

Attachment #1

# Why a Workforce Focus?

Ohio Board of Regents  
Conditions Report Sub Committee Meeting  
January 8, 2013

# Background

## Strickland Administration – Workforce/Economic Development Joint Strategies

- CEO/Business Leader Meetings
- Effect on BRE and Attraction efforts and strategies
- Chicken and Egg Scenario – Workforce vs. Economic Development
- Interagency Dialogue: ODOD/ODJFS/OBOR
- Began to draw in ODE
- Created Cabinet Level OBOR Appointment
- Moved OTCs/ABLE
- Ohio Skills Bank Strategy (Chancellor Eric Fingerhut – “You need to be the solution to the phone calls I receive after the Governor visits with a business who can’t find prospective hires or finds under skilled hires.”)

# Background – Continued

## Kasich Administration – Workforce Focus

- Same CEO/Business Leader Dialogue
- JobsOhio – with an element focused on incumbent worker skill delivery and closer education partnerships: economic development joint visits/strategy, executive pulse data, etc.
- Office of Workforce Transformation – no staff, enhance agency strategies and delivery (Handout – OWT Annual Report)
- ODE/OBOR Collaboration
- Monthly Meetings with WD professionals at colleges/universities
- First Assignment to ascertain talent needs – Failure (see handout)
- Inventory calls on hard to fill positions
- Initial focus on Workforce Investment Act (WIA) System
- Education is Delivery System – WIA is conveyor between points in time in a career path

# The National Situation



- Unemployment Rate: November, 2013 – 7.0%
- 12 million Americans who are unemployed or underemployed.
- The most recent US recession began in the US in December 2007 and ended in June 2009 (span of 18 months)
- The global recession began in third quarter 2008 and ended in first quarter 2009 (three consecutive quarters based on data from 52 countries)
- The global recession resulted in: sharp drops in international trade, rising unemployment and slumping commodity prices
- Job Growth: In the post-World War II recession – 10 months for the economy to regain the jobs it had lost; Early 1990s recession – two years; 2000s – 3 ½ years
- October 2010 – 16 months after the official end of the recession, the economy still had 5.4% fewer jobs than it did before the recession started
- 17 million people have college degrees but are working in positions that do not require one

*Sources: U.S. National Bureau of Economic Research, State of Working America, National Bureau of Labor Statistics*

# Ohio Employment

Ohio is the 34th largest, the 7th most populous, and the 10th most densely populated of the 50 United States

2013 November Unemployment Rate: 7.1% Not Seasonally Adjusted  
7.4% Seasonally Adjusted

2012 November Unemployment Rate: 6.8%

Across 88 counties, unemployment rates ranged from a low of 4.4 percent in Mercer County to a high of 15.6 percent in Monroe County. Rates increased in 60 of the 88 counties statewide

Total Ohio Employment: 5,307,000,



Unemployed in Ohio in November: 427,000 (does not count discouraged workers, marginally employed, etc.)

*Source: ODJFS, BLS*

# Ohio Sector Employment Figures – Gains and Losses

From November 2012 to November 2013:

- Goods-producing industries lost 2,100 jobs over the year
- Construction lost 5,200 jobs
- The private service-providing sector added 32,100 jobs over the year
- Employment decreased in information (-3,000), financial activities (-2,000), and other services (-100). Government lost 10,200 jobs in local (-8,000), federal (-1,800), and state (-400) government
- Manufacturing added 2,700 jobs in durable goods (+1,800) and non-durable goods(+900)
- Mining and logging gained 400 jobs
- Nonagricultural wage and salary employment increased 19,800
- Gains were posted in educational and health services (+15,800), trade, transportation, and utilities (+12,400), professional and business services (+8,800), and leisure and hospitality (+200).

# Why a Workforce Focus?



Kasich Administration – “the critical connection between jobs and economic growth for the State of Ohio” made workforce transformation a top priority.

Increasing the Per Capita Income in Ohio

# Skills Mismatch?

- Nearly 12 million U.S. workers are unemployed
- Businesses report nearly four million open jobs— jobs that cannot be filled by previously displaced workers because of gaps in skills

*Anthony Carnevale, director of Georgetown University's Center on Education and the Workforce. "That number is correct" said Carnevale, "and the reason is a mismatch problem. ...Even though there aren't enough jobs to go around, there are a lot of jobs that people don't have the skills to fill. If we stick to the purity of our ideals, which is that everybody goes to college and gets a four-year degree, we're not going to be able to get there."*

- A recent OECD study that evaluated work-based skills taught in schools in 29 countries found that the U.S. ranked dead last.

*Source: BLS, OECD (Organization for Economic Cooperation and Development) Skills Mismatch, Survey of Adult Skills in the US*

## 'Effort needed to connect jobs and skills mismatch'

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the available talent pool.  
"A concerted effort is needed to connect the mismatch that exists between the requirements of the business community here in Wales, and the subjects being studied by a majority of young people who are leaving school and college without the skills needed to take advantage of local jobs, particularly in the manufacturing and engineering sector."  
"We believe that a dedicated six-month business studies course for young people seeking employment would help to develop their core skills, and better equip them for the business environment."  
"A closer link between schools, colleges, the private sector and academia would also help to redress this imbalance and allow Wales to keep hold of its home grown work-

force."  
Adam Gumsley a recruitment specialist at Newport-based Select Appointments, said: "A worrying majority of young people seem to be leaving education without the basic fundamental skills needed to succeed in a competitive job market."  
"In Gwent, we are seeing a lack of people skilled in trades such as welding and plumbing, and office roles such as administration work."  
Businesses recruiting for these roles are having to look outside the area for people with the right skill sets, meaning that young people are missing out on jobs on their own door steps.  
"Schools need to start to be more realistic with young people about post education employment opportunities, and we need to see more voca-

tional training to allow young people to learn a trade while earning a living wage at the same time."  
The survey also shows that the confidence of businesses in South Wales has risen over the course of the year, with more than two thirds of businesses (88 per cent) expecting to increase their profitability over the next year.  
Graham Morgan said: "With every QES survey we have carried out over the last two years we have seen the confidence in the business community building, but this hasn't always led to direct investment in their future growth."  
"Our latest survey has seen little investment in Gwent in either equipment or training, and we will be monitoring closely to see if this trend is continued over the course of the next quarter."



# Skills Mismatch?

Skill mismatch is one of the main challenges faced by economies. Empirical evidence shows that, in far too many cases, workers are not well-matched with their current jobs.

Most of the academic and policy analysis on mismatch to date have focused on qualification rather than skills because of data availability. Some analysis use indirect measures of skills mismatch, but few have been based on direct measures.

The Programme for the International Adult Assessment of Adult Competencies (PIAAC) will provide a direct measurement of skills, as well as measures of the use of those skills at work (Organization for Economic Cooperation and Development)

# What is behind the skills mismatch issue? – Changing Employer Expectations/Educator New Realities

- Aircraft Maintenance Workers and Excel
- Supply Chain Classes – from Logistics Degrees to Business Degrees
- 21<sup>st</sup> Century Skill Sets – communication, leadership, problem solving, conflict resolution, computer, social media. Able to pick up whatever skills are and well- adaptable, versatile.
  - Example: today's IT worker
  - Education Thresholds: BioOhio Project



# What is behind the skills mismatch issue? – Changing Employer Expectations/Educator New Realities

Ultimately, the purpose of a college education is not to get you a job and make you money, “Anthony Carnevale, Georgetown University Center on Education and the Workforce. “The purpose is to allow you to live more fully in your time.”

“To be able to get a better job”, number one reason why students were pursuing college degrees – American Freshman: National Norms Fall 2011 Survey conducted by the Cooperative Institutional Research Program at the University of California.

Five former and current students at Woodbury-based Globe University have filed a class-action lawsuit alleging the school misled them about their post-graduation employment prospects. The complaint alleges the school left students "deep in debt but without the professional opportunities promised.”

Surveyed employers agreed that “a job candidate’s demonstrated capacity to think critically, communicate clearly and solve complex problems is more important than their undergraduate major.” Association of American Colleges & Universities.

# What is behind the skills mismatch issue? - Employers



- Expectations rise in a hirer's market, sometimes to absurd levels (experience only need apply) - Andrew Carnevale
- Receptionist – college degrees....."and those washing the cars"
- Only those currently working need apply
- Informing Competitive Pay Discussions: (Mfg./IT & Logistics –see poverty chart)
- Contributing Factors: Internal Career Ladders, disconnect on entry qualifications among businesses

# What is behind the skills mismatch issue? – Available Labor Pool



- Ohio – large industrial base moving to industry targets of desired growth
- Non-credentialed workforce: diploma nurses, OJT, non-credit delivery vs. career ladder
- High School Drop Out Rate – 26,000 annually (virtually unchanged in 15 years)
- Where the jobs are versus industry impressions

# What is behind the skills mismatch issue? – Student Equation

- Exposure to Careers (limited to what others know)
- Number of undecided students on our campuses
- Perception of Industries (where the jobs are) – manufacturing, insurance, logistics.....your child.....the image
- Perceptions of education institutions – Harvard and Jobs for the Future Pathways to Prosperity Project (community college, technical centers)
- Lack of internships, co-ops and apprentice opportunities (work experience requirement)
- No exposure to career assessments on “job fit” or “career interests” (my son)
- Inadequacies around math knowledge (increasing amount of new jobs that require that foundation)
- Inability to participate successfully in today’s job search



# Solutions to the Puzzle - Important Role of Career Services

Average Graduate takes 7.4 months to secure a job in or out of field

## **NACE - Average Visits to the career Centers by Graduating Seniors:**

27.2% - Never

16.1% - Once

18.2% - Twice

27.0% - Four to Six times

11.6% - 8 times



Heldrich - Unfulfilled Expectations: *Recent College Graduates Struggle in a Troubled Economy* - Less than 33% used their college career center

## **Adecco Graduate Survey**

71% - wished they had done something different to prepare for the job market

26% - started earlier while in college

29% - more time networking

26% - applied for more jobs

43% - were currently working at a job that did not require a college degree

# Important Role of Career Services (Job Search Strategies)

## Cracking the Hidden Job Market - Donald Asher

- 2/3 of people who took a new position did not respond to an opening posted on the internet or anywhere
- 2/3 of hiring takes place through people to people conversations
- Only 2/3 of all jobs are ever advertised online
- More than 1/2 of all hiring is through the hidden job market



# Important Role of Career Services (Social Media Profiles and Resumes)

2011 Jobvite survey on corporate use of Internet Strategies - 64% of businesses had successfully hired people through social networks

22 million members of the workforce found their most recent positions through social media up 7.7 from 2010

## The Ladders Resume Survey of Hiring Managers/HR Professionals/Recruiters

Average Resume Review - 4 minutes was belief

Using eye tracing technology:

Name

Title/Company

Start/End date of jobs

Education

**That took six seconds**



Starbucks: 7.6 million resumes over 22 months for 65,000 corporate and retail job openings

Proctor & Gamble – 2 million applications in 12 months for 2,000 positions

Texas Roadhouse (350 locations nationwide) receives 400 resumes for a job opening within 24 hours of posting

# Important Role of Career Services (Dos/Do Not)

700 Employer Survey of “Parents Engaged in Every Aspect of their Graduate's Employment” - Collegiate Employment Research Institute

6% advocating for promotion or salary increases

9% tried to negotiate salary and benefits

12% were involved in making interview arrangements

15% complained if the company did not hire a student

17% attended a career fair with a student

40% obtained information about companies for a student

# Solutions to the Puzzle – Sector Strategies

Eric Spiegel (@ericspiegel) is the president and CEO of Siemens USA and the author of the 2009 book “Energy Shift: Game-changing Options for Fueling the Future.”

In order to ensure that students graduate with the skills needed for the jobs that exist, companies need to work with the education system, government and labor. These public-private partnerships are critical because they allow for the marriage of supply and demand. Businesses can communicate their immediate and anticipated needs so that educational institutions can develop programs to train students for the necessary skills.





- 1. Unified Workforce System Strategy**
  - a. K-12 Changes – ODE/OBOR Collaboration (one of several)
- 2. In-Demand Jobs/Forecasting – ODJFS**
  - a. Education Response - OBOR
- 3. Career Services** – Pivotal role in changing career decision making dynamics and in job preparation – OBOR
  - a. ODE – Career Connections (as one example)
- 4. Inventory** – OBOR OWEN Project
- 5. Sector Strategies** – OBOR (need to visit this topic at our next meeting)

# InDemand – ODJFS Presentation