

Framework for our Future: Talent Lunches

A Summary of Discussions about the Labor Shortage

In March 2015, Networks Northwest hosted a series of employer roundtables throughout the ten-county region of Northwestern lower Michigan. Employers were invited to share the struggles they experience when attempting to fill their open positions. They also provided input on what they felt were the causes of these struggles. Finally, they brainstormed strategies for addressing these issues.

Networks Northwest staff presented labor market information, as well as data on several factors that impact the workforce. Below is a summary of this information.

Labor Market Information

Number unemployed, January 2015	Number of online job postings YTD	Projected job growth	High growth occupations
9,027	2,364	4.6%	Healthcare, Hospitality, Info Tech, Manufacturing
Networks Northwest	<i>Labor Insight</i>	<i>EMSI</i>	<i>EMSI, Northwest Michigan Works!</i>

Population Changes

Overall Population Change	Age 20-24	Age 3-44	Age 55-59
5.8% (varies by county)	+9.4%	-22.6%	+53.7%
<i>Notable changes, 2000-2010, Networks Northwest,</i>			

Housing

Median Rent	Wage needed for Median Rent	Median Income for Renters
\$727	\$29,080	\$26,793
<i>Networks Northwest, 2014</i>		

Transportation

Average household expenditure on transportation	Percentage of low-income workers who commute 50+
\$16,000	27%
<i>Networks Northwest, 2014</i>	

Childcare

Number of licensed providers	2 nd Shift Availability	Special Needs	Average cost per child
473	40	181	\$554 per month
<i>Great Start Collaborative, 2014</i>			

Talent Issues

Employers were asked to share the struggles they have when attempting to fill open positions. These were their answers, in no particular order:

- Lack of qualified applicants
- Lack of any applicants, especially for part-time positions
- Lack of driver's license
- Can't pass drug test or background checks
- Workers who aren't interested in the job applying to meet UIA's work search requirement
- Lack of High School diploma or GED
- Incomplete applications
- Inability to follow directions
- Sense of entitlement
- Mismatch between skills required and skills of applicants
- Dearth of affordable housing, whether short-term, rentals, or for purchase
- Lack of employment opportunities for trailing spouse
- Lack of reliable transportation
- Retention once hired – workers are hired away to a different company or stop showing up
- Lack of work ethic once hired – attitude, reliability, focus on work
- Inappropriate attire – both applicants and after hire
- Employers have to lower expectations
- Current positions compete with illegal activities which can be more lucrative
- Lack of interest in hands-on work; applicants prefer to work on the computer
- Reluctance to interact with customers and co-workers
- Lack of loyalty – a lot of job-hopping

Factors / Causes of Talent Issues

Employers were asked to identify the causes of the issues they see when attempting to fill their open positions. The discussion recognized that there may not be a direct line between cause and effect, and therefore these “causes” were identified as “factors” that influence the workforce and a company’s efforts to hire.

These were the factors identified, in no particular order:

<p>The young workforce and training</p>	<ul style="list-style-type: none"> • There are fewer opportunities for the young workforce (14-18 year old), who then miss the chance to learn employability skills at an early age • Schools are unable to dedicate time to real world workforce skills, i.e. soft skills. • Students are not entering training programs that prepare them for in-demand positions; some training programs have even closed. • Regulations prevent companies from hiring workers at a young age. • Basic needs of youth are not met, i.e. food, shelter, security – they are unable to learn the skills they need to be successful.
<p>Awareness</p>	<ul style="list-style-type: none"> • Misperception of manufacturing and skilled trades • Impact of the trauma on families and communities due to the decline of manufacturing in the last decade • Entry level applicants expect to start working in a high level job right away, without working their way up. • Lack of understanding which jobs are in-demand now and in the future. • College graduates leave the area because they are unaware of the opportunities available locally.
<p>Wages</p>	<ul style="list-style-type: none"> • Wages are lower here compared to other regions. • Applicants have unrealistic wage expectations.
<p>Cost of Living</p>	<ul style="list-style-type: none"> • Lack of affordable housing in the region. • Workers have to commute long distances to work, causing high transportation costs. • Shortage of available childcare, especially for second shift and weekends. • Transportation, housing, and childcare costs are higher than local wages.
<p>General</p>	<ul style="list-style-type: none"> • Pendulum of unemployment. • Some people learn from their families how to abuse the system in order to avoid work. • Job postings list very specific skills, which dissuades people without that exact skill set from applying, even when companies are able and willing to train. • Generational differences; there appears to be a sense of entitlement among the younger generation.

Strategies

Employers were asked to brainstorm strategies that can be implemented in the local community which will address the factors and issues identified.

These were their strategies, in no particular order:

<p>The young workforce and training</p>	<ul style="list-style-type: none"> ● Extend internships and work experience opportunities. ● Offer apprenticeship programs so workers can earn a living while they learn a new skill. ● Schools should work with students on learning to fill out applications and create quality resumes. ● Develop more Young Professionals programs throughout the region. ● Work together to develop new training programs that engage employers and offer alternative schedules, acceleration, and more hands-on skill building. <ul style="list-style-type: none"> ○ <i>Example: MAT2 at Baker College of Cadillac</i> ○ <i>Example: The Mobile Digital Fabrication Lab, aka “the Fab Lab.”</i> ● Employers should go to schools and speak to students, staff, and instructors. ● Employers should conduct mock interviews with students who are interested in entering their industry.
<p>Awareness</p>	<ul style="list-style-type: none"> ● Identify resources available to help address barriers to employment. ● Market the area as a great place to live, work, and play. Work with Pure Michigan. ● Tell students, workers, schools, etc. which jobs are in-demand now and for the future so they know where the best opportunities are.
<p>Wages</p>	<ul style="list-style-type: none"> ● Emphasize other benefits besides wage, including health benefits, bonuses, shift differentials, training, discounts, and work culture. Promote these in job postings to attract more applicants. ● Offer higher starting wages as a return on investment to reduce turnover ● Promote loyalty by promoting from within, thereby offering a higher wage after certain skills are obtained. ● Find out the wage “break-even” point for your area, so you know how much workers need to earn in order to cover basic living costs.
<p>Cost of Living</p>	<ul style="list-style-type: none"> ● Offer on-site childcare. <ul style="list-style-type: none"> ○ <i>Example: Cherry Capital Foods in Traverse recently went through this process and is willing to share lessons learned.</i> ● Provide a subsidy for workers with childcare costs. ● Offer flexible or alternative schedules to reduce transportation costs. <ul style="list-style-type: none"> ○ <i>Example: have four 10-hour shifts, so there is one less day to commute to work and pay for childcare.</i> ○ <i>Example: 12-hour shifts for three days one week, four the next.</i> ● Public transit providers should work together so buses cross county lines.

	<ul style="list-style-type: none"> • Provide wellness benefits. • Offer an annual allowance toward transportation costs. • Reach out to YMCA, community agencies, and organizations that could help develop more childcare programs.
<p>General</p>	<ul style="list-style-type: none"> • The “baby boomer” generation should be encouraged to stay in the workforce rather than retire, and/or contribute their time toward mentoring the younger generations on soft skills as well as industry and occupational knowledge. • Engage retirees as mentors for students in middle and high schools. • Work with other companies to share workers, scheduling shifts accordingly so workers can have two jobs that don’t overlap. <ul style="list-style-type: none"> ○ <i>Example: The Homestead in Leelanau County reached out to a nearby restaurant and arranged to share workers.</i> • Change your recruitment strategy to target non-traditional workers when hiring for part-time, evening, and weekend positions. <ul style="list-style-type: none"> ○ <i>Example: Work with a companies that have traditional “bank” hours to recruit, such as banks, government agencies, etc.</i> • Partner with another company that may have similar hiring needs, but learn each other’s preferences so you can refer candidates that are a better fit. • Employers should adjust their hiring processes to accommodate new uses of technology, i.e. a phone app for applications. • Create a great work culture by training managers to foster a supportive work environment so employees will want to stay. • Enforce requirements on Unemployment Insurance claimants. • Reach out to those who have a tie to Northern Michigan who might want to return. <ul style="list-style-type: none"> ○ <i>Example: Obtain lists of graduating class of 2005 and send a survey, asking what they are doing, where they are, if they have a degree, and work experience. This could be a direct targeted recruitment strategy once we know their skills. These workers could then be connected to companies looking for those same skills.</i> ○ <i>Example: Hold a job fair at class reunions.</i>