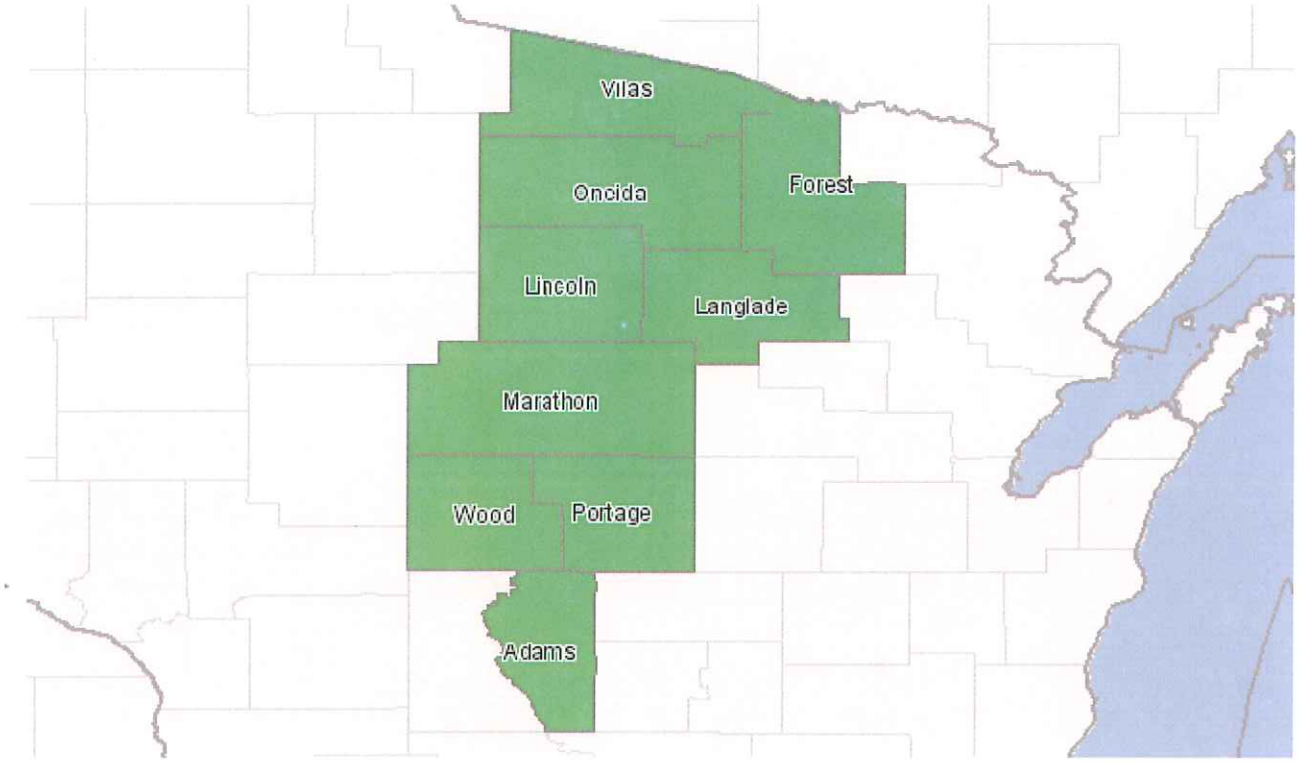
North Central Wisconsin Workforce Development Board

Executive Summary of Employer Survey

July 12, 2011



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Background

The North Central Wisconsin Workforce Development Board (NCWWDB) recently completed a workforce survey in response to a request from the Wisconsin Department of Workforce Development (DWD). The request asked each Workforce Development Board throughout the State to identify employers within their Workforce Development Area who were currently hiring or would be hiring in the foreseeable future. The goal was to better align training dollars to skill demands.

In response to the request, NCWWDB designed a short web-based survey which was emailed to employers throughout its nine Counties. The survey asked employers a series of questions to identify hiring needs and skill gaps. We worked with area Human Resource Associations, Chambers of Commerce and the Unemployment Insurance database to generate the email list. The survey collection period ran from March 14 through March 25, 2011. The 395 employers responding to the NCWWDB survey indicated that approximately 1,216 jobs would be open in their companies within the next year.

The survey results were forwarded to DWD on April 1, 2011 and further analyzed by the Office of Economic Advisors. The NCWWDB utilized that analysis to identify emerging training needs within the nine County region. NCWWDB has contacted and will continue to contact businesses identified by the survey to clarify specific training needs and to identify what other support the Board can provide.

Summary of Survey Questions

Below is a summary of responses to the survey questions. We gave respondents the option to identify their company name and contact information. We did not want to discourage employers from responding because of confidentiality concerns.
Note: Bold indicates highest response.

1. Estimate how many people you plan to hire in 2011.
   Answer: **74% plan to hire 1-5 employees**
   10% plan to hire 5-10 employees
   11% plan to hire 11-20 employees
   5% plan to hire 20 or more employees
   Employers were then asked to name the position(s) they were hiring for.

2. Is your company experiencing any recruitment issues with positions or skills?
   Answer: **53.8% stated "no" they were not experiencing recruitment issues**
   46.2% stated "yes" they were experiencing recruitment issues

3. Identify skill sets needed for open positions.
   Answer: 26% stated "basic" skills were needed for open positions
   50.4% stated "intermediate" skills were needed for open positions
   23.6% stated "advanced" skills were needed for open positions

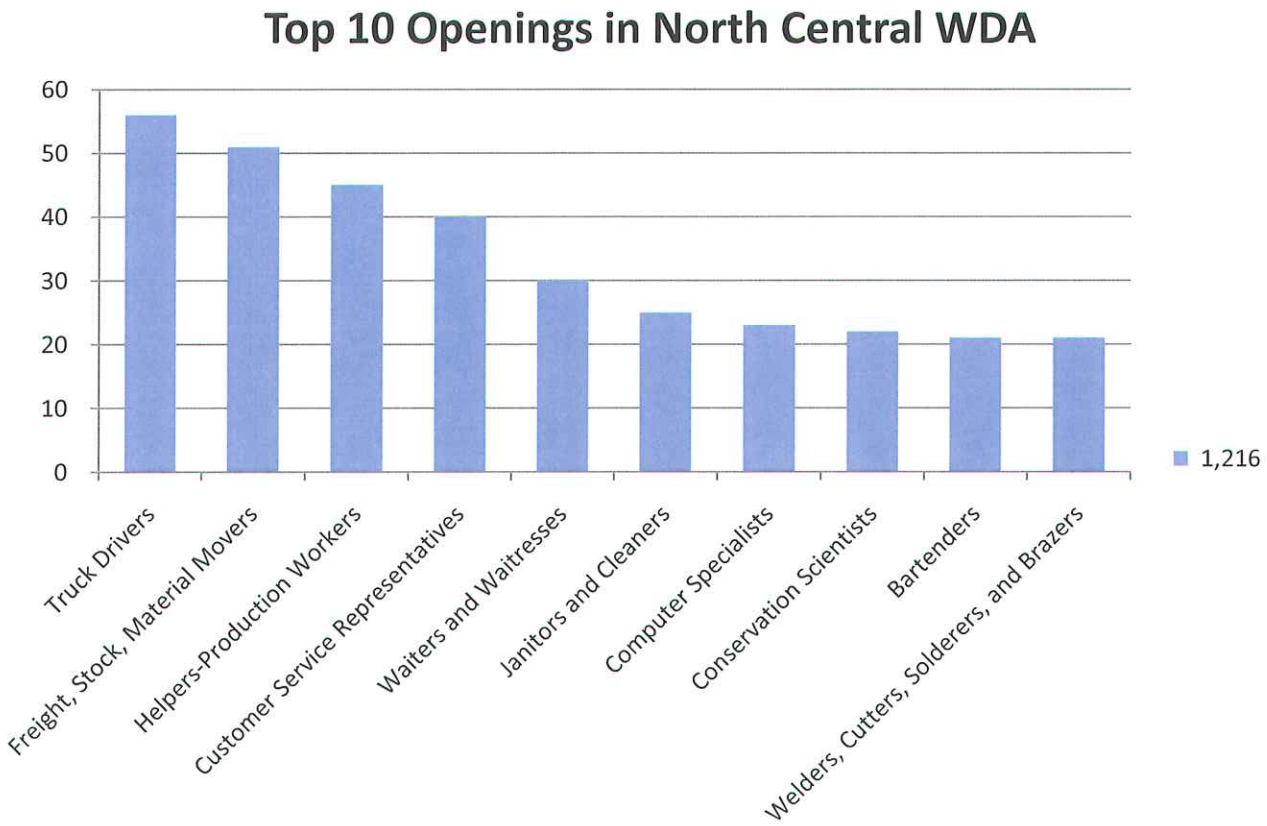
4. In what time frame will the hire be needed?
   Answer: 35.4% stated they would need the hire in 0-3 months
   40.8% stated they would need the hire in 3-6 months
   12.3% stated they would need the hire in 6-9 months
   11.5% stated they would need the hire in 9-12 months

5. Is your company investing in employee training?
   Answer: 21.9% stated "no" they are not investing in employee training
   78.1% stated "yes" they were investing in employee training

6. Which of the following best describes your industry? (Top 5 responses shown.)
   Answer: **37.1% of respondents were Manufacturers**
   15.2% of respondents were from Finance and Insurance
   8.3% of respondents were from Healthcare and Social Assistance
   5.3% of respondents were from Retail Trade
   26.5% of respondents identified themselves as "Other"

Top 10 Occupations Based on Survey for WDA6

After compiling the data it was determined the top openings for WDA6 were as follows:



Identification of Skill Level

We further analyzed the survey by grouping open positions by skill level: entry, intermediate and advanced. Skill level is based on the amount of education and work experience required for each job. For entry positions, adult basic education with a high school or G.E.D educational level or some work experience is adequate. For intermediate level positions, several years of experience, a certificate, up to an associate degree is required to perform these jobs. For the advanced positions, a bachelor's degree or specific license as required for the job, such as CDL, and five or more years work experience is required for the more technical positions.

As the top ten openings indicate, six positions require entry level skills. The survey identified these as short-term, seasonal employment. These positions include:

1. Laborers-Freight, Stock and Material Handlers
2. Helpers-Production Workers
3. Customer Service Representatives
4. Waiters and Waitresses
5. Janitors and Cleaners
6. Bartenders

Our focus became the intermediate skilled group. Included in this category were positions in the top ten such as Welders and Truck Drivers. Those not in the top ten, but reoccurring as a common theme in the survey included Personal Care Workers/Certified Nursing Assistants, Maintenance, Mechanics and Machine Operators (with many respondents specifying CNC preferences).

Following is a list quantifying the number of open positions in our area which were categorized as "intermediate skilled positions":

Intermediate Skilled Positions (Requiring Certificate up to Associates Degree or 1-5 years of work experience)

CNC - 8 companies
Maintenance - 12 Companies
Mechanics – 10 Companies
Welder – 9 Companies
CNA – 8 Companies

Customized Training Developed in Response to Survey

The survey has proven a valuable tool for NCWWDB resulting in several customized training initiatives, including Personal Care Worker, CDL Truck Driving, Production Welding and Machine Tool with a CNC emphasis.

Challenges

In June 2011, the Wisconsin Council on Workforce Investment recommended a strategy to Governor Walker, which has since been adopted. The vision was to create a flexible statewide workforce system that anticipates employer labor needs while building and strengthening Wisconsin's workforce, supports the development of a highly qualified labor force, and empowers individuals to pursue and retain good paying careers.

This strategy of aligning the workforce with employer labor needs in order to strengthen our workforce and achieve good paying jobs for all is a strategy NCWWDB has always embraced. The challenge in implementing this strategy arises out of the composition of our current unemployed population.

First, the ranks of the unemployed who have been out of work for 99 weeks or more increased by 21,000 to a record 1,920,000; that equates to 14.5% of all unemployed. This staggering number of long-term unemployed presents a challenge. How does NCWWDB serve this unemployed population? And how do we get them back into the workforce?

Also, the number and characteristics of the dislocated worker population has changed significantly. As example, of the workers from the recent NewPage Whiting dislocation (300 of 360 responding):

- 83% are male
- 68% are over the age of 46
- 45% are the only wage earner in their household
- 40% have a high school degree only
- 31% are interested in short-term training programs
- 26% would like longer-term training

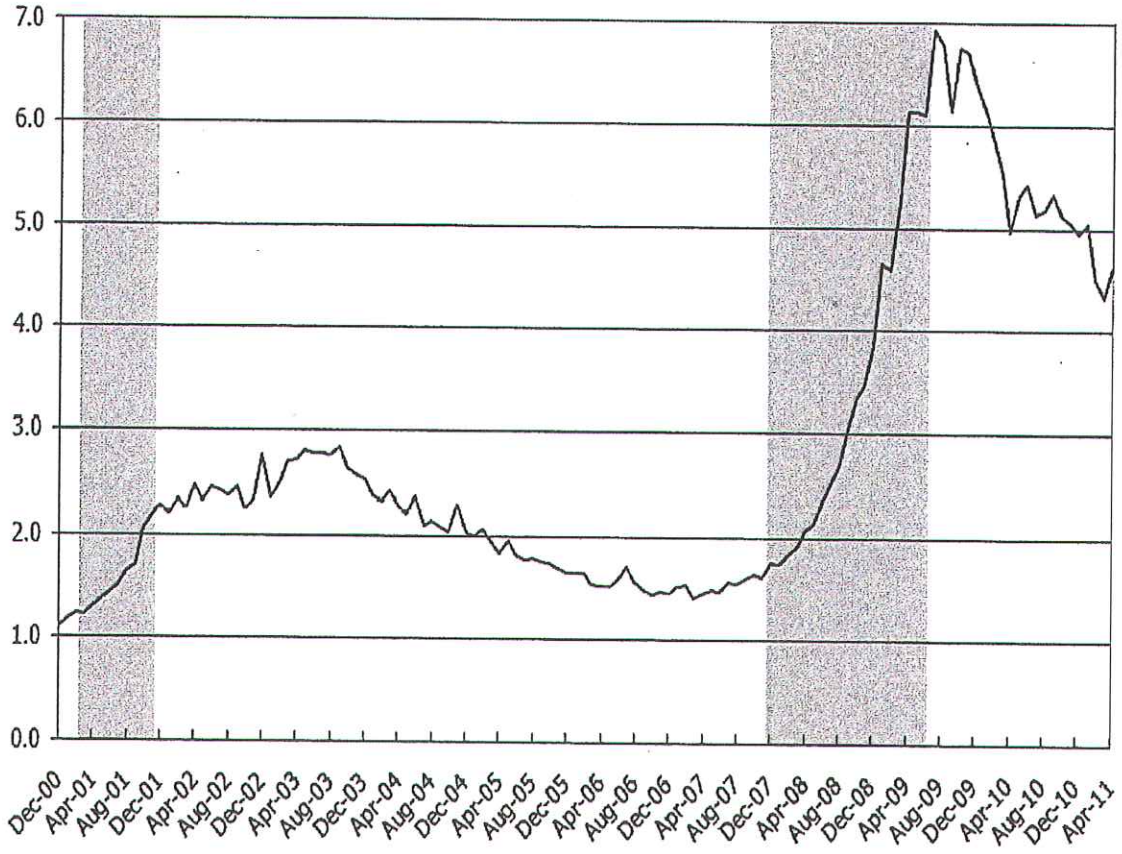
It is apparent these dislocated workers need to be retrained into wholly different occupations, an enormous psychological and financial challenge.

Second, the number of unemployed persons in proportion to job openings is at historic high levels. Further, the participants served by NCWWDB and its partners often have major barriers to successful employment.

According to the U.S. Department of Labor, Bureau of Labor Statistics, when the recession began in December 2007, the number of unemployed persons per job openings was 1.8. When the recession ended in June 2009, there were 6.1 unemployed persons per job opening. Since then, the unemployed persons per job opening ratio has trended downward, but still stood at 4.6 in April 2011.

With the number of people unemployed higher than the number of jobs available, NCWWDB is presented with the difficult challenge of not enough jobs to support the number of unemployed. Without job creation, NCWWDB will continue to struggle with the challenge of how to place the unemployed into jobs that don't exist.

Chart 1. Number of unemployed persons per job opening
Seasonally adjusted



Sources: Bureau of Labor Statistics, Current Population Survey and Job Openings and Labor Turnover Survey, June 7, 2011.

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER).

SUMMARY

Even though NCWWDB is faced with enormous challenges due to current employment conditions, it continues to be responsive to emerging workforce development issues. The survey has been a valuable tool. NCWWDB will continue to utilize the survey method of outreach to employers in that endeavor on a biannual basis to determine skill demands.

NCWWDB, employers and WIA eligible participants continue to benefit from the survey conducted in March 2011. NCWWDB will continue its one-on-one employer contacts to identify their continuously changing workforce needs. Many new long-lasting collaborative efforts have occurred due to this outreach. These employers are eagerly awaiting newly trained employees to help meet their production demands satisfying their customer's needs, growing their businesses and our area economy.

Key occupations have been identified resulting in customized training. NCWWDB continues to work collaboratively with area educational institutions. Their responsiveness to employer and workforce needs has demonstrated the effective partnership NCWWDB has with our partner educational institutions.

Most importantly, many participants who have been awaiting opportunities to enhance their skills and better their futures have benefited from the customized training that has precipitated from the survey. Ultimately, this is the reason this survey was an effective tool for NCWWDB and their collaborative partners and participants.