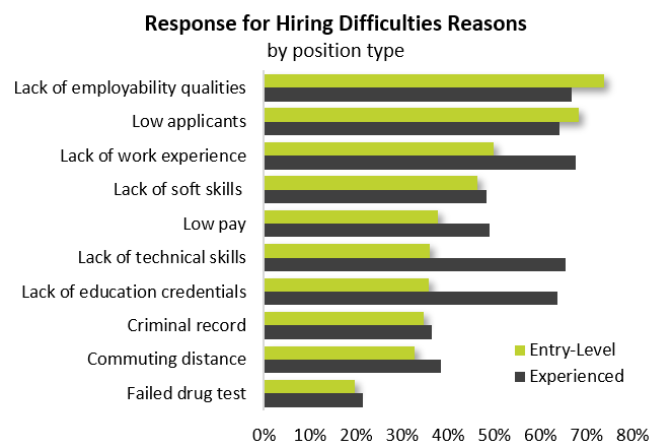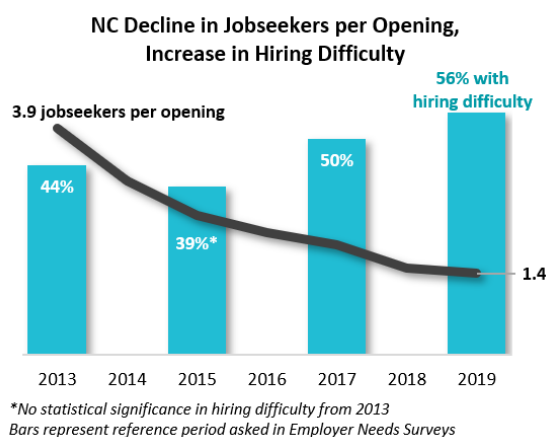# 2020 North Carolina Employer Needs Survey

The 2020 Employer Needs Survey asked over 3,000 business establishments during the Fall of 2019 about their hiring practices, with emphasis on hiring difficulties and workforce needs. The NC Dept of Commerce Labor & Economic Analysis Division (LEAD) has carried out an Employer Needs Survey every two years since 2014, allowing for comparisons across time as labor market conditions shifted during the recovery from the Great Recession. Respondents to the 2020 survey came from all 100 of the state's counties, and the industry mix and firm size of the Overall sample is reflective of the state. Although labor market conditions have changed dramatically since the reference period due to the coronavirus pandemic, the survey results offer a snapshot of the tight labor market conditions faced by employers a few months ago as well as other more long-term challenges for the workforce development system.

Findings from the Overall sample of all industries

Most companies tried to hire & many expressed optimism about 2020 growth

- Over 80 percent of companies tried to hire in the previous year, a similar level as in previous surveys
- 36% expected to increase workers in 2020

Hiring difficulty increased as the labor market tightened, & fewer jobseekers to fill open positions

NC Decline in Jobseekers per Opening, Increase in Hiring Difficulty

3.9 jobseekers per opening

44% (2013)
39%* (2015)
50% (2017)
56% with hiring difficulty (2019)

1.4

2013 2014 2015 2016 2017 2018 2019

*No statistical significance in hiring difficulty from 2013
Bars represent reference period asked in Employer Needs Surveys

Response for Hiring Difficulties Reasons
by position type

- Lack of employability qualities
- Low applicants
- Lack of work experience
- Lack of soft skills
- Low pay
- Lack of technical skills
- Lack of education credentials
- Criminal record
- Commuting distance
- Failed drug test

■ Entry-Level
■ Experienced

0% 10% 20% 30% 40% 50% 60% 70% 80%

Employability Qualities, Experience, & Low Number of Applicants led employers' hiring challenges

- Reliability & Work Ethic are the top two characteristics cited as most desirable of an ideal employee
- Finding candidates and dealing with turnover were employers' greatest workforce challenges

Increasingly Employers Recruiting Online

Most responded by revising pay & increasing training; a third used workforce system resources

- 66% revised pay or benefits (up from 51% in 2018)
- 62% increased training
- Less than a third (31%) used the workforce system
  - Most who did used Community Colleges
- Reasons for not using NC's workforce resources
  - 51% were not aware of these resources
  - 40% said the services offered were not a good fit for their business or industry
  - 32% said the job candidates available are not the right fit for their business

Companies Use of Recruitment Resources

- Online Job Boards — 69%
- Social Media — 50%
- Community Colleges — 41%
- Company Websites — 39%
- Recruiting/Temp Agencies — 29%
- NCWorks Online — 27%
- 4-Year Colleges — 27%
- NCWorks Career Centers — 20%
- Local Newspapers — 15%
- Word of Mouth (exclusively) — 8%

Change from 2018
↓ – ↑

Findings from Industry-Specific & Small Business Samples

Manufacturing

- 61% reported Hiring Difficulty not significantly different than Overall
- Greater difficulty in "Experienced" positions (58%) than Overall
- More likely to cite lack of technical skills, employability qualities, & failed drug testing for "Entry-Level" positions
- Ranked "strong reliability" as desired worker characteristic at higher percentage (40%)
- Higher use of recruiting agencies and temporary employment services

Construction

- Higher percentage had hiring difficulty (65%) for all positions
- More difficulty with "Experienced" positions (64%) than Overall
- More likely to cite lack of technical skills and failed drug testing for "Entry-Level" positions
- More likely to report applicants failed drug screening for "Experienced" positions
- Higher use of recruiting agencies and temporary employment services

Health Care

- 53% reported Hiring Difficulty not significantly different than Overall
- More likely to cite soft skills & lack of education/certifications for "Entry-Level" positions
- A lack of education/certifications mentioned more for "Experienced" positions
- Greater use of Online postings (80%) and Community Colleges (62%) for recruitment
- More provide childcare benefits (20%) than Overall (9%)

STEM

- 52% reported Hiring Difficulty not significantly different than Overall
- Less difficulty filling "Entry-Level" (28%)
- Fewer reported issues with employability, criminal records, and drug screening for "Experienced" positions
- Greater use of Online postings and Universities and Community Colleges for recruitment
- Fewer use workforce system resources (26%) than most other industries

Small Firms with <10 employees

- Only 34% attempted to hire vs. 84% Overall
- 50% reporting Hiring Difficulty – not significantly different than Overall
- Greater percentage reported a lack of technical skills & employability issues for "Entry-level" positions
- Fewer recruit online through job boards, company websites, social networking, & NCWorks Online
- Less likely to use workforce system resources such as NC Career Centers or Community Colleges (11%)