly Funded Workforce Development System

Southwest Ohio Regional Report



Economic Development Region Trends

The Southwest Ohio region consists of two Economic Development Regions (EDR's), EDR's 4 and 5. In this section, survey findings are presented at the EDR sub-regional level. Results for EDR 5 should be reviewed with caution due to a relatively low response rate.

EDR 4 is comprised of Darke, Shelby, Miami, Champaign, Clark, Greene, Montgomery, and Preble Counties. EDR 5 consists of Butler, Warren, Hamilton, and Clermont Counties.

Skills Mismatch: Under half of employers in EDR 4 (44%) report that current workers meet their skill requirements while 50% of employers in EDR 5 say so. (The statewide percentage is 42%). Employers in EDR 4 more commonly cite an aging workforce as a challenge (19% in EDR 4 vs. 13% for Ohio).

Job Vacancies: One in five employers (20%) in Southwest Ohio report job vacancies. Over half of the companies in EDR 4 expect their employment to stay the same (58%) in the next six months compared to EDR 5 at 50 percent (vs. 56% in Ohio).

Employee Recruitment and Retention: A majority of employers in EDR's 4 and 5 (59% and 63% respectively) report that qualified applicants are hard to find (compared to Ohio at 54%).

A similar percentage of employers in EDR's 4 and 5 report difficulty in retaining qualified workers (17% vs. 14% as compared to 18% statewide).

Dislocated Workers: Fifteen percent of employers in EDR's 4 and 5 state that they would definitely not or probably not hire workers who have been terminated or laid off (vs. 21% for the state as a whole).

Public Workforce Development: Use of public workforce development services differs slightly between the two EDR's. In fact, a greater percentage of employers in EDR 5 report use of public workforce development services as compared to employers in EDR 4.

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. This report presents results for Southwest Ohio and its Economic Development Regions (EDR 4 including Dayton and EDR 5 including Cincinnati). A total of 560 employer interviews were conducted, resulting in a 34 percent response rate.

Skills Mismatch: In the Southwest Ohio Region, 47 percent of employers say that employees' skills meet their needs very well. For Ohio, the percentage is 42 percent.

Job Vacancies: Twenty percent of Southwest Ohio employers reported job vacancies. Prior to the economy's steeper downward trend around October 1, 2008, 23.4 percent of employers in Southwest Ohio reported vacancies. The percentage for Ohio is 25 percent, how-

ever most of the employers for the statewide study were interviewed prior to October.

Employee Recruitment and Retention: Identifying qualified applicants is a larger struggle for Southwest Ohio's employers, where 61 percent of employers versus 54 percent in all of Ohio say that qualified applicants are hard to find. The challenge of retaining qualified workers is similar for the Southwest region (16%) and all of Ohio (18%).

Dislocated Workers: Employers in Southwest Ohio are generally more open to hiring dislocated workers. And yet 16 percent of employers would either definitely not or probably not hire displaced workers (vs. Ohio's 21%).

Public Workforce Development: Over one-third (34%) of employers in Southwest Ohio use public workforce development services vs. an average of 25 percent in Ohio. The most commonly used service is employee recruitment services.

Supply and Demand Mismatch

Nearly half of employers in the Southwest region of Ohio (47%), perceive that the skills of their current workforce meet their needs very well. Southwest Ohio employers most need assistance in securing qualified applicants (27%) and specialized skills training (26%). The need is greater in the service providing industries.

The challenge of addressing workers' non-cognitive skills is similar for employers in the Southwest region as compared to the state as a whole. The most common non-cognitive skills challenge for employers in the Southwest region is *responsibility like attendance* (23%). Being self-directed is another non-cognitive skill challenge as is performing as directed, especially in the goods producing industries. The lack of non-cognitive skills is

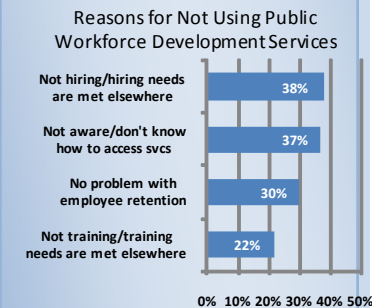
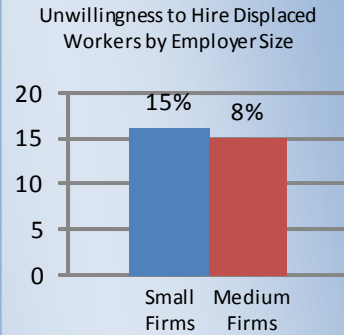
the most predominant workforce challenge in the Southwestern region and in Ohio, as compared to eight other workforce challenges (such as cost of labor, turnover, and an aging workforce).

Employee Recruitment and Retention: The difficulty of securing qualified applicants is a recurring theme in the survey findings. Nearly 61 percent of employers in the Southwest Ohio region report that qualified applicants are hard to find (vs. 54% for Ohio). Securing qualified applicants is more difficult in small firms but similar in both the goods and service industries.

Retaining qualified applicants is challenging for 16 percent of firms in Southwest Ohio (18% in all of Ohio).

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Survey Implications

Some unique findings in Southwest Ohio present opportunities for the public workforce development system, where the use of these services is higher than in Ohio overall. The system can leverage higher use by some types of employers to engage small employers, for example. Smaller employers exhibit more widespread resistance to hiring dislocated workers and yet job growth often comes from smaller and mid-sized employers. Therefore, the public workforce system may be able to make the greatest impact by making itself relevant and known to those employers.

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. Dislocated workers were defined as individuals who have been terminated or laid off. In Southwest Ohio, the percentage of employ-

ers that would not or probably not hire dislocated workers is lower (16%). At the same time, a near majority of Southwest Ohio's employers (44%) believe that dislocated workers, as a whole, have skill deficiencies that are barriers to employment. (Again, this is favorable when compared to Ohio at 53%). The two primary barriers

perceived by employers in the Southwest region are lack of skills and cost of labor.

Perceptions about hiring dislocated workers and their skill set deficiencies were consistent across small, medium, and large employers and across goods producing and service providing industries.

Job Vacancy Opportunities

Regional View: Nearly 20 percent of Southwest Ohio employers report that they have job vacancies. At the time of the survey, the primary occupations in Southwest Ohio, for which there are job vacancies, were truck drivers and customer service representatives.

large firms were more likely to report job vacancies than smaller firms were. Job vacancies were similar between EDR's 4 and 5, where 20% of employers in each region cited job vacancies.

Job vacancies were also relatively similar between goods producing and service providing industries (16% and 20%).

Employers were also asked about their plans, in the next 6 months, to change current employment levels. Most employers (55%) expected their total employment levels to remain the same, while 14 percent expected employment to increase, 11 percent expected employment to decrease, while others were uncertain.

Employers from medium and

Public Workforce Development

The use of public workforce development services in Southwest Ohio exceeds statewide use. For example, 35 percent of Southwest Ohio employers reported using employee recruitment services versus 33 percent for Ohio overall. A more dramatic difference is in the use of co-ops and internships where 34 percent of employers in Southwest Ohio have used them versus 29 percent in the state overall. Use of labor market data by Southwest Ohio employers far exceeds the average use across Ohio (34% v. 20%).

firm shows that the more common services used by smaller to medium-sized firms were employee recruitment and transition services.

Reasons for not using public workforce development services include the fact that the company has not been hiring or its hiring needs are met elsewhere (38%), employers do not know how to access the services (37%), or don't have problems with employee retention (30%). Across EDR's, employers in EDR 5 were more likely to report that they had not used public workforce services because they have not been hiring or hiring needs were met elsewhere and because they have not been providing training or their training needs are met elsewhere. Among employer size class and industry type, small firms in the goods producing industry

were more likely not to use public workforce development services because they had not been hiring or hiring needs were met elsewhere. Also of significance was that smaller firms had fewer problems retaining their employees compared to medium and larger size firms, which affected their use of public workforce services.

When asked if they had ever heard of One Stop Career Centers, 27 percent of employers in Southwest Ohio and across Ohio said "yes." In Southwest Ohio, smaller employers were more likely to have heard of One Stops as were employers in service providing industries.