



2018 North Carolina Employer Needs Study

NCWorks Commission Meeting
February 14, 2018

Jeff DeBellis

Labor & Economic Analysis Division

NC Department of Commerce

About the Survey

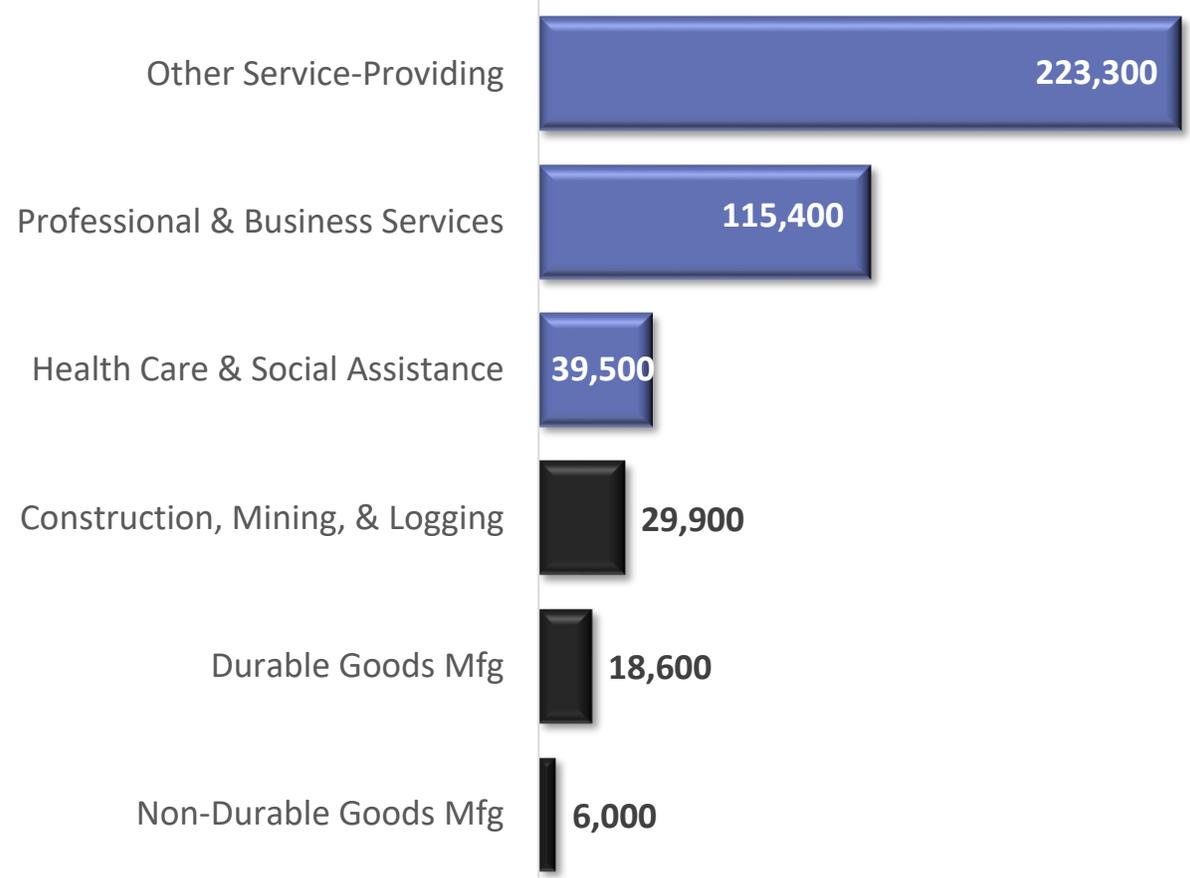
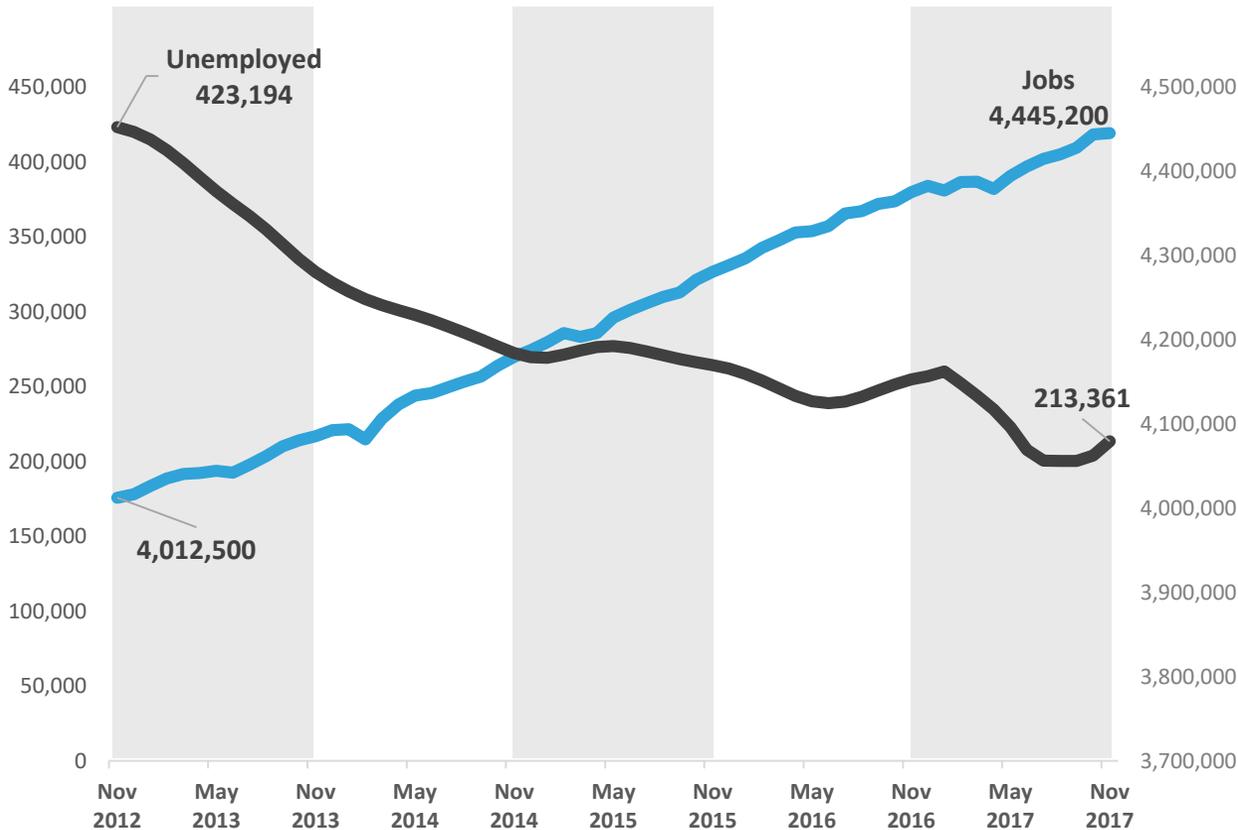
- Sponsored by NCWorks Commission
- Phone survey administered by NCSU's Center for Urban Affairs & Community Services
- 3rd Biennial Survey since 2014
- Representative sample of **all NC employers with 10+ employees**
- Additional sample of businesses in **Manufacturing & STEM** (*in-process*)
- Nearly **2,000** completed surveys (Oct-Nov, 2017), responses from all 100 counties
- New in 2018
 - Geographic analysis
 - Examination by position seniority
 - Adjusted questions on training needs / behavior

Needs In Context

How has NC's Economy Changed in 5 Years?

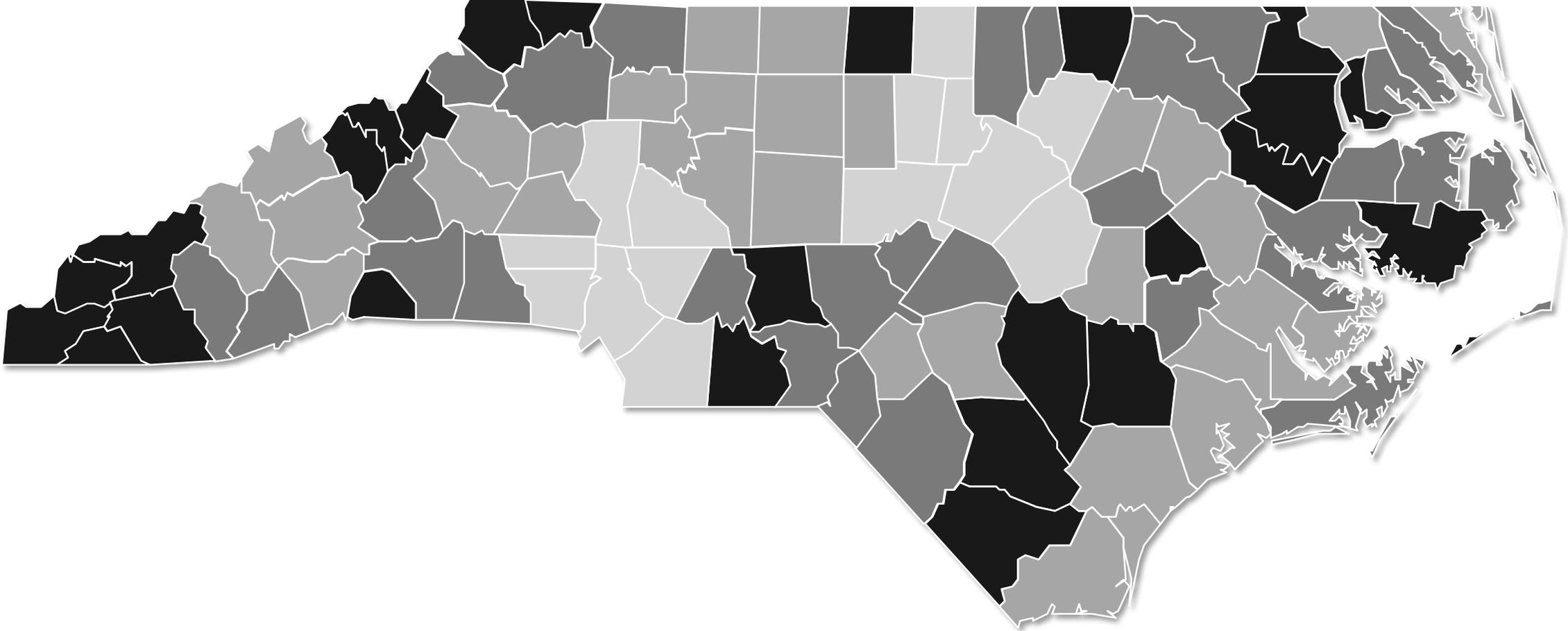
400,000 more Jobs, 200,000 fewer Unemployed
Nov 2012 – Nov 2017

375,000+ Service Jobs, 55,000 Goods Producing Jobs
Nov 2012 – Nov 2017

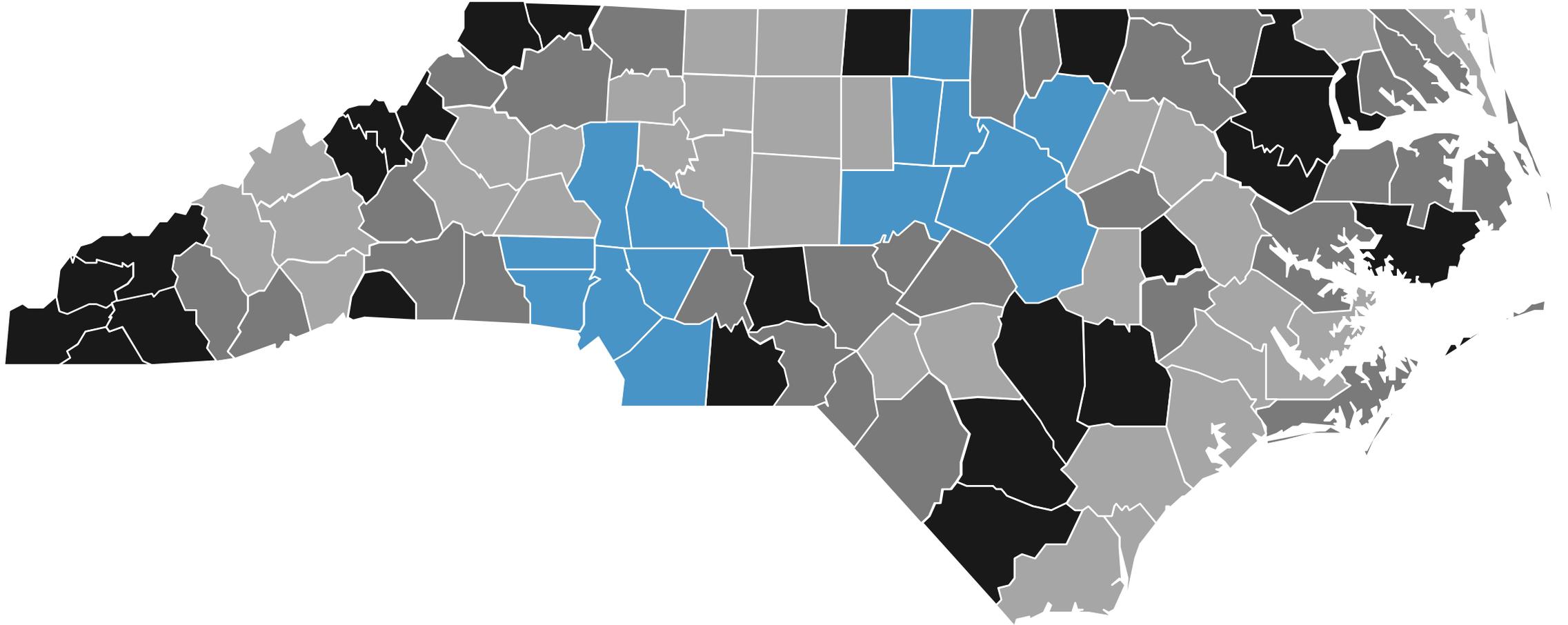


Sources: NC Commerce, LEAD, LAUS (unemployed) & CES (jobs)

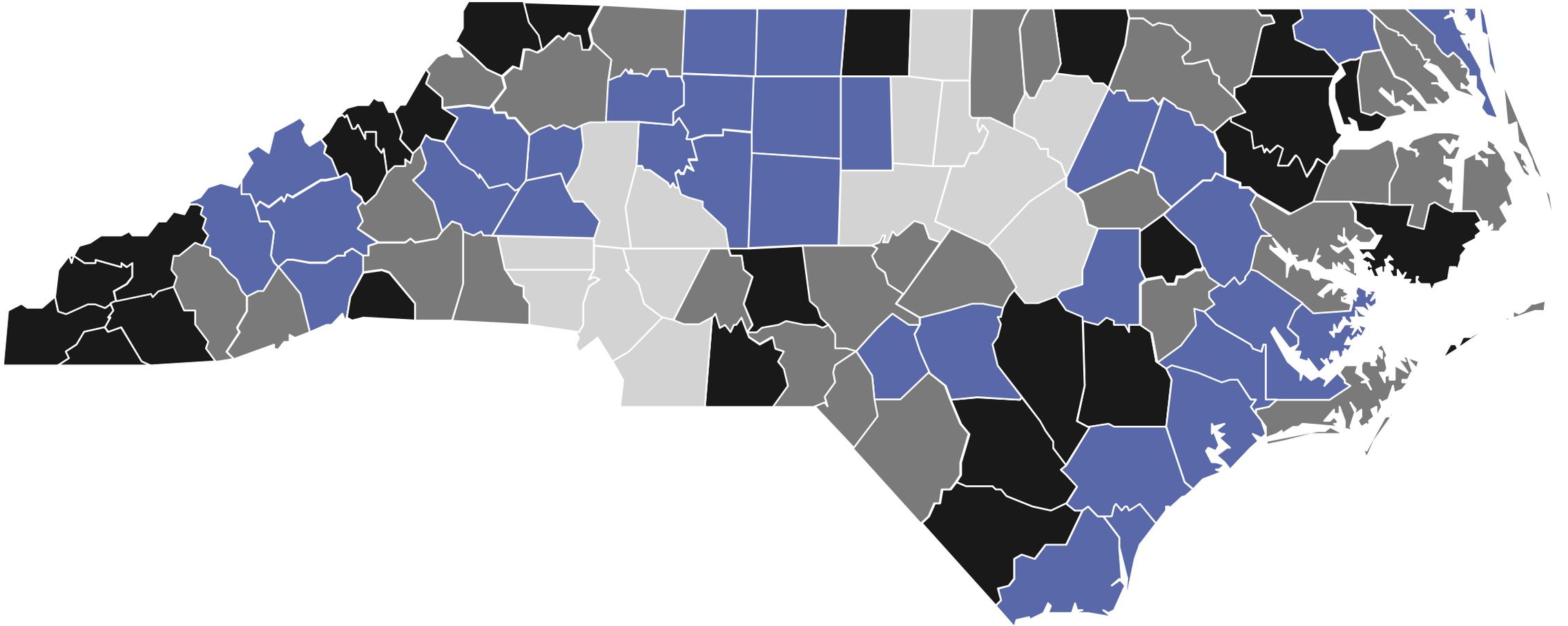
Statewide Total & 4 Regional Views



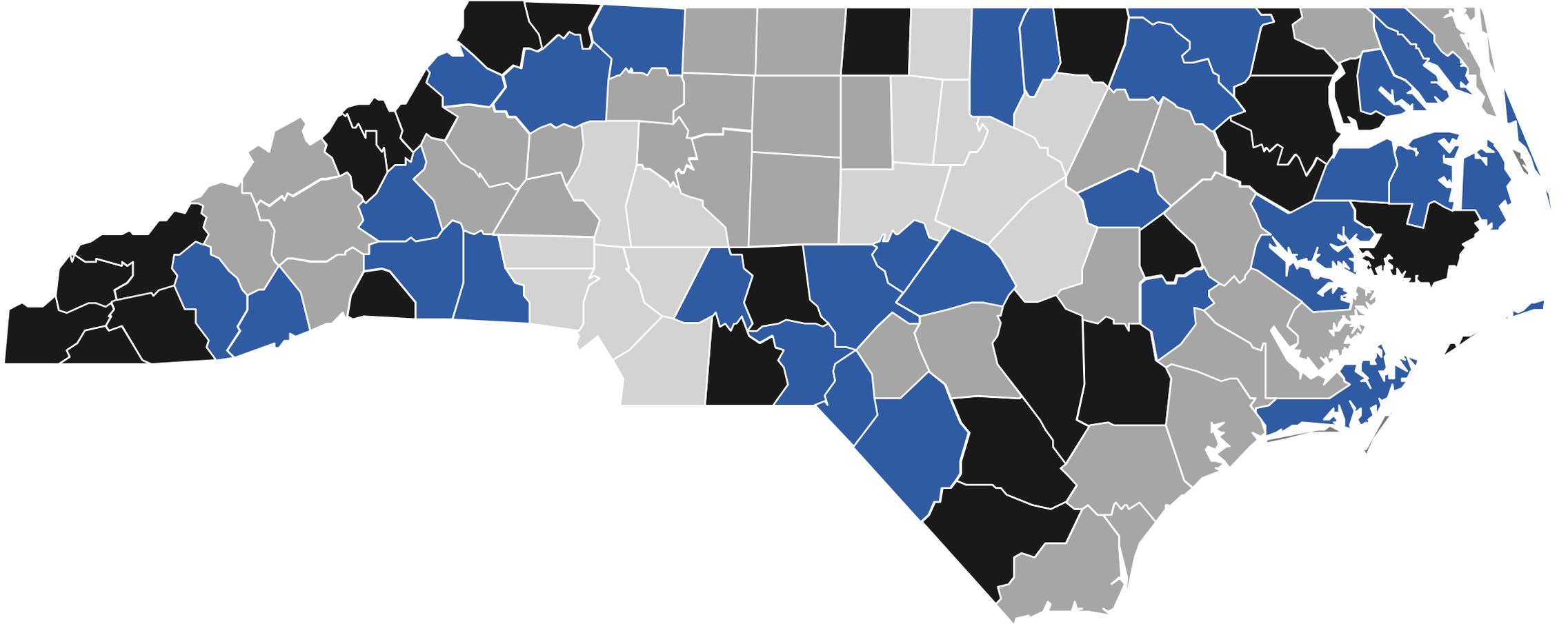
Largest Metro Areas (Charlotte & Triangle)



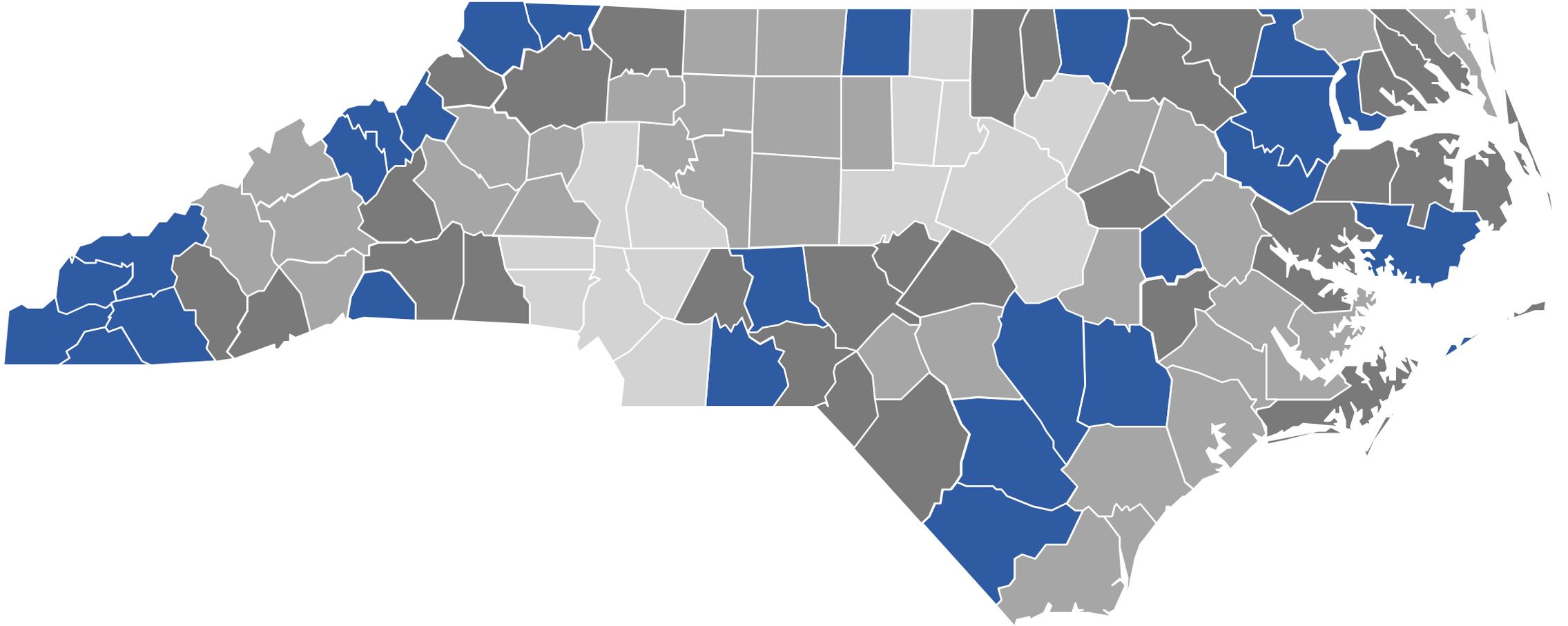
Small & Mid-Size Metros (all other MSA counties)



Micropolitan Counties (small cities/large towns)

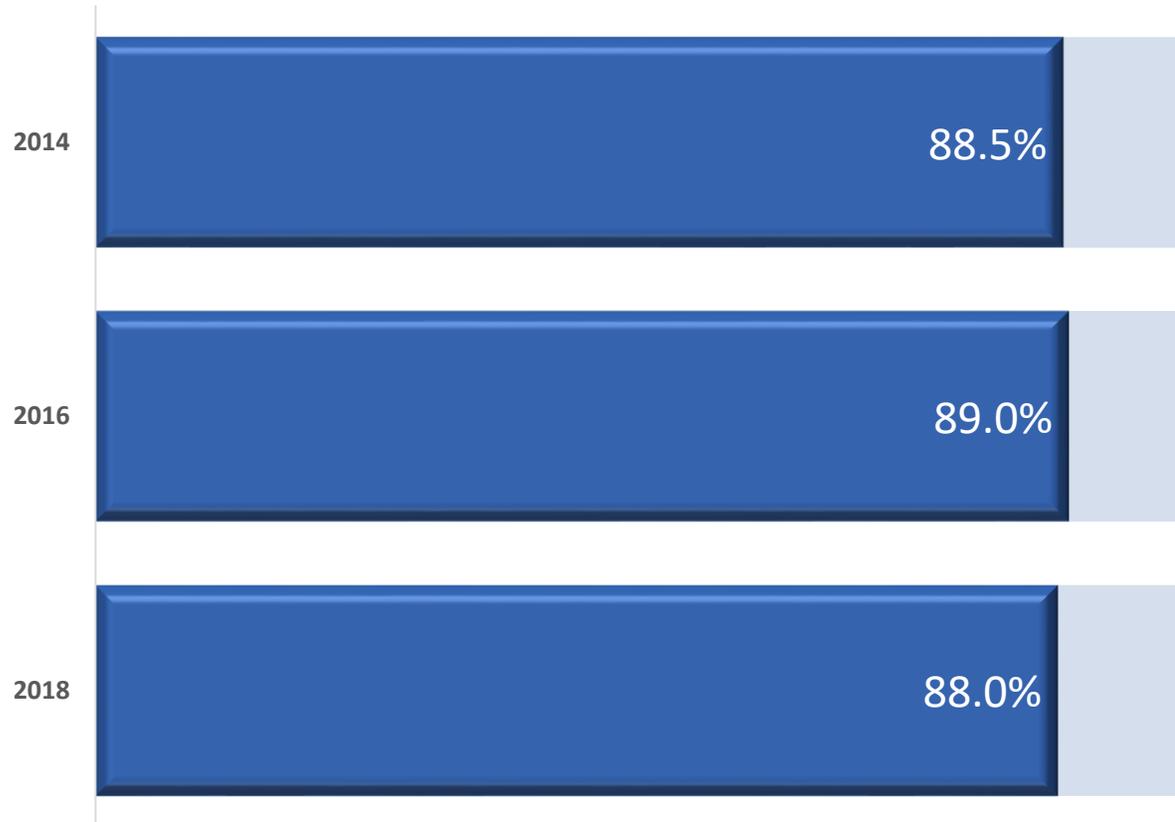


Non-Metro, Rural Counties



Employers with Hiring Difficulties

All Employers



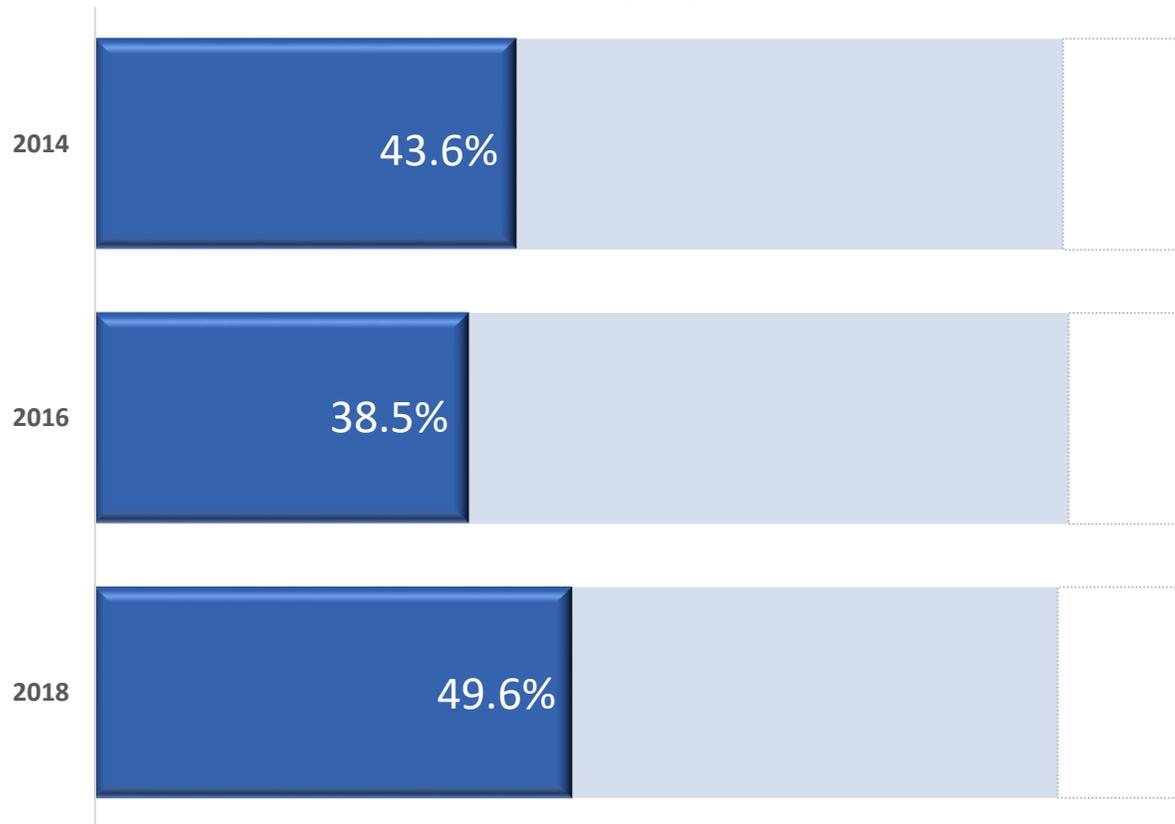
Percent of Employers Attempting to Hire
In past 12 months

More Difficulty in 2018 Study

Half of NC Employers *Who Attempted to Hire*
had Some Difficulty

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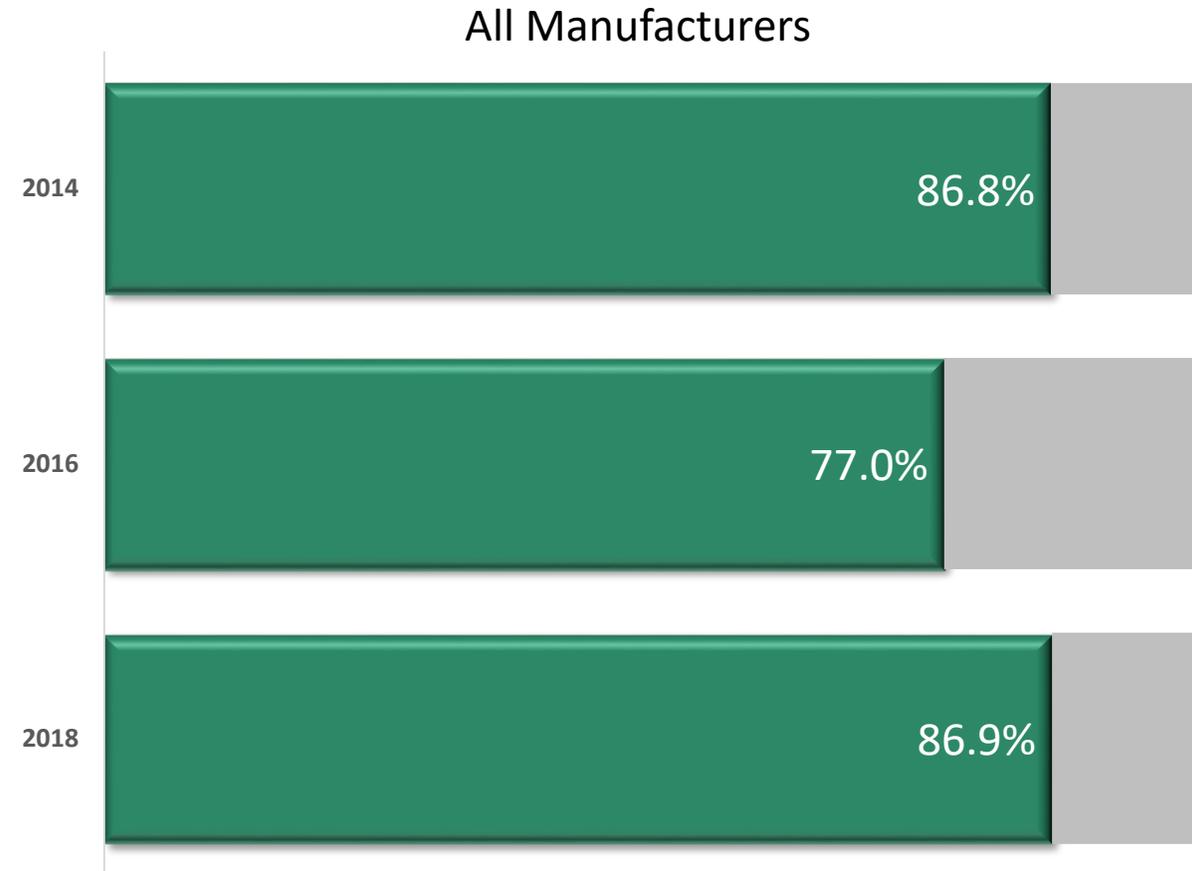
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Manufacturers with Hiring Difficulties

Percent of Manufacturers Attempting to Hire
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Over Half of NC Manufacturers *Who Attempted to Hire*
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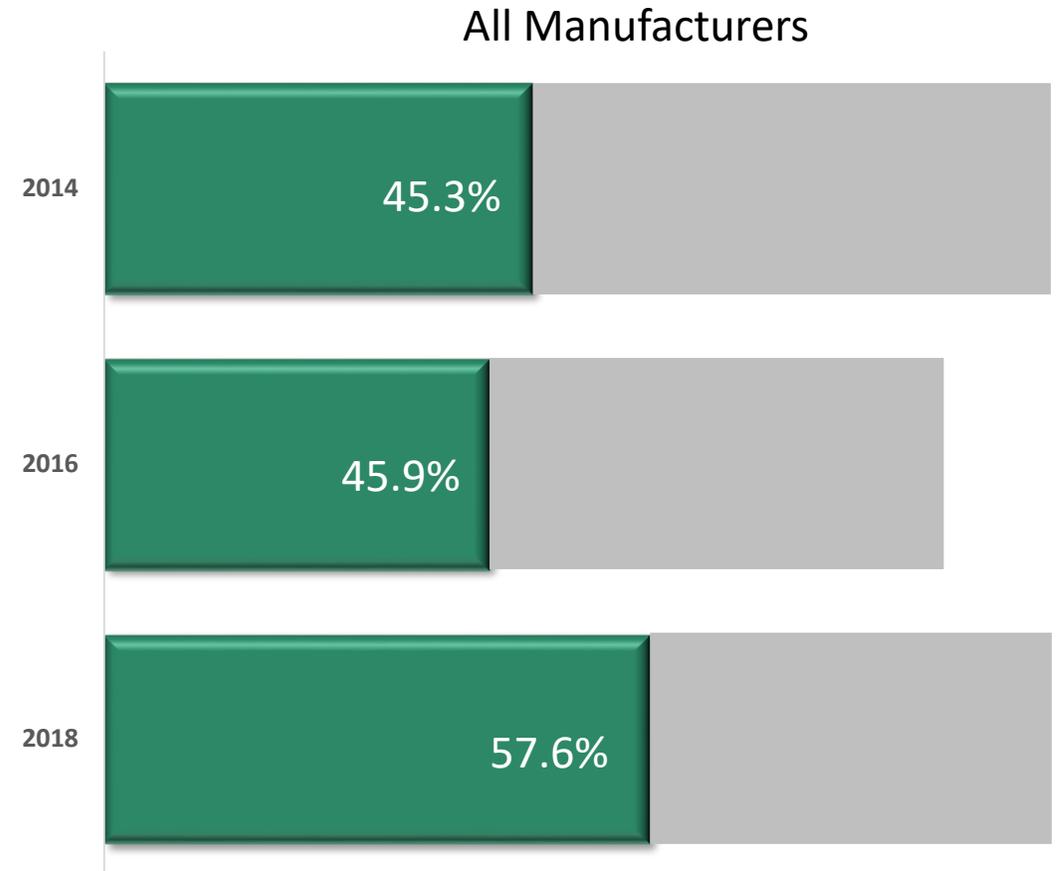


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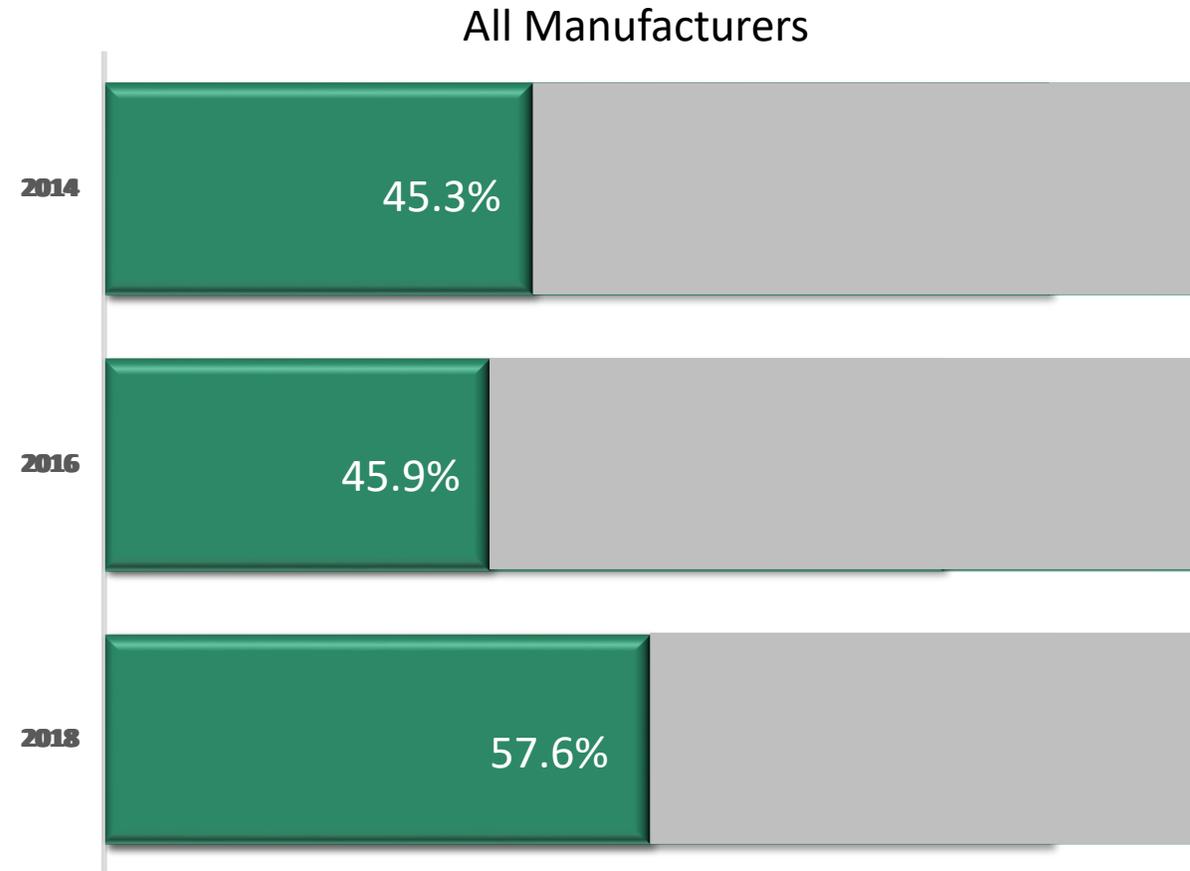


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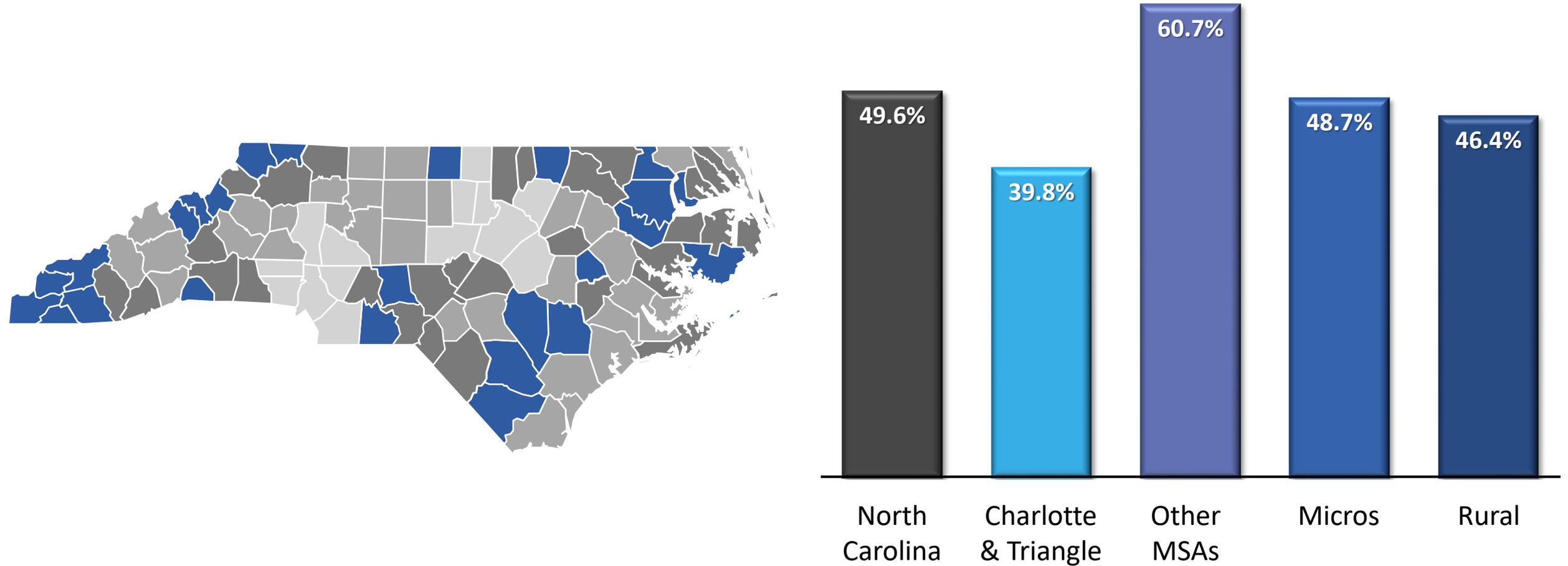
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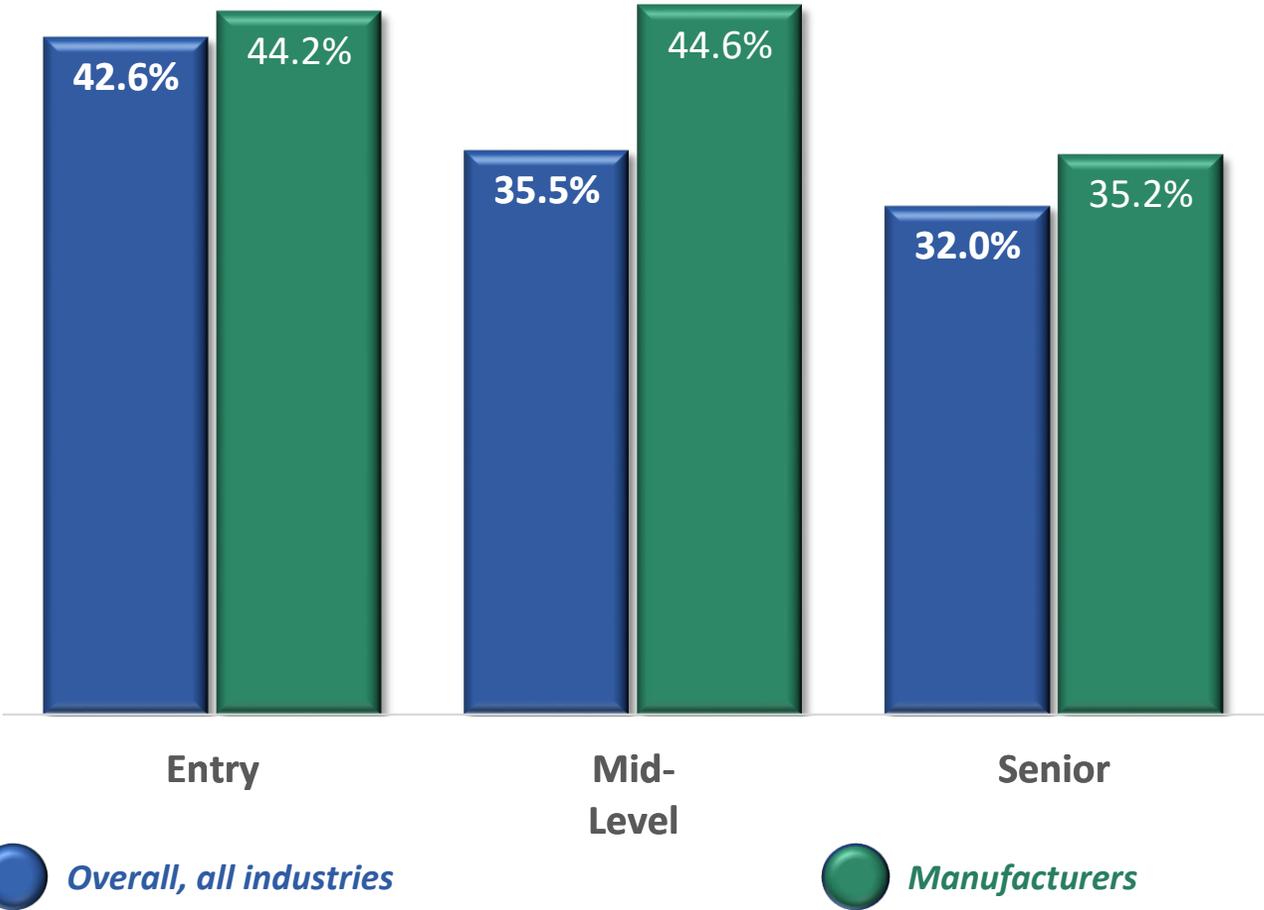
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Employer Difficulty by Region



Difficulty by Position Level



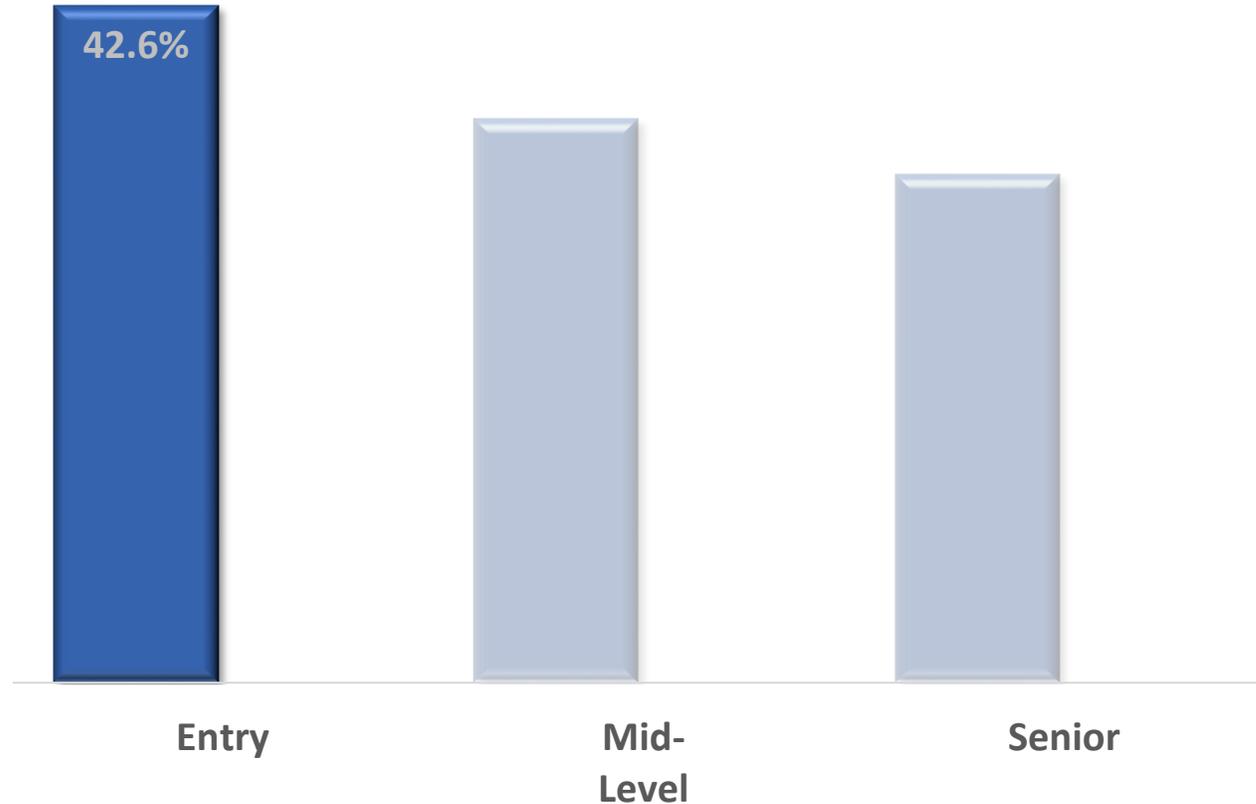
Entry-Level Positions = 1 year experience or less

Mid-Level = 2-4 years of experience

Senior = 5 years or more experience

Difficulty by Position Level

Specifics



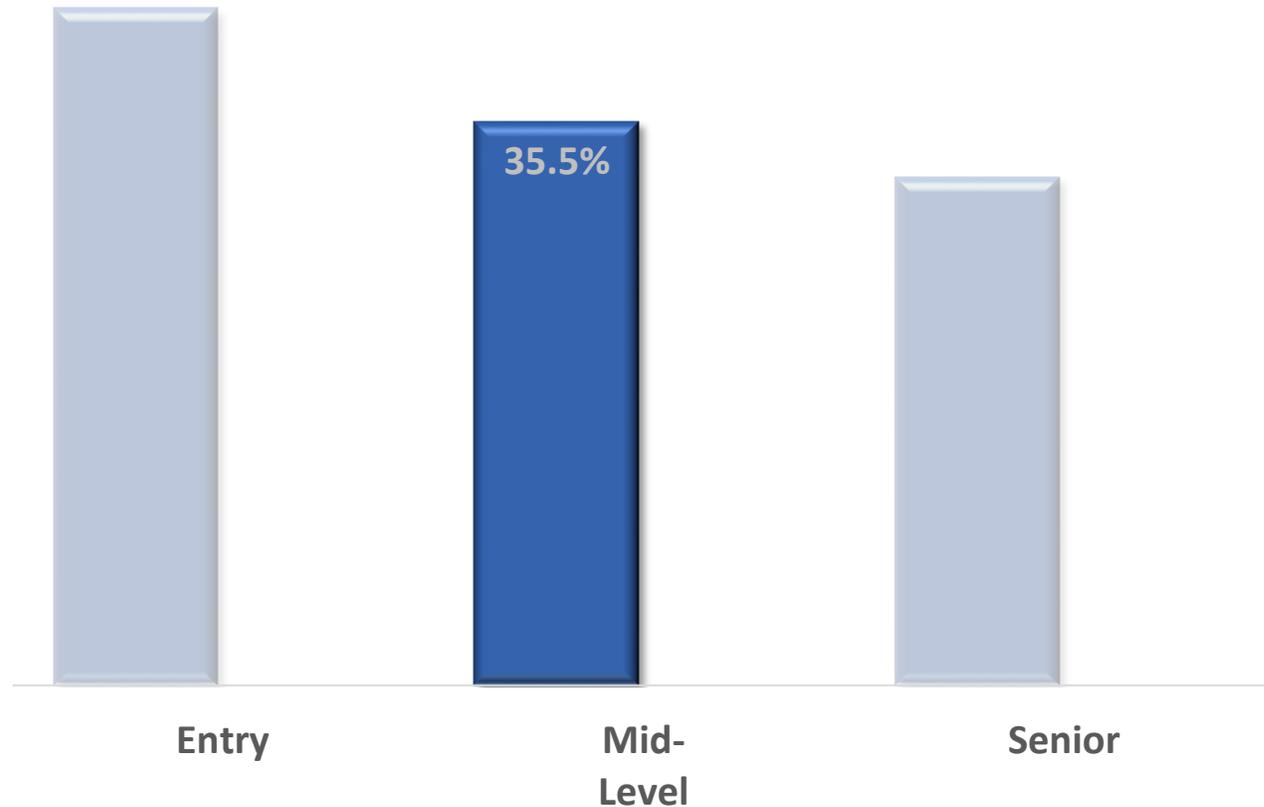
 Overall, all industries

Entry-Level Positions

- **75% 'Employability'/Personal Skills**
(work ethic, professionalism, reliability, motivation, etc.)
- **59% Low Number of Applicants**
cited by only 34% of employers for *overall difficulties* in 2014 study
- **52% Soft Skills**
(communication, teamwork, critical thinking, creativity, etc.)
- **45% Technical/Occupational Skills**
- **45% Work Experience**
- **Criminal Record (29%) & Failed Drug Test (28%)**
mentioned > 2-times as frequently as other position levels
- **Commuting Distance** cited at all three levels between 26%-33%

Difficulty by Position Level

Specifics



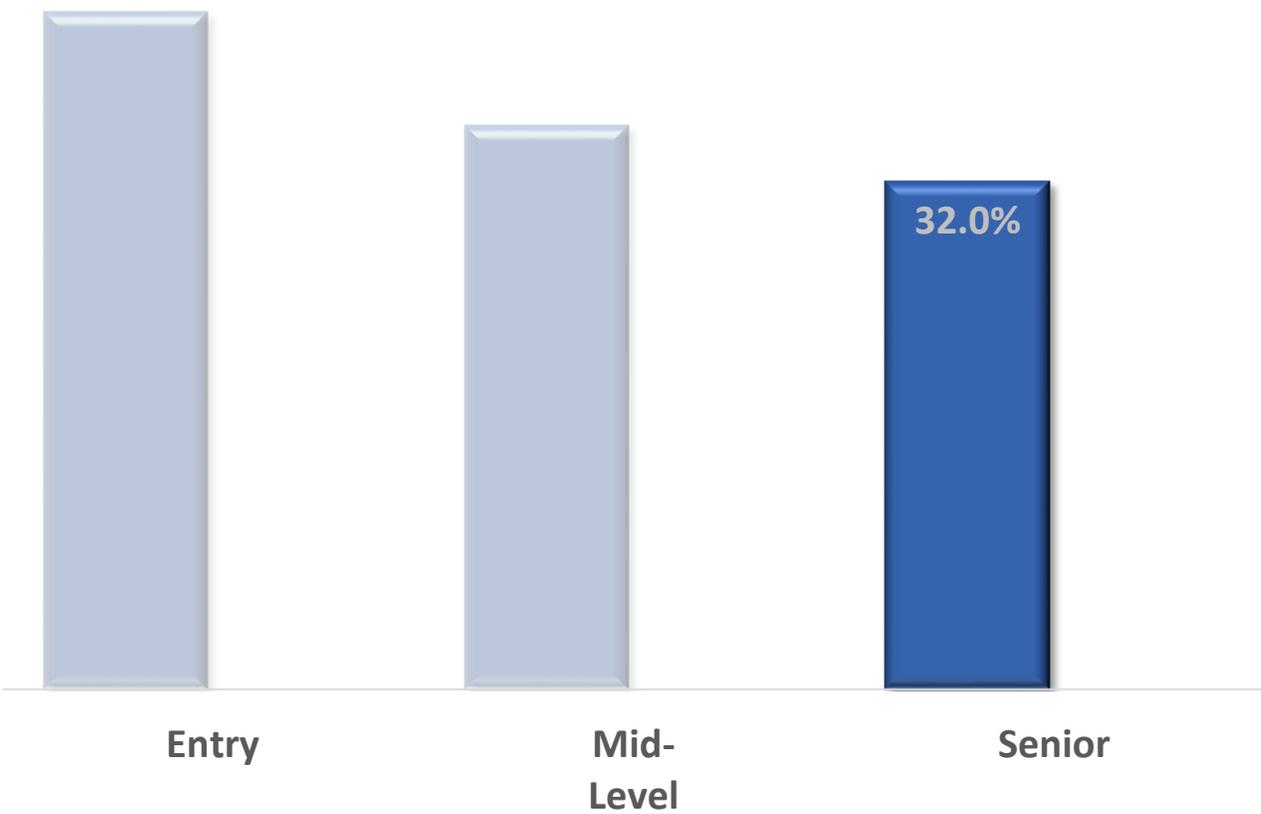
 Overall, all industries

Mid-Level Positions

- 67% **Technical/Occupational Skills**
- 63% **Work Experience**
- 58% **Low Number of Applicants**
- 57% **'Employability'/Personal Skills**
(work ethic, professionalism, reliability, motivation, etc.)
- 56% **Education Level/Certification**
- 48% **Soft Skills**
(communication, teamwork, critical thinking, creativity, etc.)

Difficulty by Position Level

Specifics



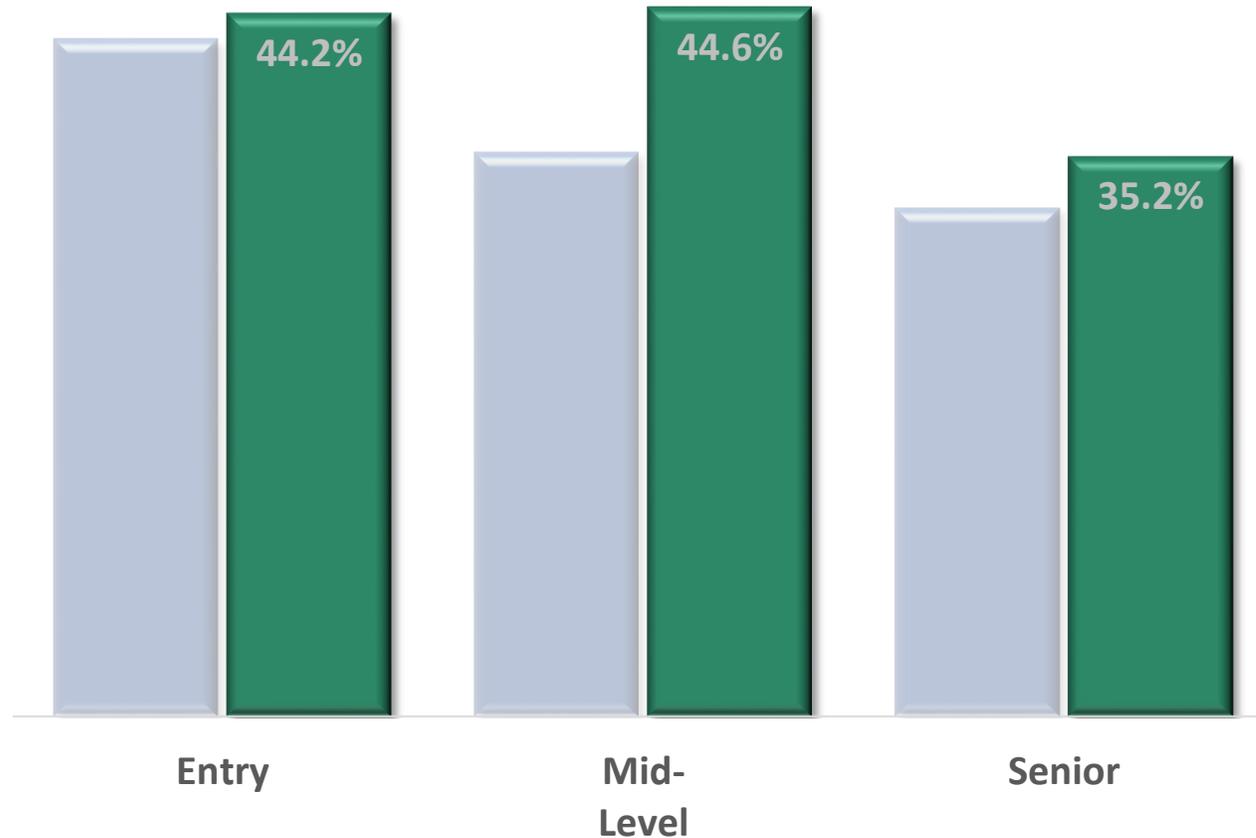
 Overall, all industries

Senior-Level Positions

- 61% **Work Experience**
- 59% **Low Number of Applicants**
- 56% **Education Level/Certification**
- 49% **'Employability'/Personal Skills**
(work ethic, professionalism, reliability, motivation, etc.)
- 45% **Technical/Occupational Skills**
- 40% **Soft Skills**
(communication, teamwork, critical thinking, creativity, etc.)
- 40% **Low Pay/Compensation**
mentioned for 34% & 37% of difficult to fill Entry & Mid-Level Positions

Difficulty by Position Level

Specifics



Overall, all industries

Manufacturers

Key Differences with Employers Overall

- **'Employability' / Personal Skills lower** problem for Senior Positions (~30%)
- **Greater** issues at Senior Level with **Education / Certification & Technical / Occupational Skills**
- **2/3rds** say **Low # of Applicants** for Mid- & Senior Positions
- **Higher** issues with **Drug Testing** at Entry (35%) & Mid-Levels (24%)
- **Fewer Soft Skills** problems among Entry (43%) & Mid-Levels (36%)

Employers' Greatest Workforce Challenge

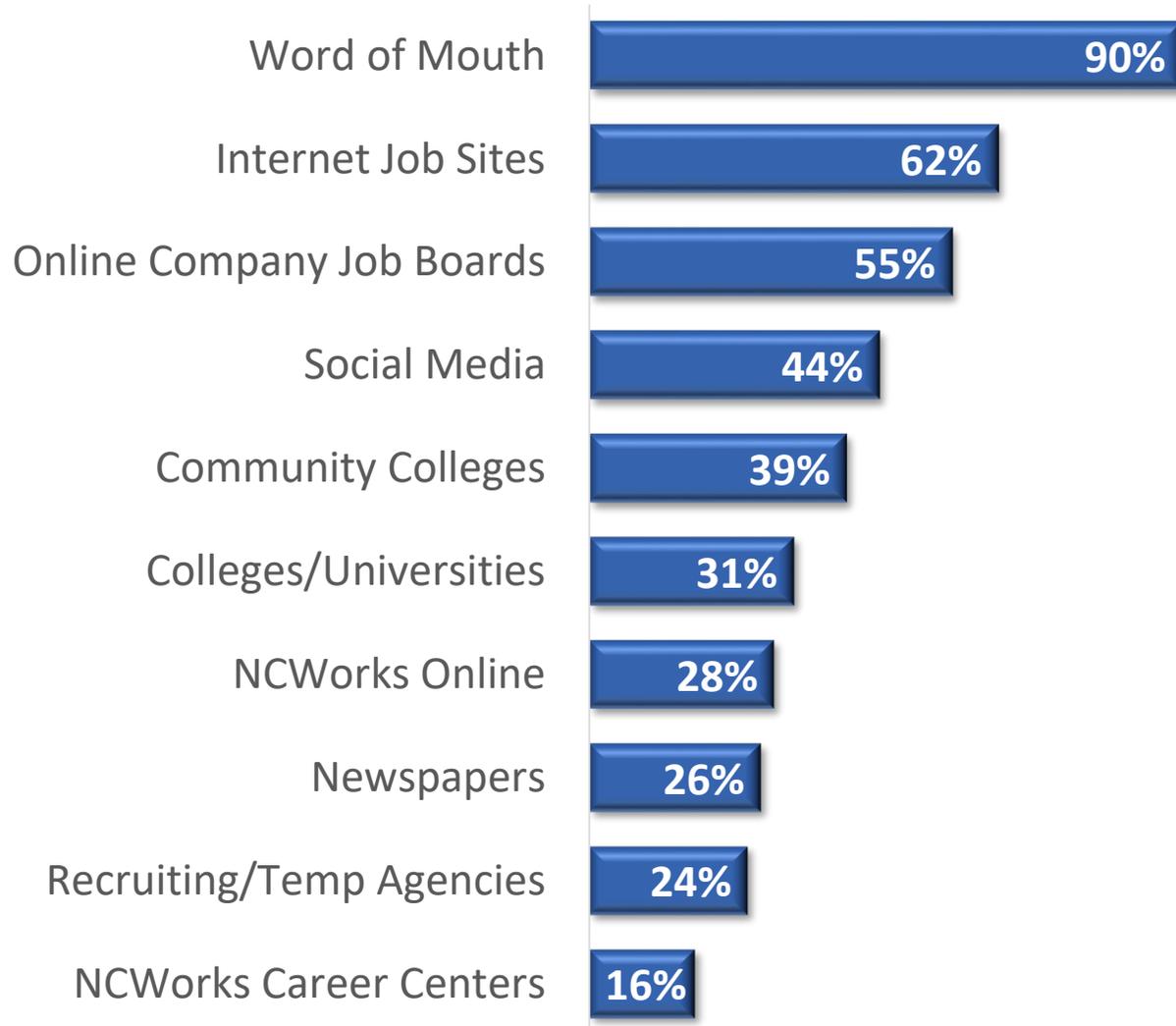
Overall, all industries:

- **Finding Job Candidates – 40%**
- **Turnover – 40%**
- Staff Development/Training – 11%
- Hiring – 7%
- Promotion & Advancement – 3%

Manufacturers:

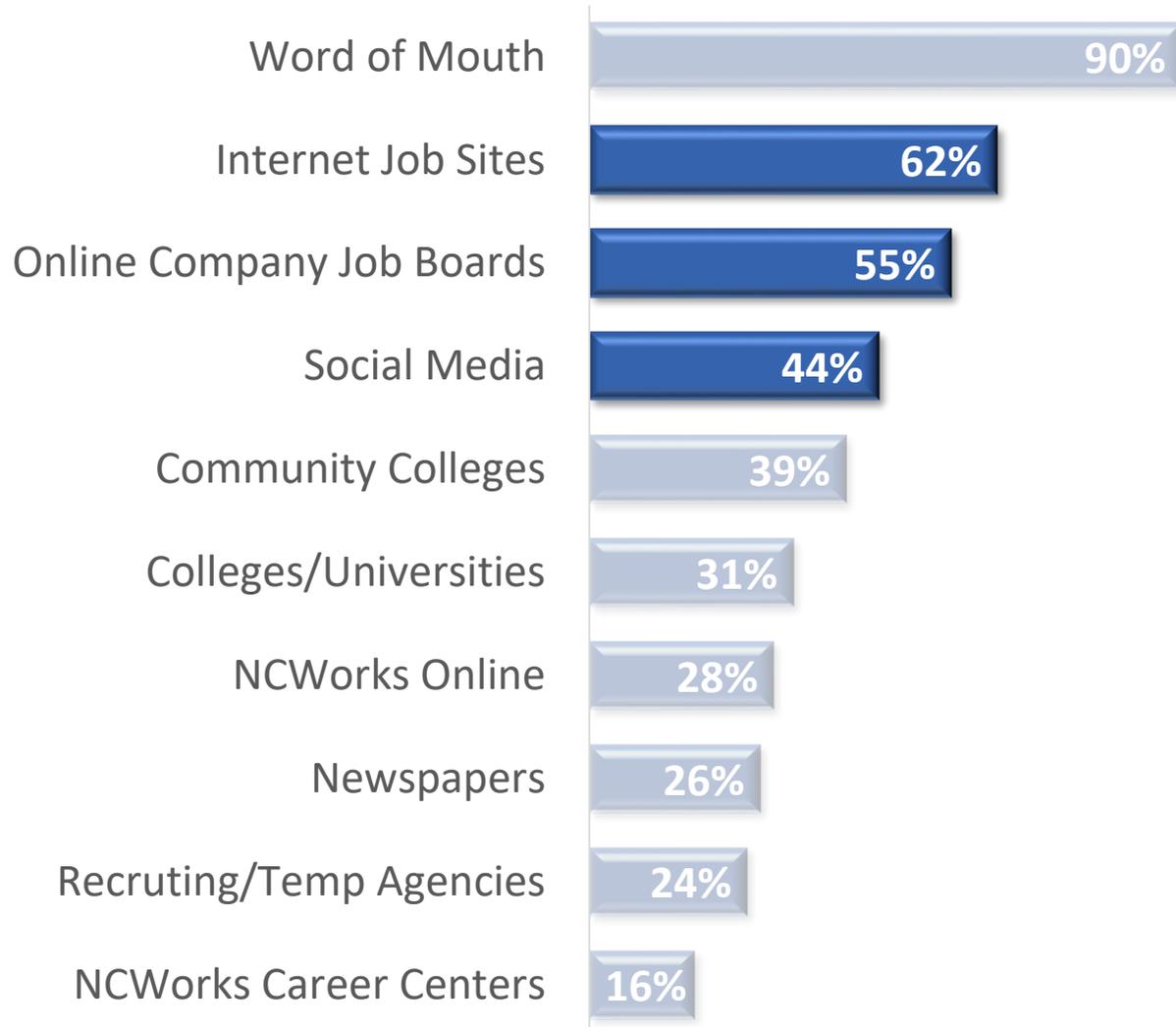
- **Finding Job Candidates – 60%**
- **Turnover – 22%**
- Staff Development/Training – 10%
- Hiring – 6%
- Promotion & Advancement – 2%

Sources of Recruitment



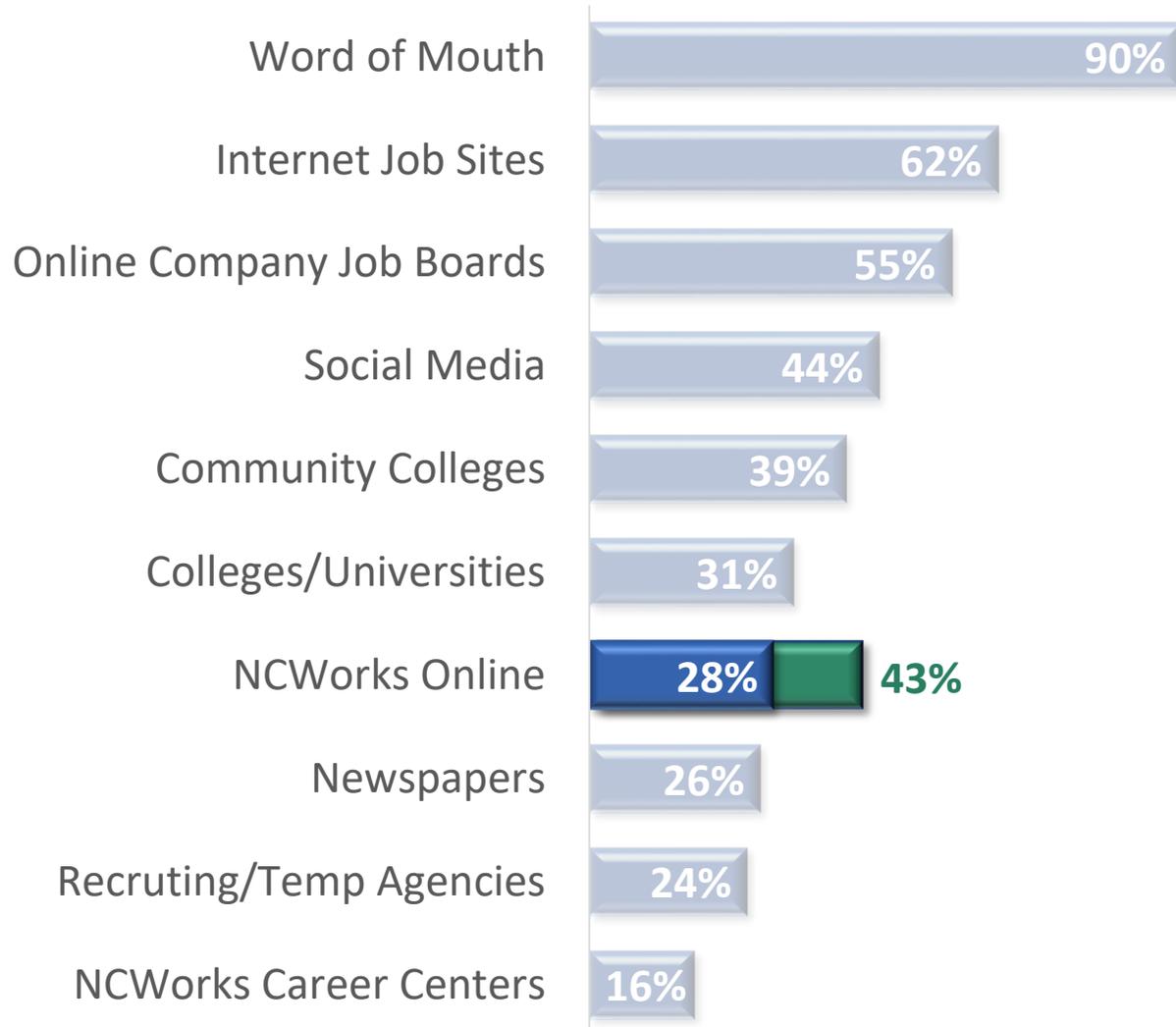
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- Roughly ½ as many use Word of Mouth Exclusively

Sources of Recruitment



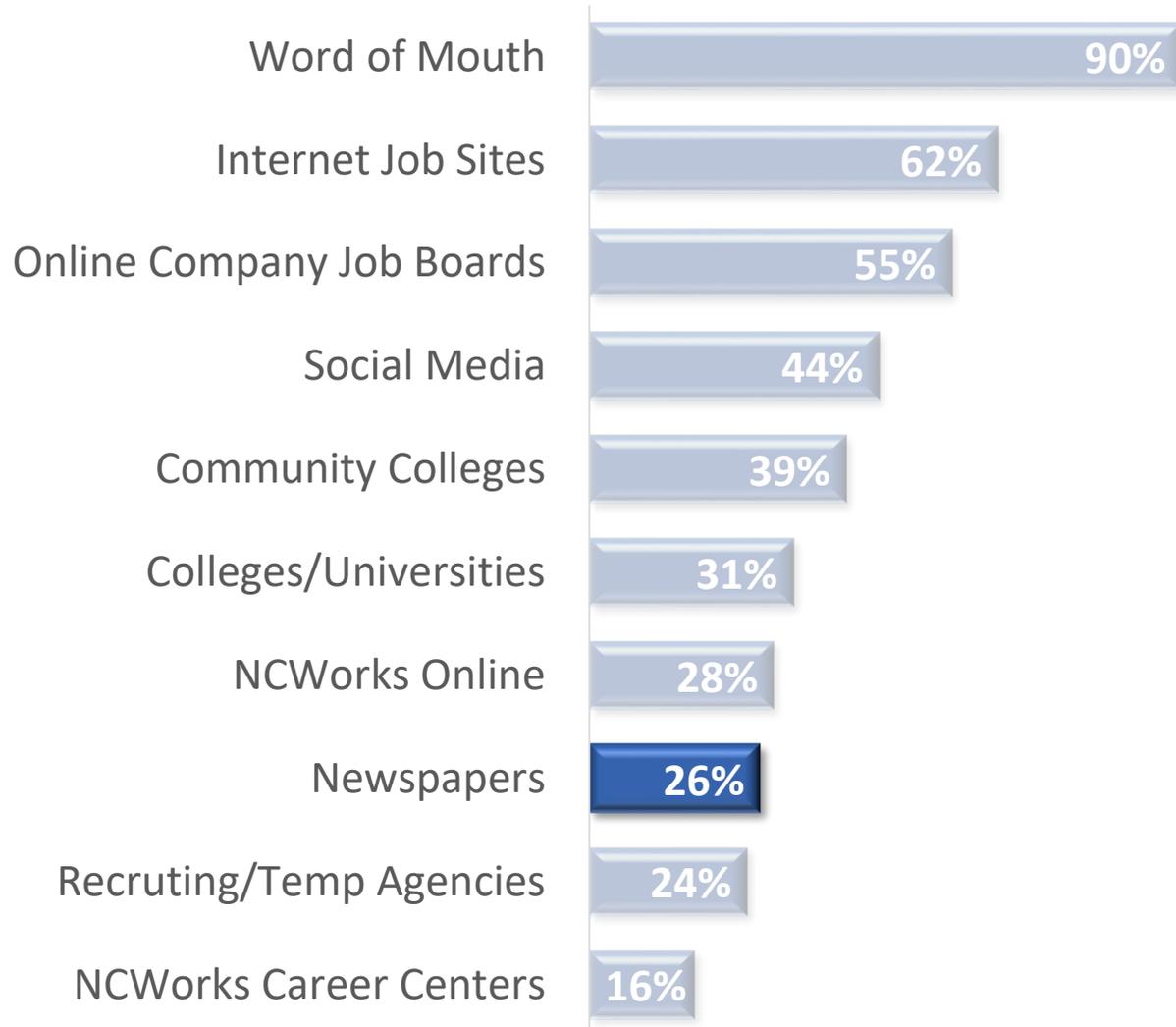
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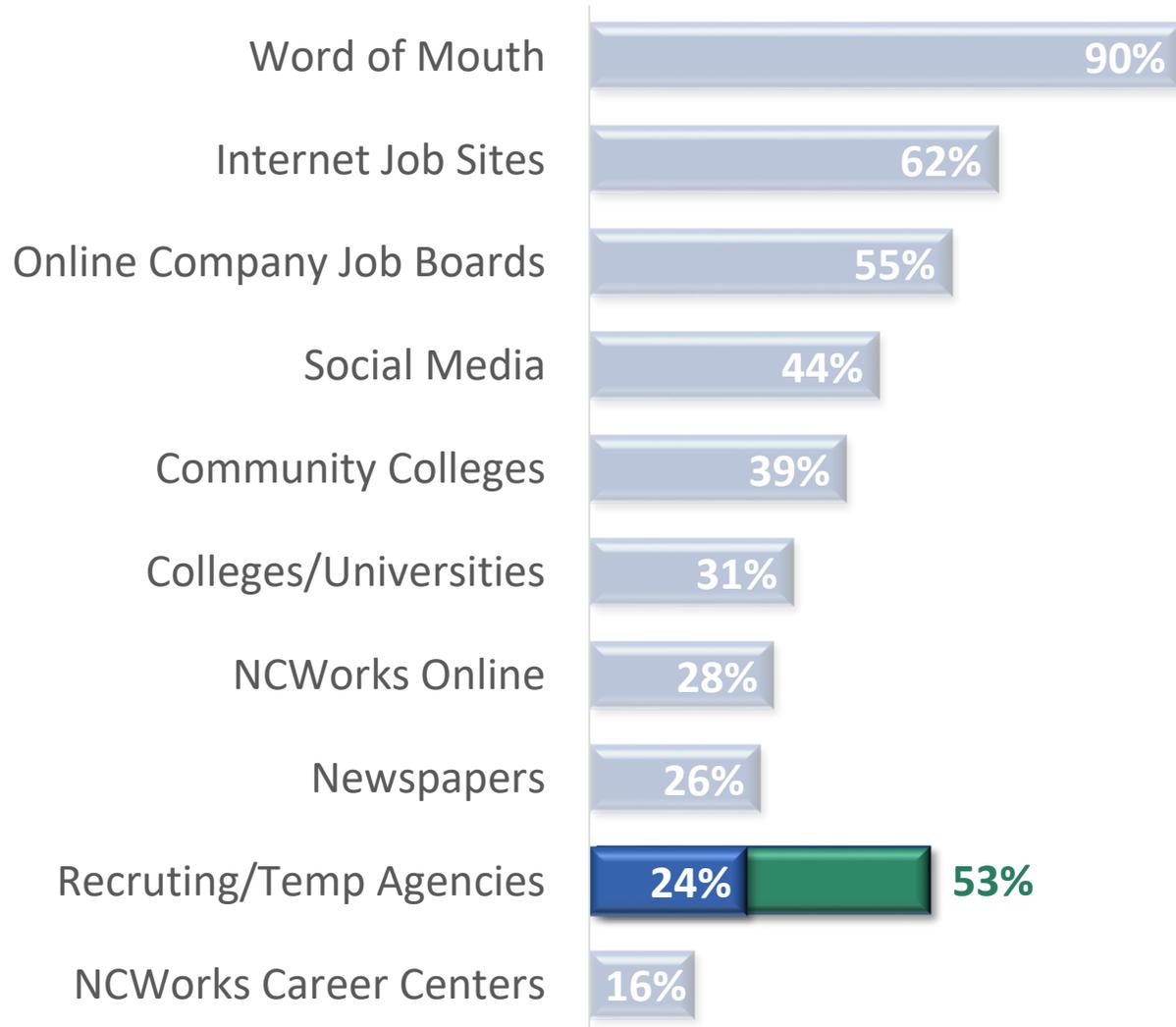
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- Higher for **Manufacturers**

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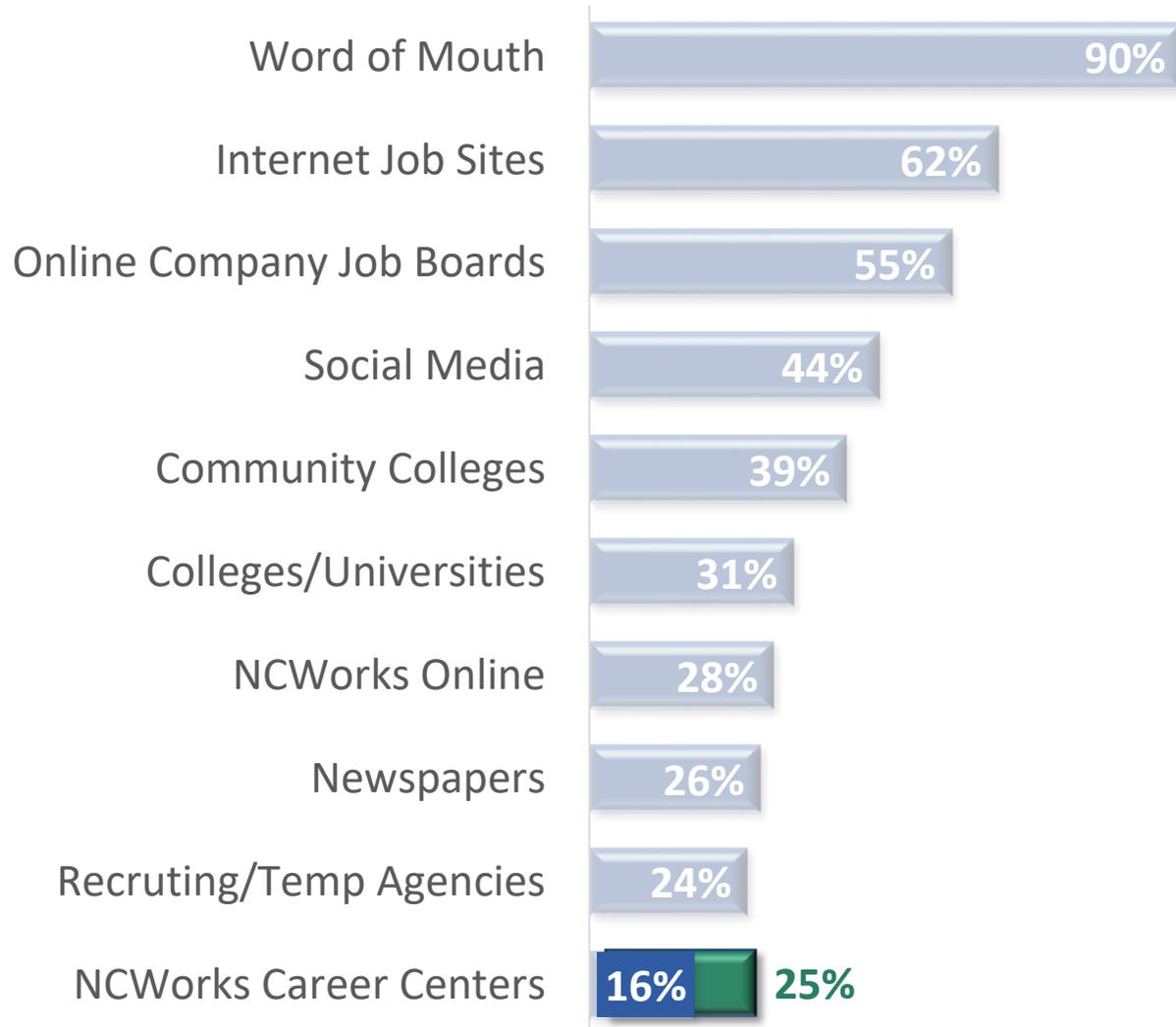
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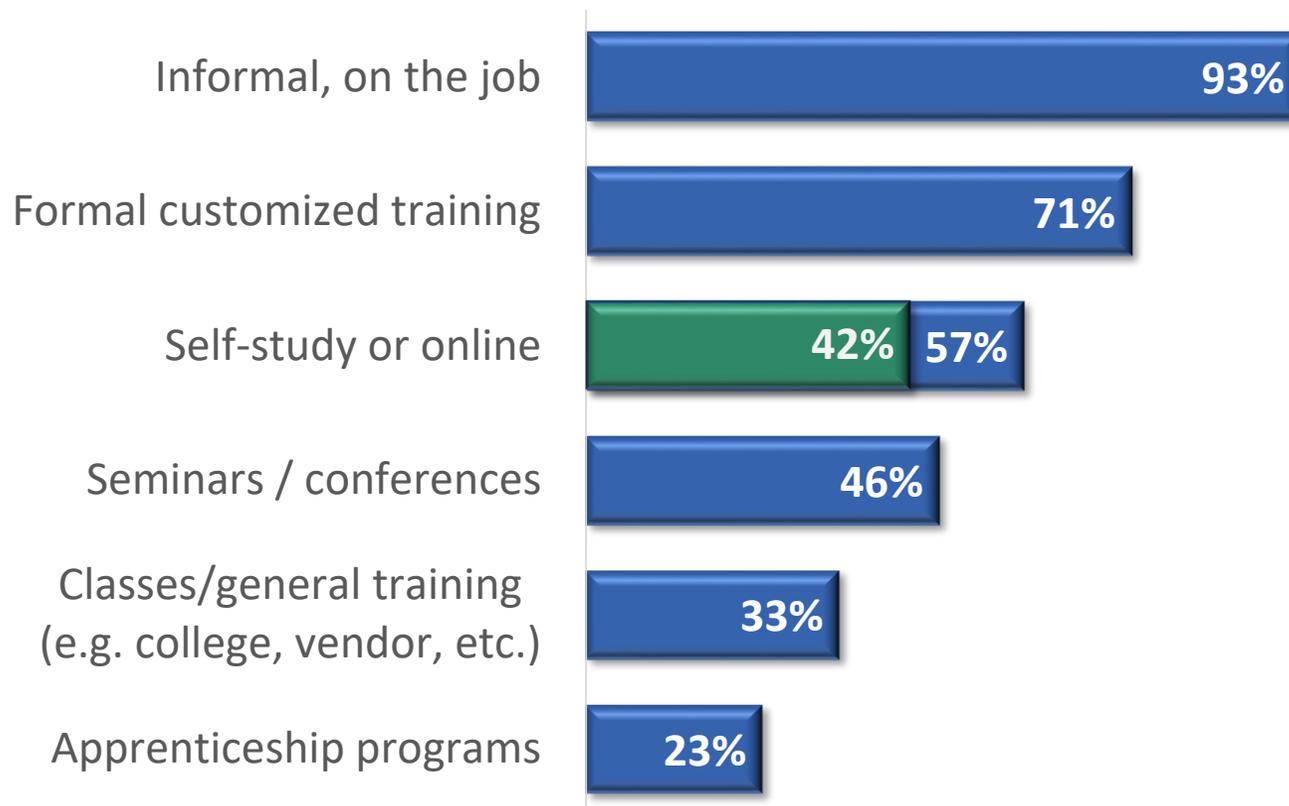
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- Lower Career Center use in Charlotte/Triangle (10%), More in Micropolitans (24%) & Rural (23%)
- Higher among **Manufacturers**

Employers' Responses to Challenges

- Majority increase **Trainings** (60%), revise Pay Scales & Benefits (51% all, 59% manufacturers)



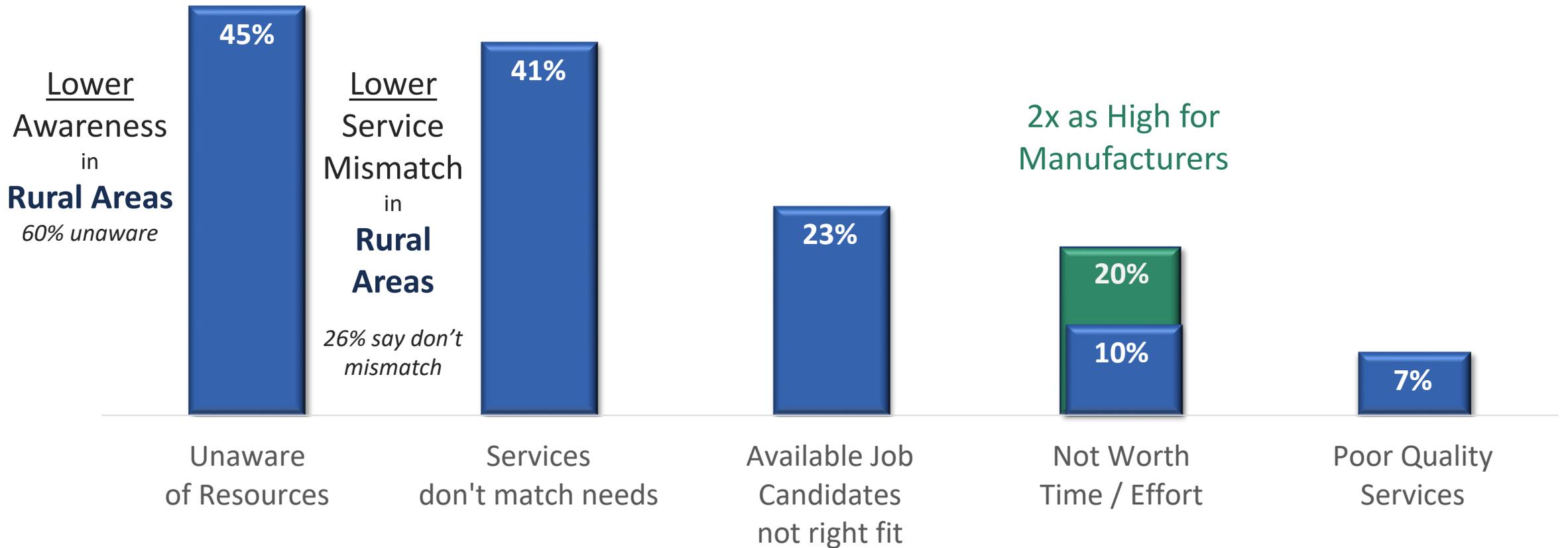
- Median 20 total hours per year
- 40% use private trainers/vendors
- 19% use NC Community Colleges
 - 25% of **Manufacturers**
- 11% use Universities
- 6% use NCWorks Career Centers

Employers' Responses to Challenges

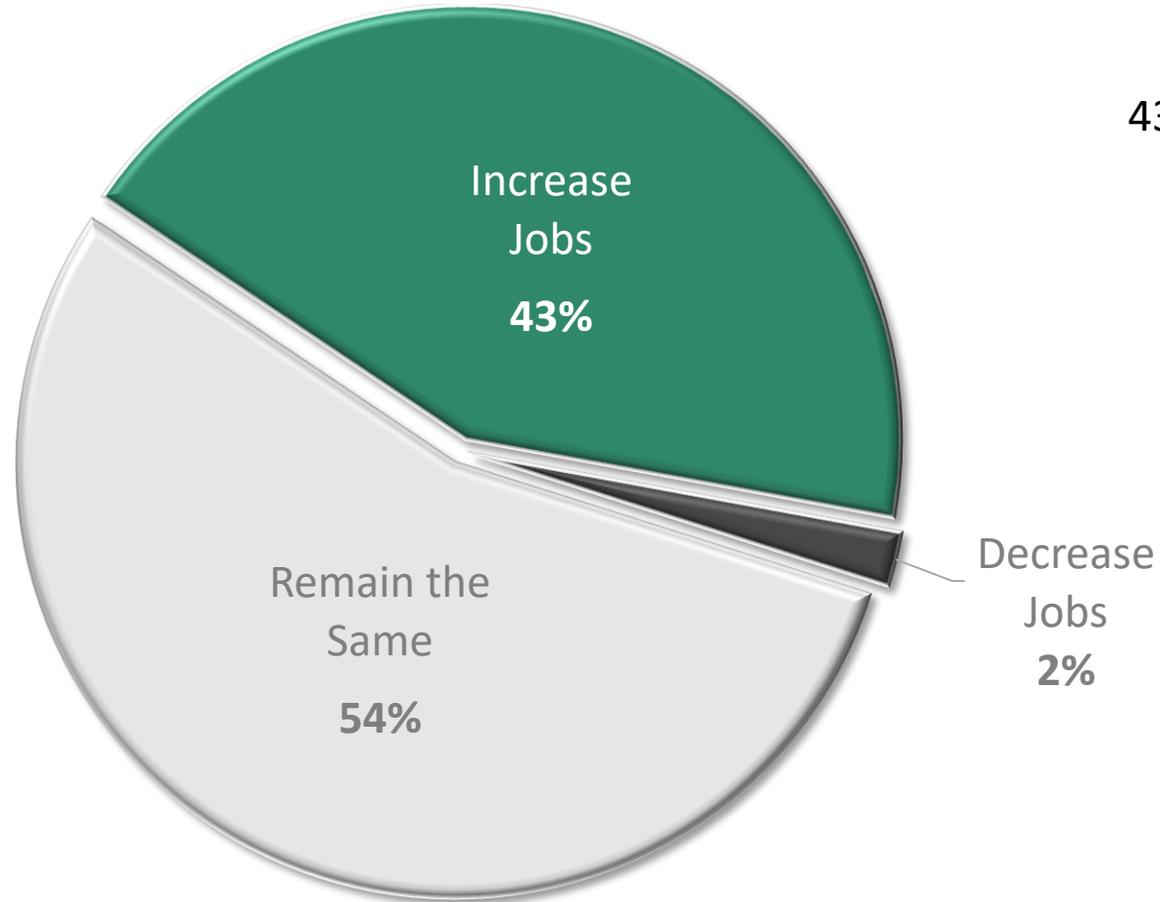
- Majority increase Trainings (60%), revise Pay Scales & Benefits (51% all, 59% manufacturers)
- ½ of Manufacturers use **Temp Services** vs ¼ of all employers
- 28% automate functions
39% of Manufacturers
- **A few turn down business** as result of challenges (11%)
- 28% use workforce system resources (NCWorks, NCCCS, WDBs ,etc.)
41% of Manufacturers

Why Employers Don't Use NC's Workforce System Resources

Career Centers, Workforce Boards, NCWorks Online, Community Colleges



Employment Outlook for 2018



43% expect to Add Jobs at their site

- Only **24%** of **Rural** establishments expect to Add
- **74%** expect to *Remain the Same* in Rural

Similar percentages among
Manufacturers & All Industries

Takeaways

- More employers claimed difficulty than 2016 study
 - Higher for Manufacturers
 - Tight labor market & structural economic changes are likely at least partially to blame
- Some limit to job growth (outsourcing & automation substitution)
 - A few forego business opportunities due to hiring difficulties
- Employers bullish on adding jobs in 2018
 - Less so in Rural areas
- Hiring Difficulties highest in mid-size Metro Areas (not Charlotte & Triangle)
- Difference in reasons for difficulty vary by position seniority
 - Employability/Personal Issues high – particularly for Entry-level positions
 - Lack of Relevant Experience high for Mid- & Senior Positions
- Employers expanding use of Internet resources for finding talent
- Opportunities exist for Workforce System to better market & match services

Questions?

Jeff DeBellis

jeff.debellis@nccommerce.com