

# Washington Employer Survey

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A survey of employer needs and practices

## Summary and Highlights



***January 2013***

**Workforce Training and Education Coordinating Board**

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128 10th Avenue SW, PO Box 43105, Olympia, 98504-3105

# Washington's Employer Survey

## Comprehensive Survey Shows "Skill Gap" Continues to Hurt Employers, Workers

Of the estimated 60,000 Washington employers who hired in the last 12 months, one in five had difficulty finding qualified applicants.

And of those who experienced hiring difficulties, one third left the job unfilled. They simply couldn't find someone with sufficient qualifications to hire.

This came at a time when unemployment in Washington continued to bump up against 8 percent statewide, and touched double digits in some places.

When attempting to hire, roughly one out of three employers with hiring difficulties experienced:

- Reduced Quality.
- Reduced Output or Sales.
- Lower Overall Productivity.

The continuing gap between employer needs and worker skills threatens Washington's business climate and economy. It poses a threat to our workers, many of whom remain jobless or underemployed, while decent, living-wage jobs sit vacant.

More than half of Washington employers hired new employees in 2012.

But this report--the most comprehensive survey on employer skill needs in Washington--is also cause for optimism. More than three quarters of employers who were hiring in 2012, found workers with the right skills and right fit. Many of the jobs that remain available provide family-sustaining wages. The results of this survey can lay the groundwork for conversations about helping Washingtonians access these jobs, and help employers find the skills they need to be competitive.

This report provides an understanding of what types of skills and competencies are lacking in the pool of potential new hires, and which education levels are the most difficult to find for hiring employers. Also included is information on how employers invest in the education and training of their workers. But the report also raises some important questions for further exploration and research. At the end of the paper, we provide recommendations on methods to advance this research.

### About the Survey

Since 1999, the Workforce Training and Education Coordinating Board (Workforce Board) has administered the Employer Needs and Practices Survey. This survey is conducted every two years in cooperation with the Association of Washington Business and the Washington Chamber of Commerce Executives. The 2012 survey includes the responses of 2,800 employers, who answered a series of questions between September and December.

The only comprehensive survey of its kind, the Workforce Board's Employer Survey shines a light on common workforce issues across a range of industries. The survey results are extrapolated to the state's 119,000 firms with two or more employees.

## Key Findings

Just over half of Washington employers hired new employees in 2012. For many, the hiring process went well: they advertised, brought in qualified candidates and hired their top choice. But for a significant number—an estimated 11 percent of all employers—hiring was difficult. These employers, despite a still sluggish economy with more unemployed workers than jobs, couldn't always find qualified applicants to fill their vacant positions.

Among employers attempting to hire, a full 21 percent reported difficulty in hiring, with roughly one out of three experiencing reduced quality; reduced output or sales; lower overall productivity.

In addition, the survey also showed which skill categories or areas these employers found most lacking. It also showed which education levels were toughest to find.

### **Skill Categories or Areas Listed Most Frequently by Employers As Lacking in Job Applicants:**

(Percentage among employers who had difficulty hiring.)

1. Occupation-specific skills (85 percent)
2. Positive Work Habits and Attitudes (63 percent)
3. Communication Skills (62 percent)

### **Education Levels Most Frequently Reported as Difficult to Find in Job Applicants:**

(Percentage among employers who had difficulty hiring and hired at that level.)

1. Vocational Diploma or Certificate (59 percent)
2. Vocational Associate's Degree (54 percent)
3. Bachelor's Degree (52 percent)

Different industries experienced varying levels of difficulty in hiring new employees. The three below had the toughest time finding qualified new hires.

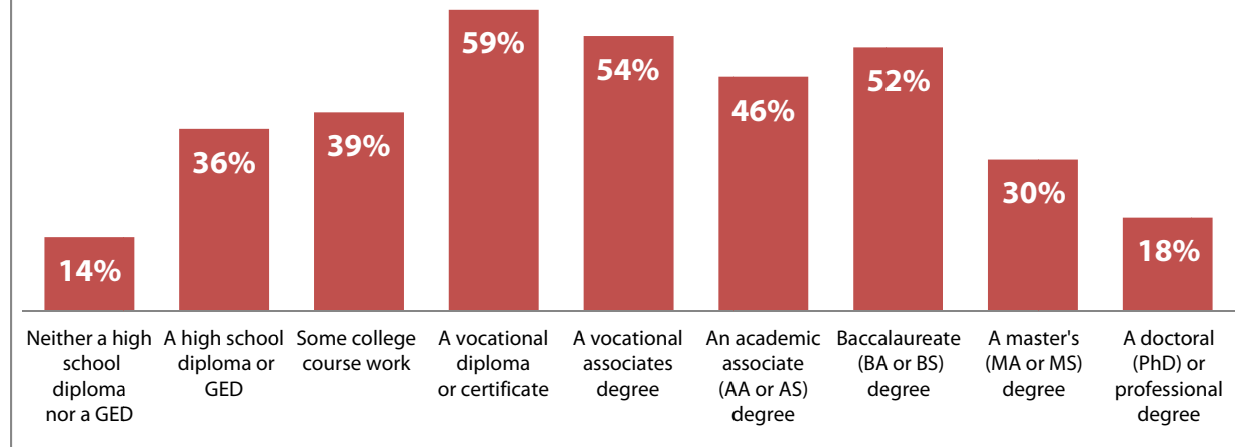
### **Industries Most Frequently Reporting Difficulty Hiring New Employees:**

1. High Tech (51 percent)
2. Construction (36 percent)
3. Agriculture-Food (33 percent)

## Employer Survey Highlights

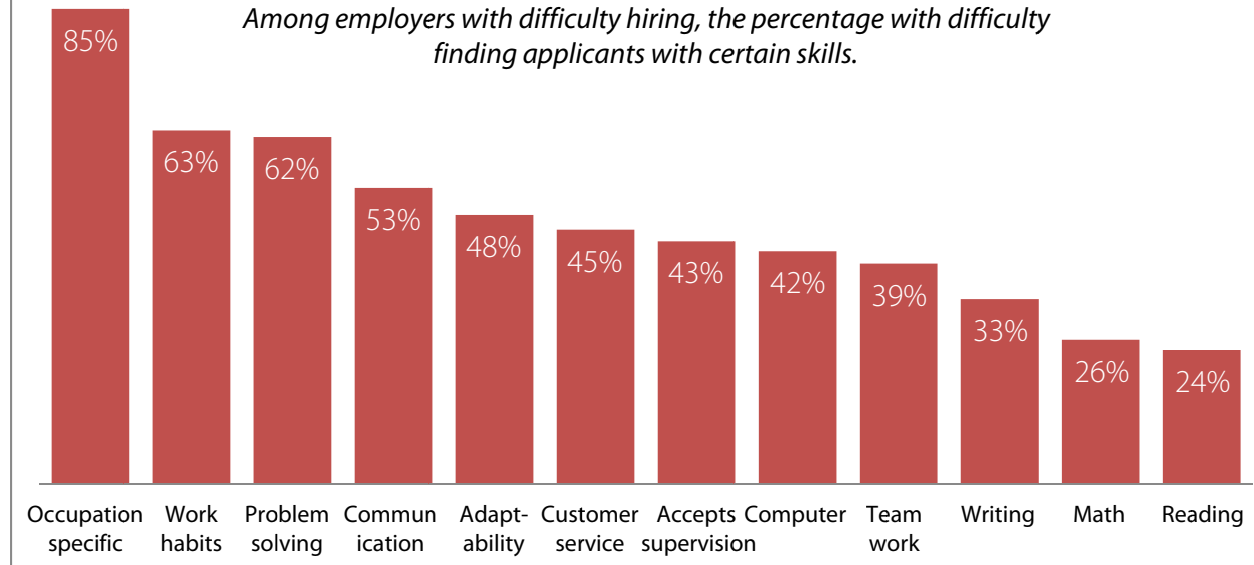
### Education Gaps Reported by Employers

*Percentage of employers that experienced difficulty finding qualified applicants during the last 12 months, by education level, among employers with difficulty.*



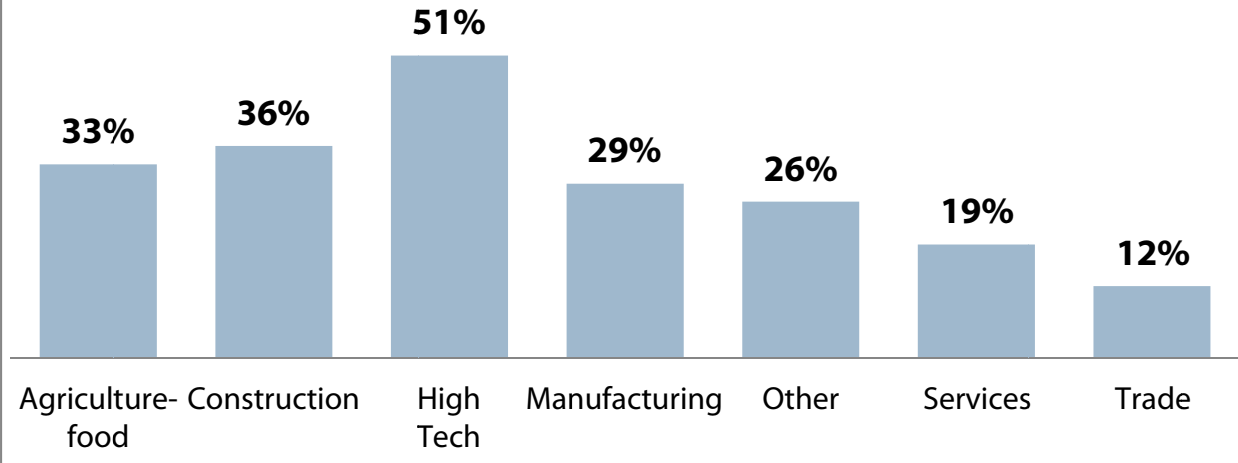
### Skill Gaps Reported by Employers

*Among employers with difficulty hiring, the percentage with difficulty finding applicants with certain skills.*



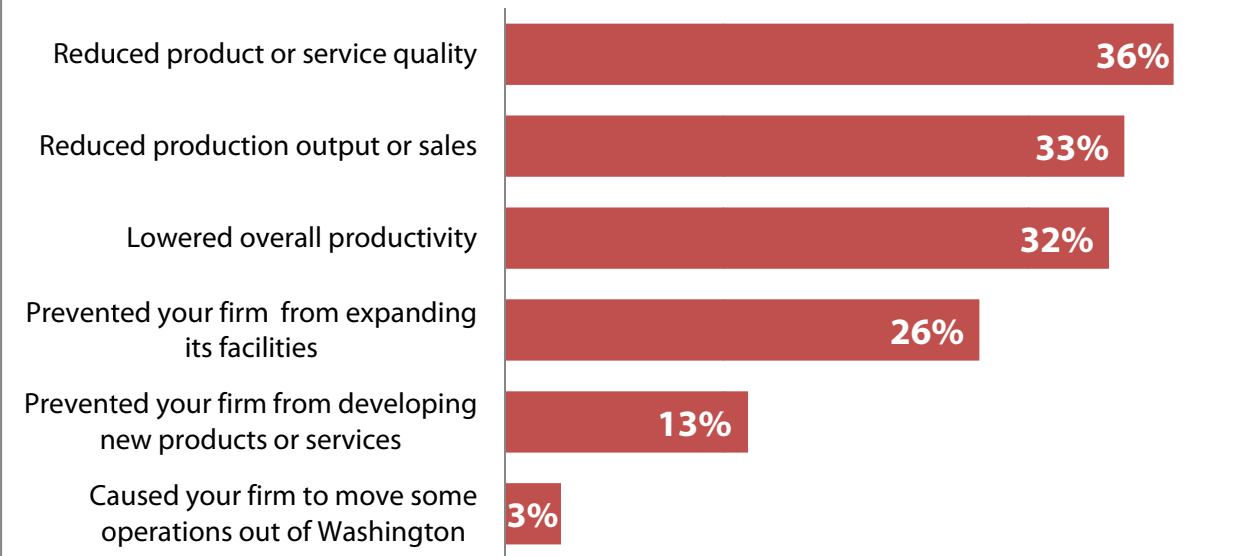
## Employers with difficulty finding qualified applicants, by Industry

*Among those who hired*

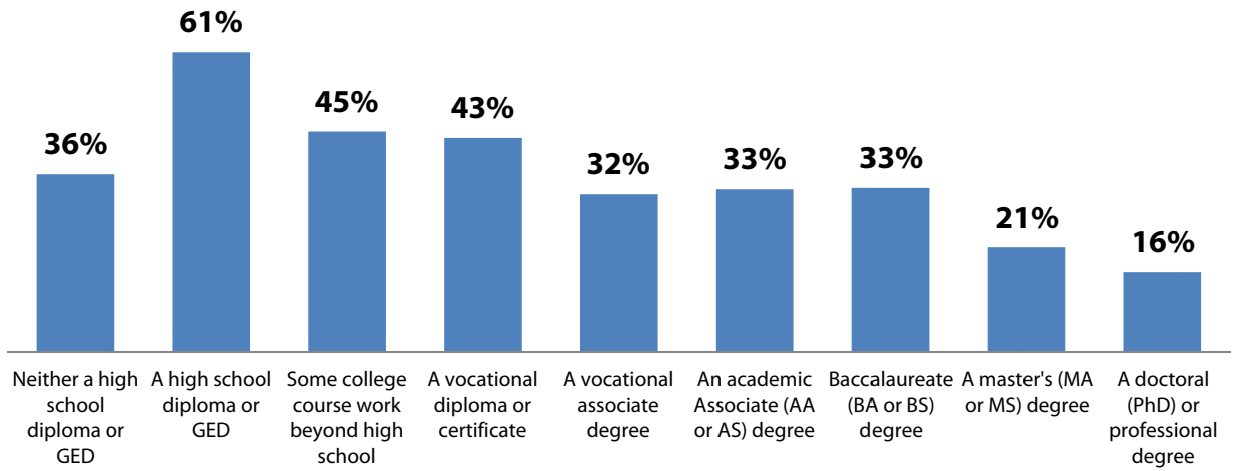


## What has resulted from your firm's difficulty finding qualified applicants?

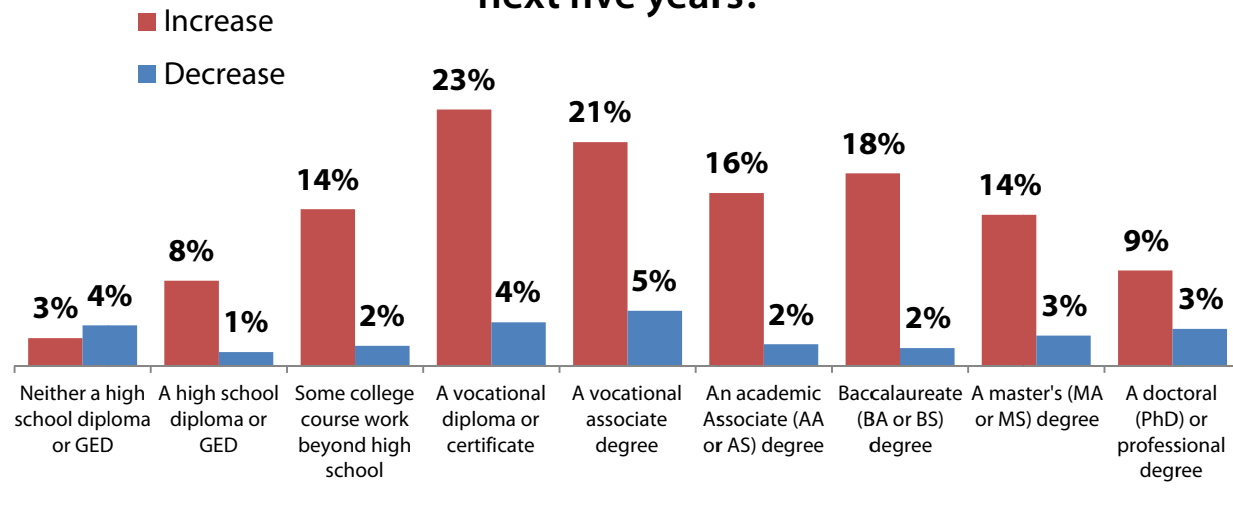
*Among those with difficulty finding qualified applicants*



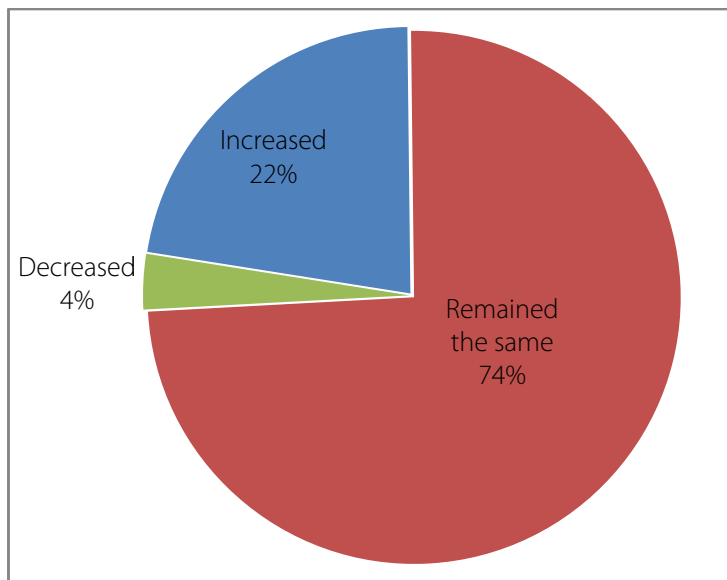
### In the next five years, will your firm need employees with each of the types of education listed ?



### How will your firm's need for employees with each of the types of education listed below change in the next five years?



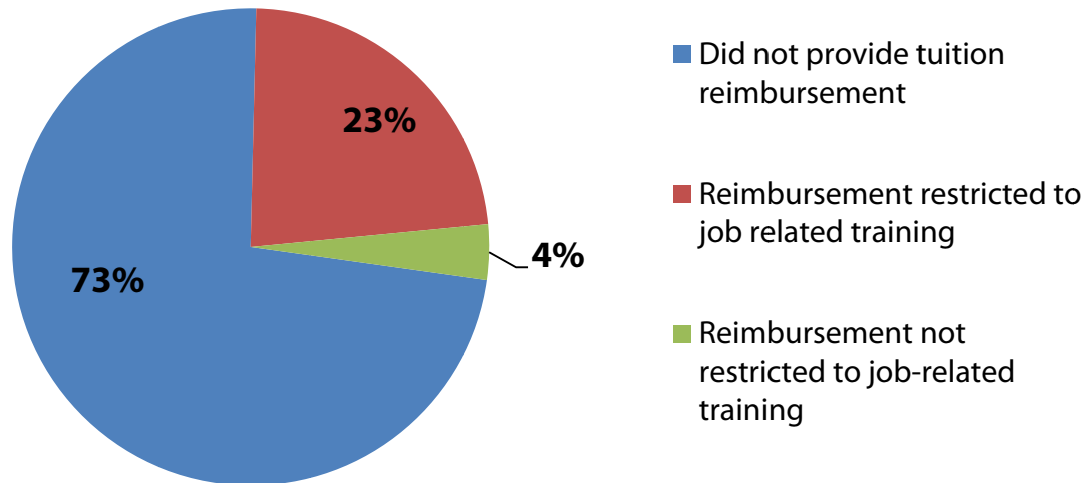
In the last three years, have the skills required to adequately perform production or support jobs (primary or front-line services or support jobs) increased, decreased, or remained the same?



Which of the following are reasons for your increase in training?	
<i>Among those who increased training in the last three years.</i>	
To promote the personal or career development of employees	85%
Need to improve the quality of output	73%
To develop a more flexible and versatile workforce	71%
Changes in technology	64%
Need to improve worker productivity	61%
Changes in the organization of work	60%
To improve the morale of employees	55%
Changes in products or services you provide	55%
To keep up with competitors at home	54%
Legal requirements forced us to increase training	46%
To help employees develop more positive attitudes and work habits	40%
New hires did not have necessary skills	39%
To keep up with competition from foreign countries	5%

Approximately 2.5 percent of respondents (or an estimated 2,867 employers) said they have an arrangement at a community or technical college to provide education and training services to their employees. Some 93 percent of those employers were satisfied with the training their employees received at community and technical colleges.

### Did your firm have a tuition reimbursement program for any employee during the past 12 months?



#### Recommendations for future improvements

Although the Employer Survey provides answers to many questions about Washington employers' satisfaction with the state's workforce, the skill gaps that exist and the training they supply to their employees, the report spurs additional questions. For example, what is the difference between how workers are being trained and employers' specific needs?

In some cases, Workforce Board research provides a good launching point. Each year, Workforce Board research staff produce a Skill Gap Analysis that identifies mid-level high employer demand occupation groups. This list of high-demand occupations helps guide the investments of workforce development programs and services. But it only tells part of the story. Essentially, the Skill Gap Analysis shows the number of trained workers entering the pipeline and compares it to projected need several years in the future. It's about quantity, not quality.

It doesn't tell us how well training programs are aligning with specific employer needs. So for example, if the education pipeline is providing a certain number of health care technicians, are these same technicians equipped with the particular skills employers say they need.

We recommend further needs-assessments to gain a better understanding of the skill gaps, through more detailed survey research and through sector-focused Industry Skill Panels. This is especially important for Washington's growing industries such as aerospace and health care. Industry Skill Panels bring key players to the table—including business and industry, education providers, community



leaders, workforce professionals and others—to identify industry skill gaps and hammer out education and training plans that build a skilled workforce.

It's also clear from this report that there needs to be a stronger connection forged between employers and our community and technical college system. Too few employers—just 2.5 percent—had an arrangement with one of our state's 34 public two-year colleges to provide education and training services to their employees. This is a missed opportunity for employers and their employees. Community and technical colleges are able to tailor their offerings to the needs of local employers, create short-term training programs that build to larger credentials, and provide that training at cost-effective rates.

Ramping up this relationship will take time. But it's important that we bring employers together with educators to make Washington's workforce truly world class.

Complete results of the 2012 Employer Survey, see: [www.wtb.wa.gov/EmployerSurvey.asp](http://www.wtb.wa.gov/EmployerSurvey.asp).

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## Survey Results



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Workforce Training and Education Coordinating Board  
Employer Needs and Practices Survey 2012

Has your firm/organization hired any new employees in the last twelve (12) months?		
Q1	# of Employers (est.)	Percent
Yes	89,868	51%
No	87,343	49%

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Employer Needs and Practices Survey 2012

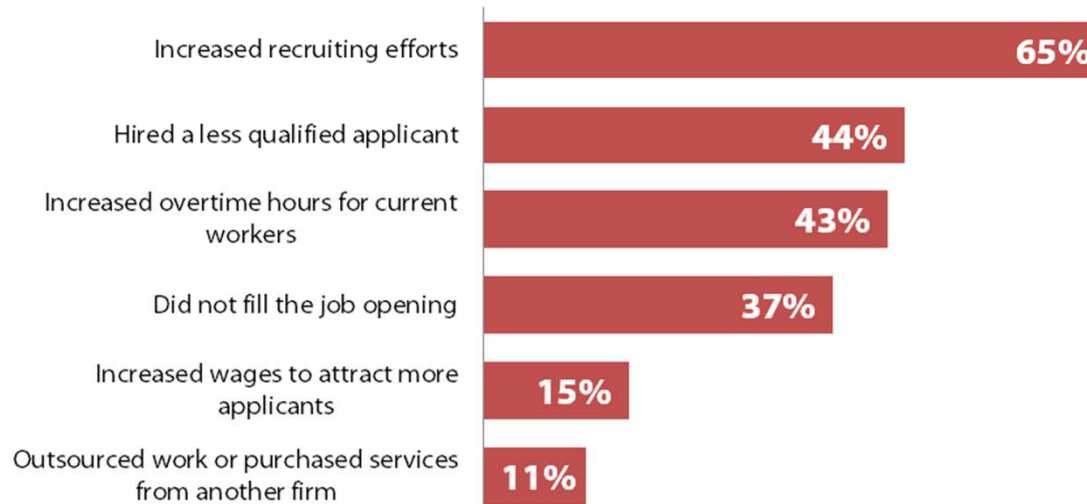
In the last 12 months, did your firm/organization have any difficulty finding qualified applicants for any of the jobs you were trying to fill?		
<i>Among those who hired in the last 12 months</i>		
Q2	# of Employers (est.)	Percent
Yes	18,902	21%
No	70,957	79%

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Employer Needs and Practices Survey 2012

How did your firm respond to the difficulty finding qualified applicants?		
<i>Among those with difficulty finding qualified applicants</i>		
	<i>Percent</i>	Number of Firms (Est)
Did not fill the job opening	37%	6,530
Hired a less qualified applicant	44%	7,971
Outsourced work or purchased services from another firm	11%	1,751
Increased overtime hours for current workers	43%	7,128
Increased recruiting efforts	65%	11,750
Increased wages to attract more applicants	15%	2,494

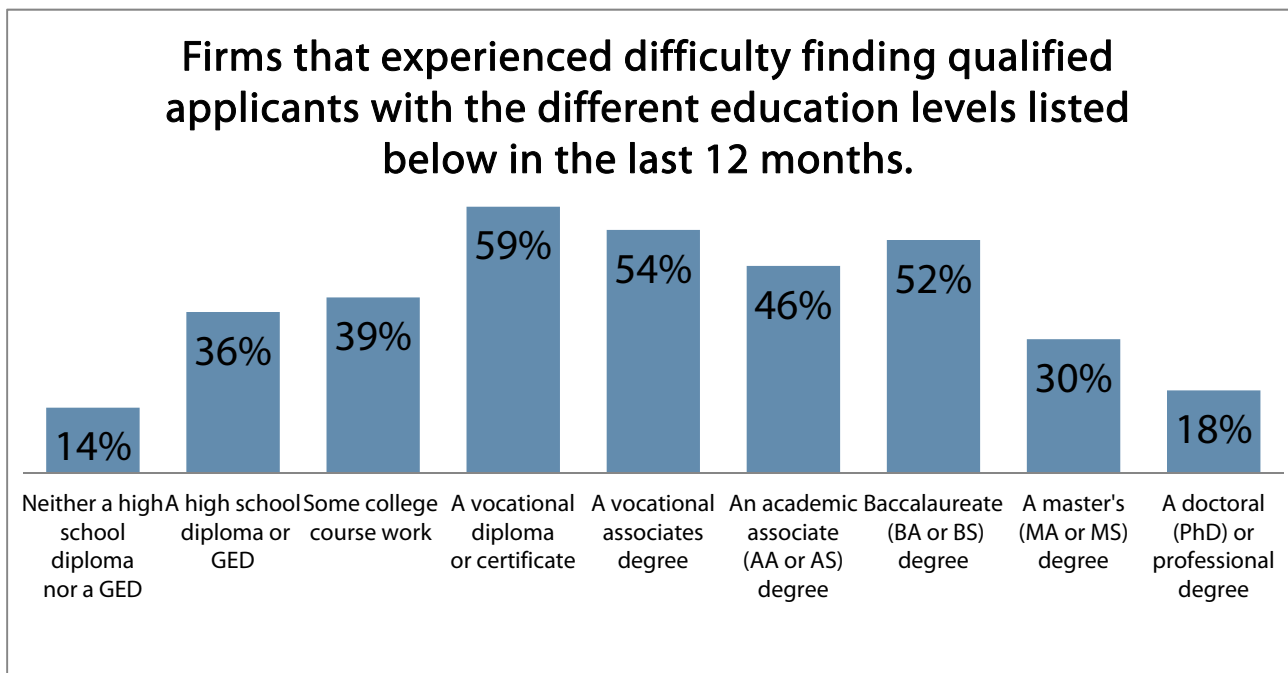
**What has resulted from your firms difficulty finding qualified applicants?**

*Among those with difficulty finding qualified applicants*



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Employer Needs and Practices Survey 2012

How much difficulty has your firm/organization experienced in the last 12 months finding qualified applicants with the different education levels listed below?			
<i>Among those with difficulty finding qualified applicants</i>			
	Much Difficulty	Some Difficulty	No Difficulty
Neither a high school diploma nor a GED	6%	8%	86%
A high school diploma or GED	5%	30%	64%
Some college course work	5%	34%	61%
A vocational diploma or certificate	12%	48%	41%
A vocational associates degree	11%	43%	46%
An academic associate (AA or AS) degree	21%	25%	54%
Baccalaureate (BA or BS) degree	23%	29%	48%
A master's (MA or MS) degree	13%	16%	70%
A doctoral (PhD) or professional degree	10%	9%	82%



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Employer Needs and Practices Survey 2012

How much difficulty has your firm/organization had finding employees with the following skills?			
<i>Among those with difficulty finding qualified applicants</i>			
	Much Difficulty	Some Difficulty	No Difficulty
Occupation specific skills	46%	39%	15%
Work habits	18%	45%	37%
Problem solving	13%	49%	38%
Communication	19%	34%	47%
Adaptability	15%	33%	52%
Customer service	8%	37%	55%
Accepts supervision	6%	38%	57%
Computer	8%	33%	58%
Team work	8%	32%	61%
Writing	10%	23%	67%
Math	7%	19%	74%
Reading	10%	14%	76%

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Which of the following has resulted from your firm's difficulty finding qualified applicants?		
<i>Among those with difficulty finding qualified applicants</i>		
	Percent	# of Employers (est.)
Lowered overall productivity	32%	5,628
Reduced product or service quality	36%	6,120
Reduced production output or sales	33%	5,783
Prevented your firm from expanding its facilities	26%	4,291
Prevented your firm from developing new products or services	13%	1,357
Caused your firm to move some operations out of Washington	3%	314



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Employer Needs and Practices Survey 2012

In the last 6 months how much difficulty has your firm/organization experienced with entry-level workers demonstrating the following skills?			
<i>Among those with difficulty finding qualified applicants</i>			
	Much Difficulty	Some Difficulty	No Difficulty
Speak so others can understand	6%	23%	71%
Listen actively	7%	34%	60%
Read with understanding	9%	23%	68%
Observe critically	8%	30%	62%
Cooperate with others	6%	27%	67%
Resolve conflict and negotiate	5%	33%	62%
Use math to solve problems and communicate	5%	26%	69%
Solve problems and make decisions	10%	40%	50%
Take responsibility for learning	16%	28%	57%
Use information and communications technology	6%	29%	65%
Interact well with customers	3%	25%	72%

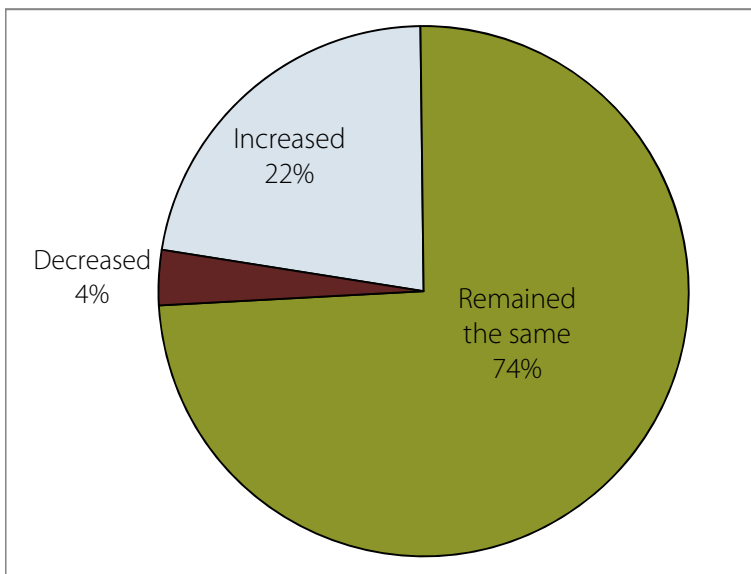
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Employer Needs and Practices Survey 2012

How will your firm's need for employees with each of the types of education listed below change in the next five years?						
<i>Among those with difficulty finding qualified applicants</i>						
	Increase		Stay about the same		Decrease	
	%	# of Employers (est.)	%	# of Employers (est.)	%	# of Employers (est.)
Neither a high school diploma or GED	3%	1,457	94%	53,420	4%	2123
A high school diploma or GED	8%	7,993	91%	93,073	1%	1,310
Some college course work beyond high school	14%	10,291	84%	60,082	2%	1,326
A vocational diploma or certificate	23%	16,229	72%	50,089	4%	2,774
A vocational associate degree	21%	10,394	74%	37,741	5%	2,564
An academic Associate (AA or AS) degree	16%	8,332	82%	43,219	2%	1,052
Baccalaureate (BA or BS) degree	18%	9,472	81%	43,321	2%	885
A master's (MA or MS) degree	14%	4,672	83%	28,129	3%	943
A doctoral (PhD) or professional degree	9%	2,242	88%	22,503	3%	872

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In the last three years, have the skills required to adequately perform production or support jobs (primary or front-line services or support jobs) increased, decreased, or remained the same?

Q10	# of Employers (est.)	Percent
Increased	38,812	22%
Remained the same	129,307	74%
Decreased	5,833	3%



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Did your firm provide or pay for any classroom training, workshops, or seminars (lasting at least four hours) for any employees in the last 12 months?		
Q11	# of Employers (est.)	Percent
Yes	66,082	38%
No	109,558	62%

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Employer Needs and Practices Survey 2012

For each type of employee listed below, approximately what percentage received classroom training, workshops, or seminars (lasting at least 4 hours) in the last 12 months?	
<i>Among those who provide or pay for training, workshops, or seminars.</i>	
Professional occupations	42%
Managerial and administrative occupations	40%
Technical and paraprofessional occupations	37%
Service occupations	35%
Production, construction, operation, maintenance, and material-handling occupations	33%
Clerical and administrative support occupations	30%
Marketing and sales	23%
Agricultural, forestry, fishing, and related occupations	6%

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Approximately what percent of your current employees would you say need further college level training in a formal program in order to reach the current level of productivity and competence that your company needs?	
<i>Among those who provide or pay for training, workshops, or seminars.</i>	
Community and technical colleges	Four-year colleges and universities
7%	2%

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Employer Needs and Practices Survey 2012

<p>In the last three years, has the percentage of your employees who receive classroom training, workshops, or seminars of some kind increased, decreased, or stayed about the same?</p>	
<p><i>Among those who provide or pay for training, workshops, or seminars.</i></p>	
Q14	Percent
Decreased	3%
Increased	21%
Remained the same	76%

<p>Which of the following are reasons for your increase in training?</p>	
<p><i>Among those who increased training in the last three years.</i></p>	
To promote the personal or career development of employees	85%
Need to improve the quality of output	73%
To develop a more flexible and versatile workforce	71%
Changes in technology	64%
Need to improve worker productivity	61%
Changes in the organization of work	60%
To improve the morale of employees	55%
Changes in products or services you provide	55%
To keep up with competitors at home	54%
Legal requirements forced us to increase training	46%
To help employees develop more positive attitudes and work habits	40%
New hires did not have necessary skills	39%
To keep up with competition from foreign countries	5%

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To meet your classroom training needs, do you primarily utilize:		
<i>Among those who provide or pay for training, workshops, or seminars.</i>		
Q16	# of Employers (est.)	Percent
In-house staff	5,203	55%
Industry, business or professional organizations	2,591	28%
Private training businesses	1,108	12%
4-year college or universities	231	2%
Community or technical colleges	190	2%
Private career schools or colleges	71	1%



Workforce Training and Education Coordinating Board  
Employer Needs and Practices Survey 2012

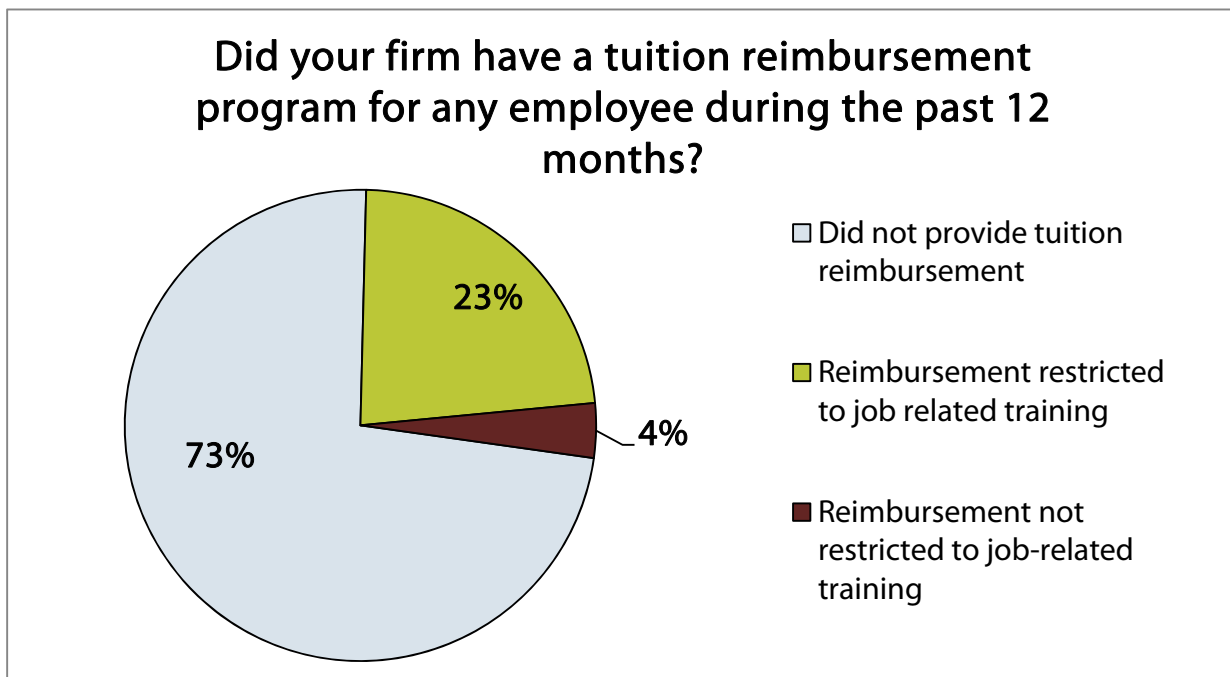
Has your firm ever had an arrangement with a community or technical college to provide education and training services to your employees?		
<i>Among those who provide or pay for training, workshops, or seminars.</i>		
Q17	# of Employers (est.)	Percent
Yes	4,272	9%
No	43,402	91%

How satisfied are you with the training you have obtained for your employees from the community or technical colleges?		
<i>Among those who provide or pay for training, workshops, or seminars.</i>		
Q18	# of Employers (est.)	Percent
Mostly dissatisfied	293	7%
Somewhat dissatisfied	19	0.4%
Somewhat satisfied	906	21%
Very satisfied	3,008	71%

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Employer Needs and Practices Survey 2012

Did your firm/organization have a tuition reimbursement program for any employee during the past 12 months?		
<i>Among those who provide or pay for training, workshops, or seminars.</i>		
Q20	# of Employers (est.)	Percent
Yes	17,600	27%
No	48,118	73%
Total	65,718	100%

Was your tuition reimbursement program restricted to job-related training only?		
<i>Among those who provide or pay for training, workshops, or seminars.</i>		
Q21	Percent of those who have a tuition reimbursement program	Percent of those provide or pay for training
No	14%	4%
Yes	86%	23%



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Did your firm provide at least 4 hours of on-the-job training that was described in a written plan or agreement for any employees in the last 12 months?

Q22	# of Employers (est.)	Percent
No	91,708	69%
Yes	40,378	31%

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For each type of employee listed below, approximately what percentage received on-the-job training in the last 12 months?	
<i>Among those who provided at least 4 hours of on-the-job training.</i>	
Managerial and administrative occupations	48%
Professional occupations	49%
Technical and paraprofessional occupations	48%
Marketing and sales	39%
Clerical and administrative support occupations	42%
Service occupations	42%
Production, construction, operation, maintenance, and material-handling occupations	25%
Agricultural, forestry, fishing, and related occupations	0%

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What percent of your firm's/organization's current employees are in jobs that require each of the educational levels listed below?	
Neither a high school diploma nor a GED	19%
A GED or high school diploma	44%
Some college course work or training beyond high school	6%
A vocational diploma or certificate	9%
A vocational associate degree	3%
An academic associate (AA or AS) degree	5%
Baccalaureate (BA or BS) degree	11%
A master's (MA or MS) degree	2%
A doctoral (PhD) or professional degree	1%

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What percentage of your non-supervisory employees use computers in their jobs
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67%
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