



JOHN J. HELDRICH
CENTER FOR
WORKFORCE
DEVELOPMENT

Highlights

The John J. Heldrich Center for Workforce Development New Jersey Employer Survey

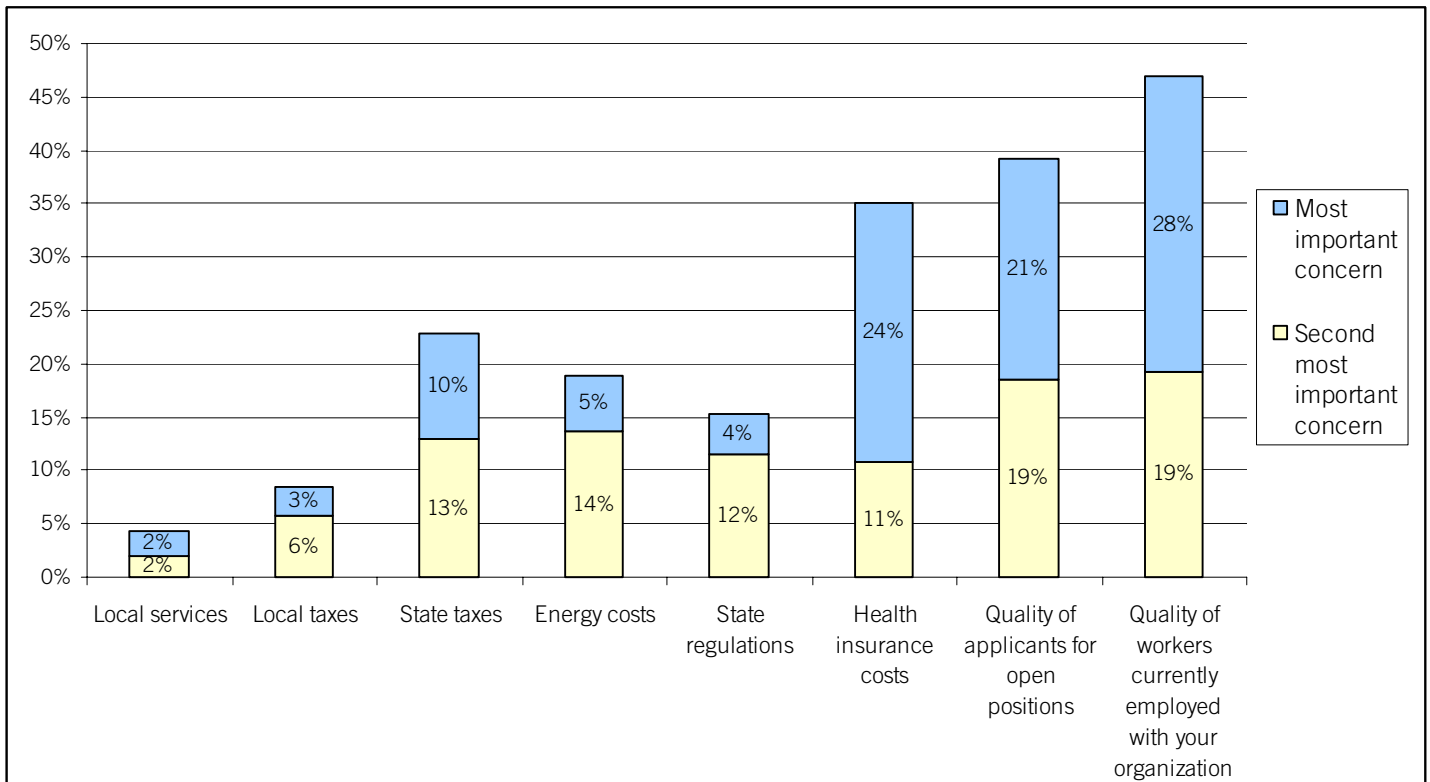
October 2005

In a statewide survey conducted by the John J. Heldrich Center for Workforce Development at Rutgers University, New Jersey's employers cite the quality of the workforce as the top issue confronting their business. With New Jersey's employment levels near an all-time high, almost two-thirds of respondents report having difficulty in finding qualified workers to fill job openings. The survey also finds that employers support a range of state policies to prepare qualified workers for entry into the workforce and to upgrade the skills of those currently employed.

Finding qualified workers to fill open positions and the quality of workers currently employed lead the list of employer concerns.

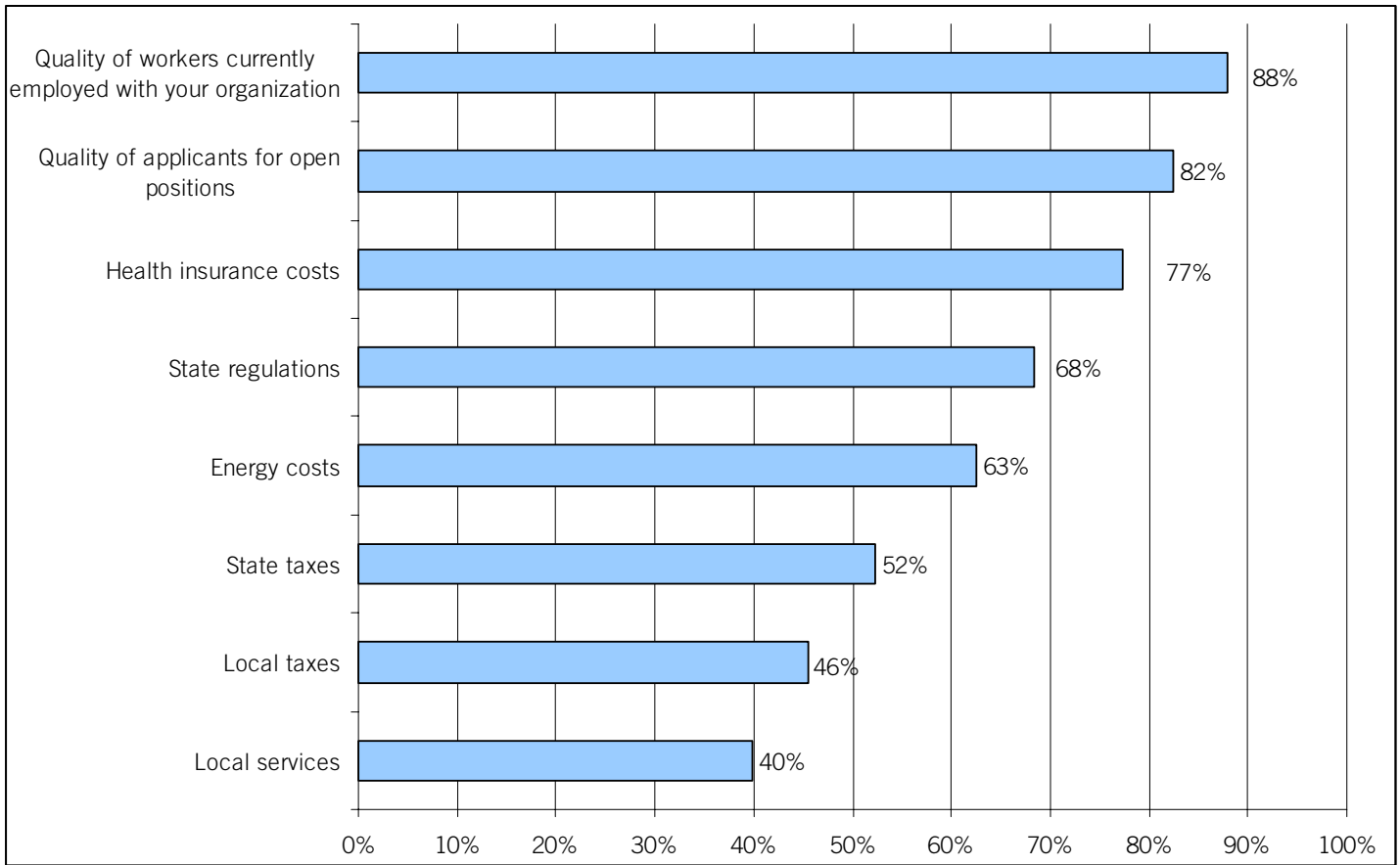
- 4 in 10 employers surveyed say that the *quality of applicants for new or open positions* is the most important or second most important issue facing their business. Nearly half also cite the *quality of workers currently employed* by the respondent among their top two concerns.
- Workforce quality concerns rank ahead of concerns about health insurance costs, state taxes, energy costs, state regulations, local taxes, and local services.

Share of Employers Citing Specific Issues as One of the Two Most Important Facing their Business



- An overwhelming majority of employers believe that the quality of applicants for job openings (82%) and maintaining the quality of their current workforce (88%) are “very important” to their organization. Other issues are regarded as less important to New Jersey employers.

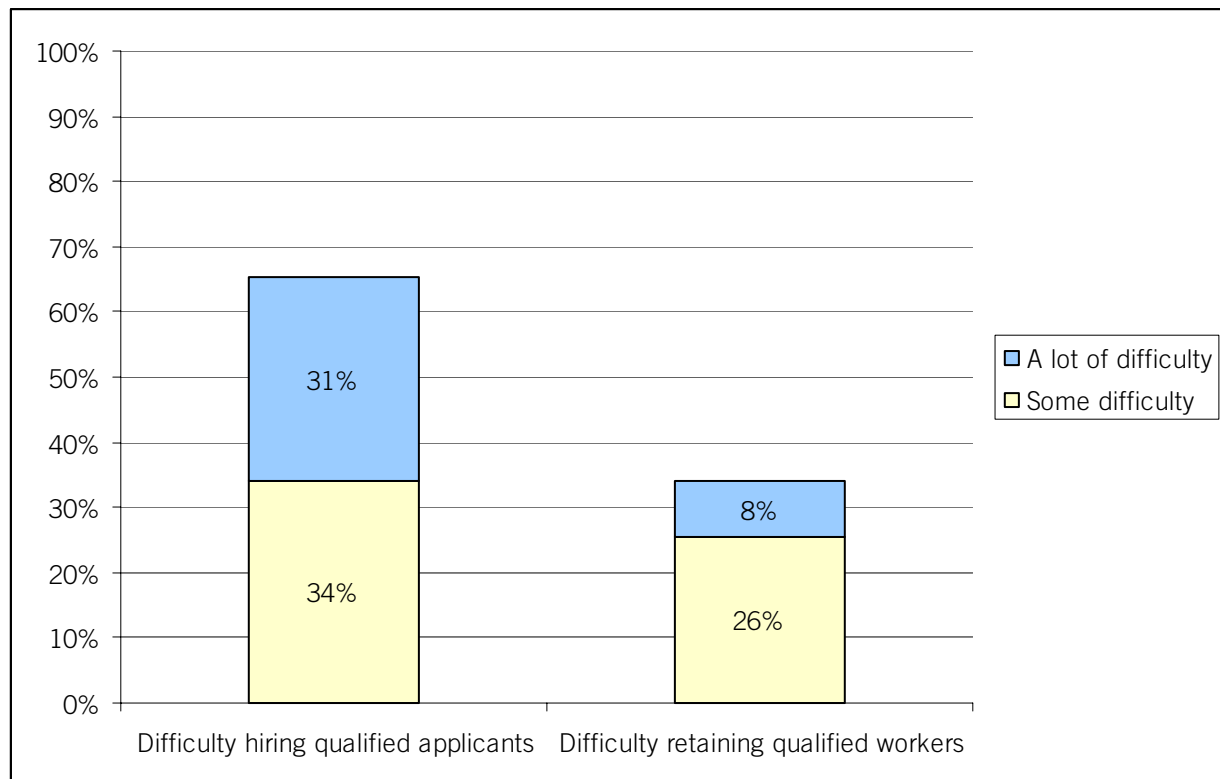
Percentage of Employers Ranking Issue as “Very Important” to their Organization



Nearly two-thirds (65%) of employers report experiencing difficulty in hiring qualified applicants for job openings in the past 12 months.

- 3 in 10 employers report experiencing “a lot” of difficulty hiring qualified applicants. Only 14% have experienced no difficulty at all.
- Half of respondents that hire workers with vocational certificates or specialized technical credentials report having had difficulty hiring qualified workers in the past 12 months.
- Retaining qualified workers is a less common, but still significant, issue — 34% of employers have experienced some or a lot of difficulty retaining qualified workers in the past 12 months.

Employers' Experiences with Hiring and Retaining Qualified Workers in the Past 12 Months



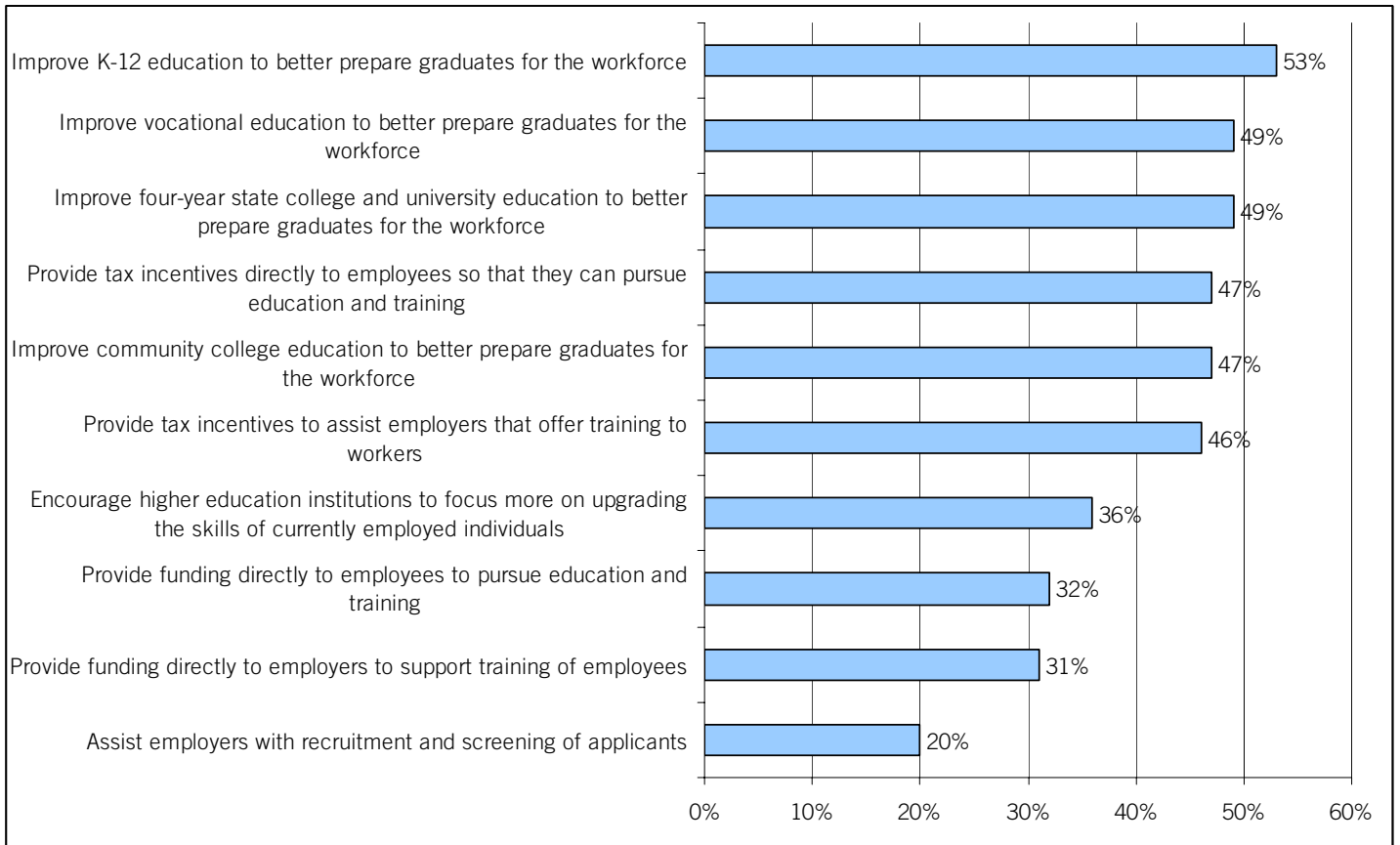
Employers strongly agree that state government needs to improve all levels of the education system in order to prepare qualified workers.

- Over half (53%) of employers *strongly agree* that state government needs to improve K-12 education so that high school graduates are better prepared for the workforce.
- Nearly equal percentages strongly agree that state government needs to improve vocational education (49%), four-year state college and university education (49%), and community college education (47%) in order to better prepare graduates for entry into the workforce.
- By comparison, only 20% of respondents strongly agree that state government needs to assist employers with recruitment and screening of applicants.

Employers favor tax incentives over direct funding as a strategy for training workers.

- Respondents strongly support tax incentives for employers (46%) and for employees (47%) to provide training for current workers.
- Providing direct funding for training to either employers (31%) or their employees (32%) was a less popular policy option.
- More than a third of employers (36%) strongly agree that higher education institutions should devote more attention to upgrading the skills of currently employed workers.

Share of Employers Who Strongly Agree that the State Should Pursue Selected Workforce Development Policies



Most employers have taken steps to address their training needs.

- 85% of New Jersey employers report that they are improving the skills of their workforce through use of on-the-job training either in-house or through an outside source.
- 54% provide structured classroom training to their employees, and 36% provide tuition assistance or reimbursement to employees pursuing education and training.
- 1 in 4 employers report having provided all three types of training.

Methodology

The Heldrich Center for Workforce Development/New Jersey Employer Survey was conducted through telephone interviews with 301 New Jersey employers between September 21, 2005 and September 28, 2005. The sample was restricted to employers with at least six employees, and included for-profit firms, non-profit organizations, and educational institutions. Governmental entities were excluded. Respondents were selected randomly from an employer list maintained by Dun and Bradstreet. Employers from all 21 New Jersey counties participated in the survey. The distribution of small, medium, and large businesses in the sample approximates well the distribution of employer size for the state of New Jersey based on U.S. Census data. For example, 89% of employers in the sample employed fewer than 100 workers, compared to the Census approximation of 91% of employers in the state. Five percent of respondents in the sample and 4% of employers in New Jersey employ more than 500 people.¹

Acknowledgment

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¹ The sample distribution by employer size was: Between 6 and 24 employees, 69%; between 25 and 99 employees, 20%; between 100 and 499 employees, 6%; and 500 employees and over, 5%. The federal data for the state of New Jersey are available from the U.S. Small Business Administration at <http://www.sba.gov/advo/research/st.pdf>.