

The Graduate Network's Bridging the Talent Gap Initiative

BRIDGING THE TALENT GAP

Employer Community Report



Submitted March 2019
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Zach Zimmerman

Executive Summary of Findings

A total of 289 respondents participated in the intensive 30-minute Bridging the Talent Gap survey with 260 of those respondents answering enough questions to be deemed statistically useful for the purposes of this report. Since Bridging the Talent Gap's inception in 2016, St. Louis had the greatest number of respondents ever logged — 24 percent more respondents with usable data than the second most active city.

The following executive summary and full report are based on surveys administered to HR professionals and other business leaders in the St. Louis region from September 4th, 2018 – January 31st, 2019.

Community Landscape

Organization size among respondents is represented in the following ways:

- **Fifty-five percent** represent small businesses (1 – 200 employees)
- **Twenty-four percent** represent medium-sized businesses (201 – 1,000 employees)
- **Twenty-one percent** represent businesses with more than 1,000 employees

Industries Represented

Industry	Number	Percent
Accommodation and Food Services	16	6%
Administrative and Support and Waste Management and Remediation Services	5	2%
Agriculture, Forestry, Fishing and Hunting	1	0%
Arts, Entertainment, and Recreation	18	7%
Construction	19	7%
Educational Services	29	11%
Finance and Insurance	22	9%
Health Care and Social Assistance	25	10%
Government Agencies	21	8%
Information	10	4%
Manufacturing	22	9%
Mining	4	2%
Professional, Scientific, and Technical Services	56	22%
Real Estate and Rental and Leasing	17	7%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	14	5%
Repair and Maintenance	6	2%
Retail Trade	26	10%
Transportation and Warehousing	11	4%
Utilities	8	3%
Wholesale Trade	7	3%
Other	42	16%

(Please note, percentages do not add up to 100% because survey respondents could choose more than one industry cluster).

- A total of **Seventy-six percent of survey respondents described the economic conditions in their community as positive**. Of the industries most represented in the survey, the finance and insurance sector held the most optimistic view (91 percent). Conversely, the least optimistic industry among those most represented was the wholesale trade sector, with 43 percent holding a positive view of the community's economic conditions.
- **Eighty-six percent of respondents report that their respective companies are preparing for moderate to high growth in the next 3-5 years**. Among industries most represented in these categories, 100 percent of the retail, healthcare and construction groups anticipate moderate to fast growth. The real estate and repair and maintenance groups are the least likely (69 percent and 67 percent respectively) to anticipate growth among survey respondents.

Skill Needs Landscape

- Across all basic, multi-lingual, and applied skills, respondents reported that 49 percent of high school diploma holders in their labor pool possessed the skills needed for their jobs. This figure was 60 percent for technical/community college graduates and 72 percent for four-year college graduates.
- Across all applied skills (information technology application, teamwork/collaboration, diversity, problem solving and leadership), respondents reported that 46 percent of high school diploma holders in their labor pool possessed the skills needed for their jobs. This figure was 64 percent for technical/community college graduates and 79 percent for four-year college graduates. The applied skill experiencing the greatest increase in respondents' opinions was leadership with an increase in the percent of "yes" responses of 52 percentage points from high school diploma holders to those with a four-year college degree.

Hiring Landscape

- Among all respondents, 94 percent are hiring for full-time positions. Seventy-five percent of employers find it difficult to recruit for certain positions, while 52% percent say it is difficult to retain certain positions.
- Among applicable respondents, the jobs found **most difficult to fill include engineers and scientists (each with 81 percent of respondents reporting difficulty)**.
- The **least difficult jobs to fill in the community include administrative support staff (32 percent having difficulty in hiring) and HR professionals (42 percent having difficulty in hiring)**.
- The main reasons respondents experience difficulty in hiring include competition from other employers (53 percent), low numbers of applicants (53 percent), lack of the right skills for the job (48 percent), and qualified candidates not being within the employer's pay range (48 percent).

Learning Landscape

- The education credential with the greatest percentage of respondents expecting increased need over the next five years was the **bachelor's degree with 42 percent of respondents reporting anticipated increased need**.
- Support for learning was mixed across respondents. Fifty-six percent provide financial support to pursue college level courses, 57 percent offer financial support for learning/training that is not college coursework, 79 percent provide on-the-job learning or training, and 58 percent provide support in non-financial ways. Eighty percent of respondents report that their organization does not provide any of these education benefits at this time.
- Respondents offer a variety of methods supporting education. Among those most often identified include allowing flexible work schedules to accommodate employees' classes (71 percent), creating work schedules that accommodate class schedules for the entire semester (42 percent), and public recognition employees who have graduated or achieved significant educational milestones (42 percent).

- On average 51 percent of financial benefits offered to employees is not utilized annually. The main reasons given for learning benefits not being utilized more fully involve workers being too busy or committed otherwise to pursue learning (74 percent), lack of incentives or benefits in their organization for pursuing learning (26 percent), and lack of knowledge about learning benefits programs (26 percent).
- Sixty-five percent of respondents indicated that they did not currently work with a local education provider to assess skill gaps that can be addressed through educational institutions' program offerings and curricula.
- Eighty percent of respondents who do not currently partner with education institutions either definitely or would possibly consider doing so.
- Education was considered influential in helping respondents achieve their organizational goals. On a scale of 0 – 100 the average rating was 77 across all organizational goals, with a low of 72, for the goal of increasing profits/savings and a high of 81 on the average for the goal of developing employees' professional skills. A rating of 0 would indicate no influence and a rating of 100 would indicate that education is very influential.

NOTE: These data represent a snapshot of your community at a specific time. It is always advisable to take care in generalizing survey information to the community at large.

Up to date information can be seen on your community's interactive data dashboard at <https://www.bridgingthetalentgap.org/dashboard/>.

Use of any of these data in external or internal publications should be noted as follows:

- *"The Graduate! Network Bridging The Talent Gap Initiative. 2019. The Bridging The Talent Gap Employer Survey" (Note: some survey questions contained in the survey are from Society for Human Resource Management's (SHRM's) "Local Skills Shortages" survey and were used with permission from SHRM.)*

For questions or additional information about The Graduate! Network's Bridging The Talent Gap initiative, please contact Bridgett Strickler, Vice President of Network Engagement and Co-Principal Investigator, Bridgett.Strickler@Graduate-Network.org.

For questions or additional information about how you can get involved with leaders in [insert location] and take action on these data, please contact Greg Laposa.

A note from Tom Chulick, President & CEO of the St. Louis Regional Chamber

We know that the surest path to economic prosperity for the St. Louis region is through a strong workforce. When companies look at our region for potential expansion, they cite the availability of talent to meet their needs as a key indicator of the region's promise. As companies are looking to expand in St. Louis, they often note the shortage of applicants with relevant knowledge and skills as a key barrier to growth. Meanwhile, we know the education and training is a differentiator for an individual. On average, the stronger your skillset, the higher your earning potential and chances for economic mobility.

The St. Louis Regional Chamber is happy to release the Bridging the Talent Gap report. We know that our region's success depends on our ability to address our workforce shortages with a specific emphasis on further advancing the skillset of our existing employee base. The report contains interesting findings about what employers consider to be key barriers to hiring and it touches on the value of increasing opportunities for employees to learn additional skills that will move them forward in their career.

Sharing this report with you is just the beginning of more intentional and aligned efforts in regional workforce development. The data in the Bridging the Talent Gap report clearly reveals that we have a tremendous opportunity before us. We can tap into existing pools of talent and we must promote a culture of life-long learning. Our region's companies are on the front lines of this effort.

Most importantly, we must work together to bridge our region's talent gaps. Business leaders and workforce development organizations cannot work in isolation. It is time for action, especially more coordinated action. If we are to close our talent gaps, we must commit to long-term, data-driven partnerships that produce results that close our workforce shortages and expand opportunity for people living in the St. Louis region. If we do this right, we can positively change the trendlines in our region and ensure that St. Louis competes with the best. This is our charge. This is our purpose.



Tom Chulick
President and CEO
St. Louis Regional Chamber

Introduction

We are proud to share with you the results of the Bridging The Talent Gap Employer Survey. This survey is an integral outreach of The Graduate! Network, a national organization dedicated to working in communities across the U. S. to provide education opportunity for adults seeking to complete their post-secondary credentials. In St Louis, we have partnered with SHRM of Greater St. Louis, along with many others in business, workforce, and higher education to accomplish this work. The input in this survey lays the ground work for consideration of the ways St. Louis can best concentrate efforts to connect business needs with the education and learning resources in our community. The data from this survey equip business, education and government leaders with vital information to guide thinking and action in response to the areas of concern reflected in the results covered in this report.

At its core, the business community's responses on the Bridging The Talent Gap Employer Survey provide an honest and objective window into the viewpoints of employers in the St. Louis area. This report seeks to provide context — by summarizing how your region has responded — and focus — by revealing your community's specific perspective on key issues concerning hiring challenges, skill gaps among the local labor pool, and the roles education and learning play in helping to address these issues to achieve community goals.

This initiative is a critical building block for the St. Louis region's economy and quality of life. Without an educated and work-ready labor pool we cannot thrive economically. The survey has amplified the voice of business, and leaders in St. Louis are listening, eager to share ideas, and ready to take action.

One way you can take action now is to consider using the Landscape reflections in this report. We also invite you to explore the interactive data dashboard for your community at <https://bridgingthetalentgap.org>. In the coming months, the St. Louis Regional Chamber will reach out to explore solutions. We look forward to working together!

The Business Community Landscape

Respondent Profile

A total of 289 respondents participated in the intensive 30-minute Bridging the Talent Gap survey with 260 of those respondents answering enough questions to be deemed statistically useful for the purposes of this report. Since Bridging the Talent Gap's inception in 2016, St. Louis had the greatest number of respondents ever logged — 24 percent more respondents with usable data than the second most active city.

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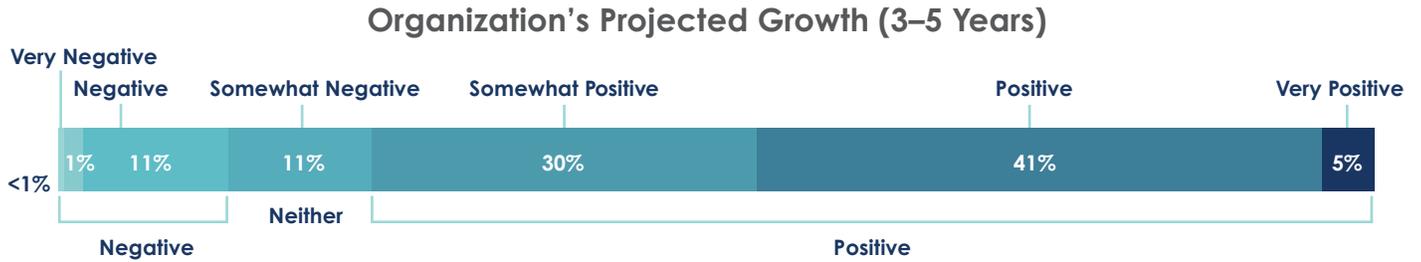
Small organizations (1 – 200 employees) were the most represented among survey respondents with **55 percent** of respondents identifying themselves in this category. Other organization sizes represented in the survey included **24 percent** of respondents from medium-sized organizations (201 – 1,000 employees), and **21 percent** of respondents from large organizations (more than 1,000 employees).

The distribution of industries represented among survey respondents can be seen in the Industry Table below. Those industries most represented among the survey respondents include professional, scientific, and technical services, educational services, and retail trade.

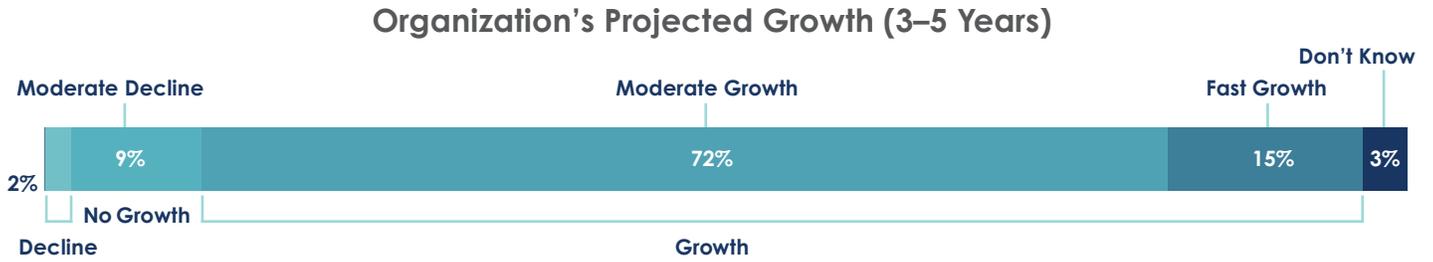
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Repair and Maintenance	6	2%
Retail Trade	26	10%
Transportation and Warehousing	11	4%
Utilities	8	3%
Wholesale Trade	7	3%
Other	42	16%

Economic Outlook

The chart below shows a total 76 percent of survey respondents describing economic conditions in their community as positive. Of the industries most represented in the survey, the finance and insurance sector held the most optimistic view (91 percent positive). Conversely, the least optimistic industry among those most represented was the wholesale trade sector, with 43 percent holding a positive view of the community's economic conditions.



The chart below indicates optimism each respondent had regarding their own organization. Eighty-six percent of respondents report that their respective companies are preparing for moderate to high growth in the next 3-5 years. The industries most optimistic about future growth included the retail sector and health care (each with 100 percent expectation of growth). The repair and maintenance group is the least likely (67 percent) to anticipate growth among survey respondents.



Landscape Reflection

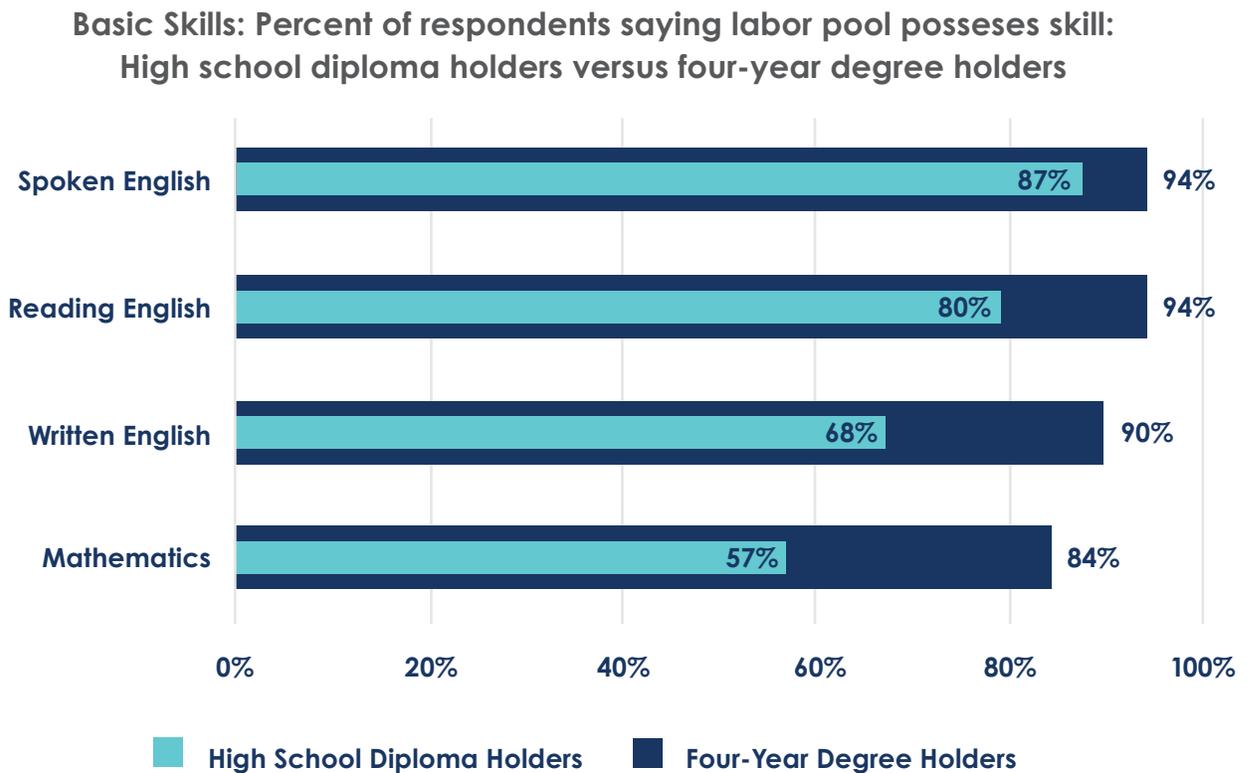
1. How do economic conditions in your area affect your ability to plan for and ensure a well-educated, well prepared work force?
2. How might your community take advantage of local resources offered by local colleges and learning providers (e.g., subject matter experts for your business focus, curriculum to upgrade job skills, push for employees to complete credentials).
3. What economic forces are driving your organization's expectations of growth?
4. How will this affect the hiring of new employees and the skills upgrades needed for your existing workforce?
5. If you would like to learn more about how you can take action on these data, please contact **VP of Education Strategies, Greg Laposa** (glaposa@stlregionalchamber.com).

The Skill Needs Landscape

Across all skills, respondents reported that 49 percent of high school diploma holders in their labor pool possessed the skills needed for their jobs. This figure was 60 percent for technical/community college graduates and 72 percent for four-year college graduates.

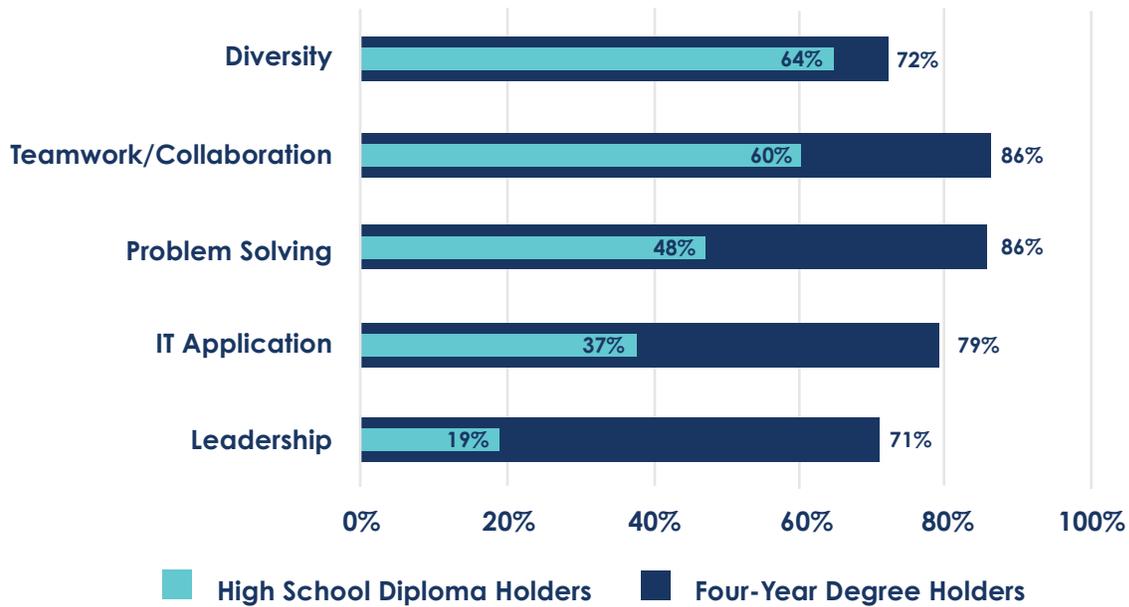
From the perspective of the employers in your community completing the survey, it is worthwhile to explore the value added to completion of post-secondary credentials. Technical/community college graduates experienced a gain of 11 percent in the proportion of respondents saying this segment of the labor pool possessed the skills being considered compared to high school diploma holders. Four-year college degree holders among the labor pool experienced a gain of 23 percent in possessing skills employers need compared to high school diploma holders.

Basic Skills. Virtually all beneficial work skillsets are built on the foundation of a solid mastery of basic skills. Employers' opinions of their labor pool as a function of education achievement can be seen in the chart below.



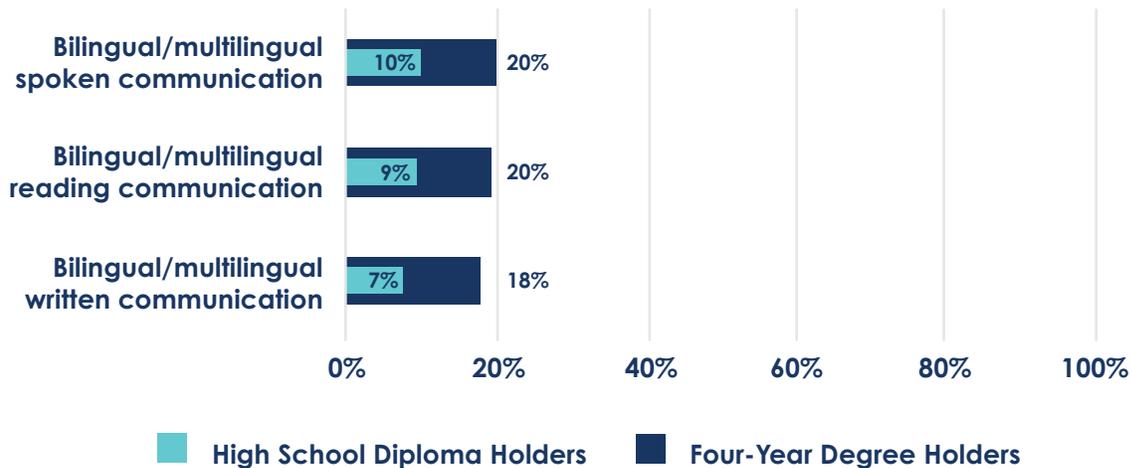
Applied Skills. Employers' perspectives of applied skills possessed by high school diploma recipients versus four-year college degree holders is shown below. The proportion of employer respondents who said high school diploma holders in the labor pool possess the listed skills are shown in the light-tone bars. These proportions can be compared with those in the labor pool holding a four-year degree, who are represented by the dark bars. These differences provide some insight into the value added by the completion of post-secondary credentials, especially regarding applied skills.

Applied Skills: Percent of respondents saying labor pool possesses skill: High school diploma holders versus four-year degree holders



Multilingual Skills. In recent years, the increase in ethnic and language group diversity has placed a premium on workers with multilingual skills. The chart below shows the level of these skills employers see in their labor pools' skill level as impacted by education attainment.

Multilingual Skills: Percent of respondents saying labor pool possesses skill: High school diploma holders versus four-year degree holders



Landscape Reflection

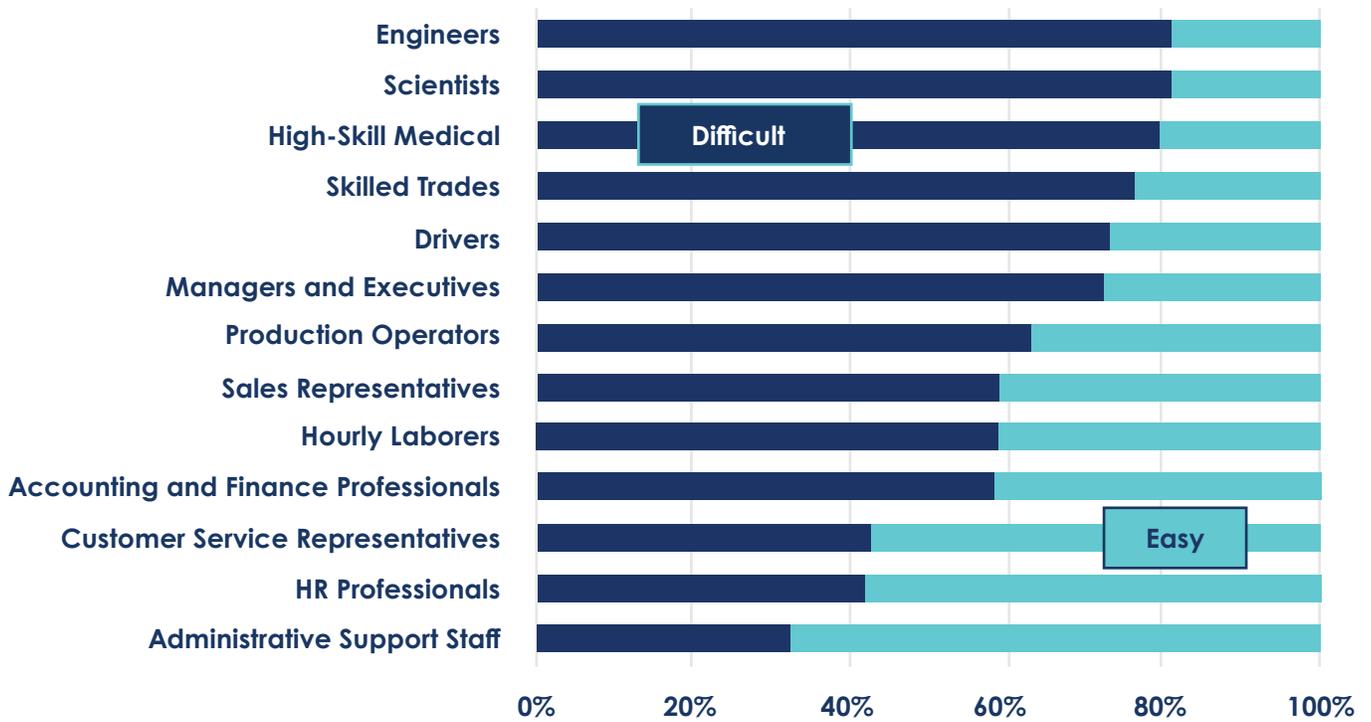
1. What skills that are most resistant to education and learning are important to your community (i.e, those skills that don't change significantly with education attainment)? What steps might be taken to address this issue?
2. What are the issues you are facing with the applied skills (for example, diversity, leadership, problem solving, teamwork and collaboration, and technical skills) that might benefit from partnerships with local colleges and universities, and other community organizations?
3. From the perspective of businesses in your community, there is a general acknowledgement that a four-year degree provides substantial increases in the labor pool possessing these applied skills. How might your community take advantage of these gains?
4. Are there specific workforce groups or certain industry sectors in your community who could benefit from a targeted approach to encourage degree completion?
5. If you would like to learn more about how you can take action on these data, please contact **VP of Education Strategies, Greg Laposa** (glaposa@stlregionalchamber.com).



The Hiring Landscape

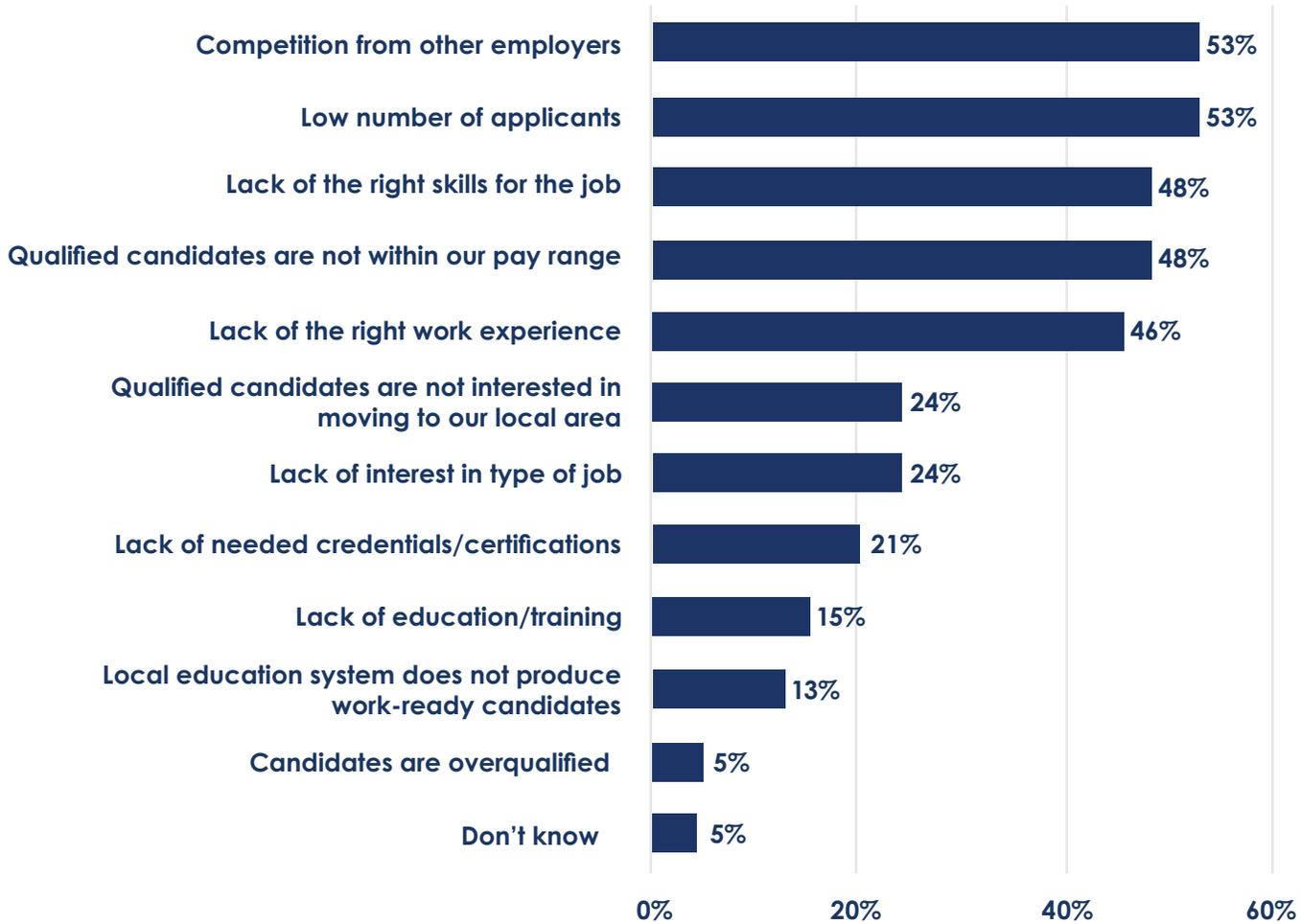
Among respondents completing the survey, hiring is a critical area of concern. Multiple categories of hiring present considerable difficulty in finding good candidates, as the chart below indicates. Hiring for engineers, scientists, and high-skilled medical staff (nurses, doctors, specialists) were rated as the top three positions that are somewhat or very difficult to fill by respondents for whom these positions were applicable. In comparison, those positions easiest to fill include administrative support staff, HR professionals, and customer service representatives.

Percentage of respondents reporting difficulty/ease in filling jobs by category



The main reasons organizations in your community had difficulty in hiring qualified candidates for full-time regular positions is shown in the chart below. The most often mentioned reasons include competition from other employers, low numbers of applicants, and lack of the right skills for the job.

Reasons for Hiring Difficulty



NOTE: Total percentages are greater than 100% because respondents could choose multiple categories



Landscape Reflection

1. What are some ways these responses underscore the difficulty your community is facing in finding qualified candidates for needed positions?
2. What are some ways these responses underscore the difficulty your community is facing in finding qualified candidates for needed positions?
3. One solution many communities and organizations pursue is to identify those already who are part of your workforce who would be good candidates for advancement with additional education, training, or focused experience. Regardless of your circumstances, greater numbers of candidates increase the likelihood of finding qualified individuals, especially in those jobs for which competition is more intense. It may be beneficial to consider use of pre-hiring, apprenticeships, or other partnering opportunities with local colleges and universities. Curricula and specialized training can often be created that optimize the skills you need in job candidates.

The Learning Landscape

There is broad-based support for education among the Community's employers. The table below shows the percent of employers completing the survey who identified various ways they support education for their employees. Keep in mind that any given employer respondent may select as many means of supporting education as they offer.

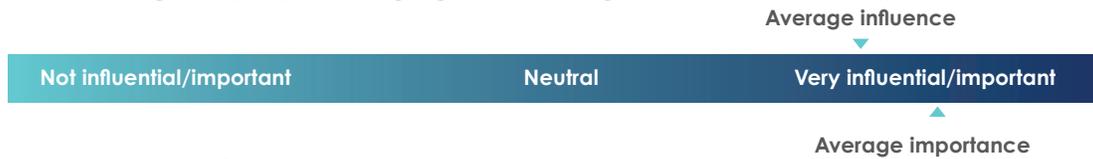
Type of education support provided by the employer	Percent
We provide financial support for our employees to pursue college-level courses	56%
We provide financial support for our employees to pursue education, learning, or training provided by outside agencies that is not college coursework.	57%
We provide on-the-job internal education, learning, or training for our employees	79%
We provide support for our employees to pursue education, learning, or training in other ways besides financial support	58%
None at this time	8%

Learning has become an essential focus for employers who seek to optimize success. Ability to adjust to and thrive in a global marketplace requires an agile workforce who can learn new skills efficiently. Survey respondents reinforced this insight as can be seen in the graphs below. The chart below shows the relationship between the importance of each of a set of nine organization goals and the influence of education in achieving that goal. Respondents were asked to rate these factors on a scale of 0 (not influential/important at all) to 100 (very influential/important).

Increasing customer/client satisfaction



Increasing employee engagement/organizational loyalty



Worker Retention



Increasing Worker Productivity



Development of employee's professional skills



Development of employee leadership skills



Increasing profits/savings



Recruitment of new employees



Employee advancement within your organization

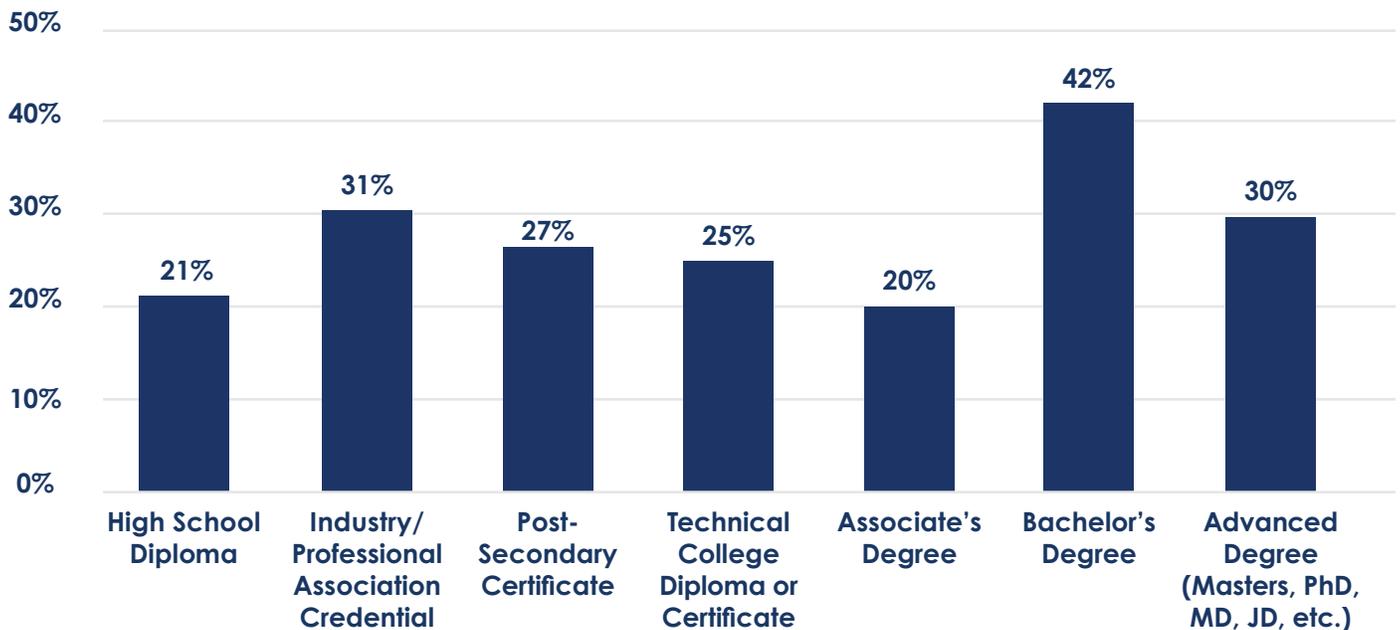


The business community respondents' most important goals included increasing of customer/client satisfaction (average rating of 91), and increasing employee engagement/organizational loyalty (average rating of 87). Goals most influenced by education included development of employees' professional skills (average rating of 81), and increasing customer/client satisfaction (average rating of 80).

The influence of education on organizational success is underscored when the anticipated need for employees with credentials beyond high school is considered. The figure below shows your community organizations' expected increased need for graduates at various levels over the next five years. **The credential with the greatest anticipated increased need is a Bachelor's degree with 42 percent of respondents anticipating increased need over the next five years.**

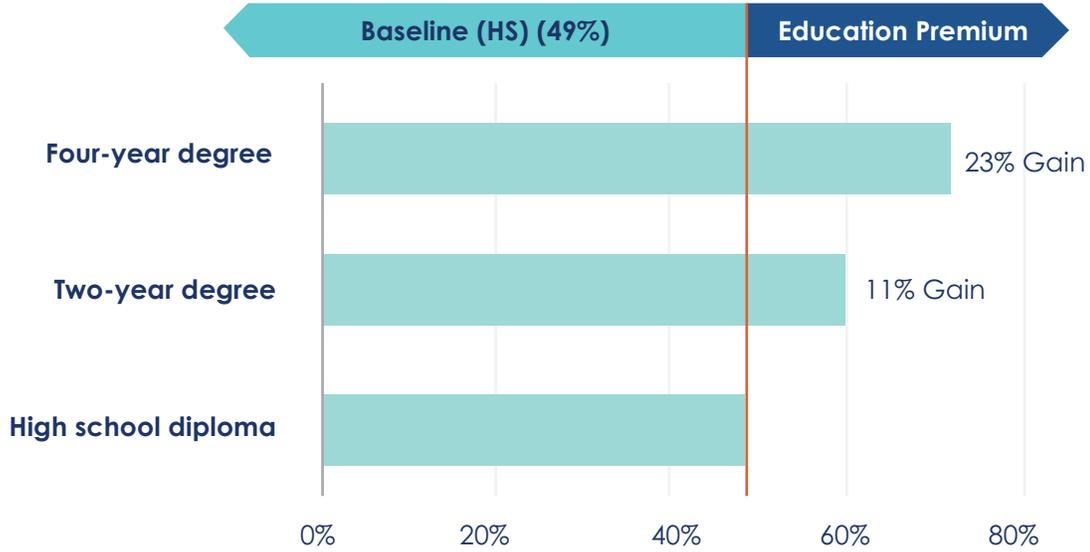
The profile of future education needs for St. Louis is changing

Anticipated increased need for graduates over the next five years



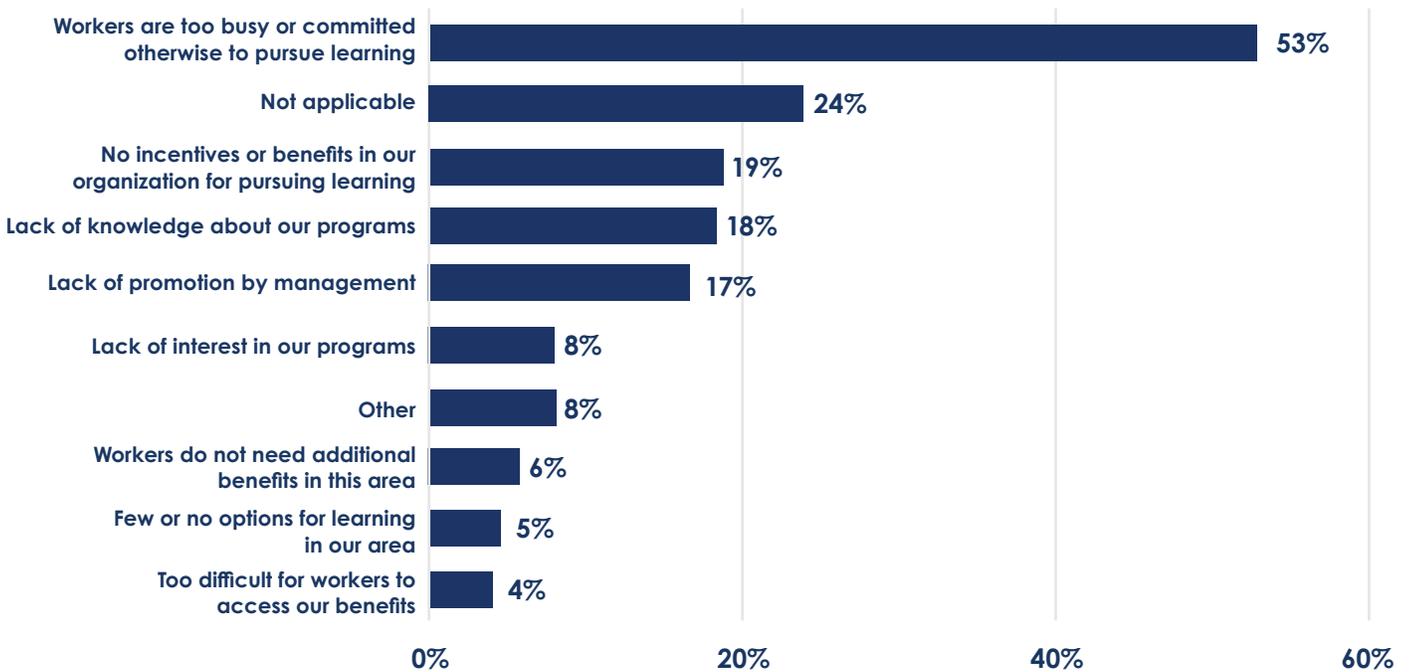
Percent of labor pool possessing skills identified as applicable by employers

Across all skill types, education attainment is a solid predictor of more skilled labor pools



The change in anticipated increased need for post-secondary education credentials points to the need to encourage and assist those in the workplace to pursue and persevere to complete their education goals. Unfortunately, there are multiple barriers and competing responsibilities for workers wanting to initiate or continue with their education. The chart below reflects community employers' perspectives on the reasons their employees do not take advantage of employer benefits for learning.

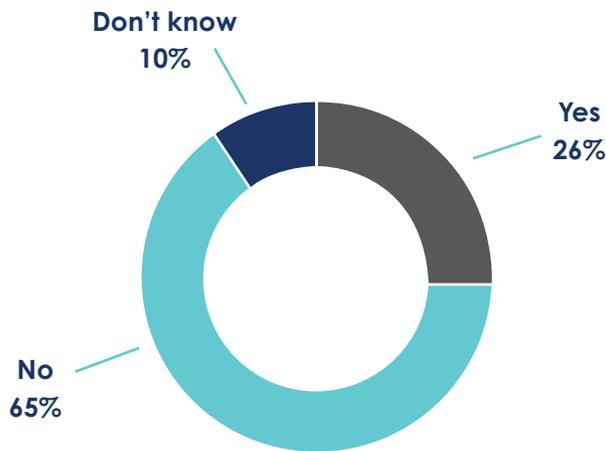
Reasons employees do not take advantage of our organization's education benefits



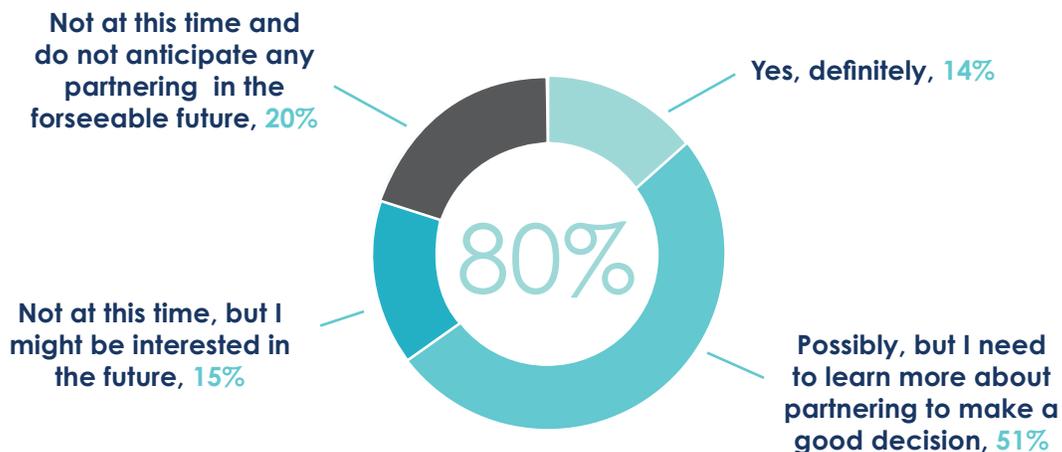
Finally, the charts below represent partnership opportunities in your community by exploring the level of collaboration between businesses, and local education and learning providers in your area. The top chart shows the degree to which businesses work with education to assess skill gaps that can be addressed through programs and curriculum. A total of 65 percent of respondents do not currently partner with or don't know if they partner with educational systems in your area regarding skill needs assessment.

The bottom chart indicates area organizations' general willingness to partner with education and learning providers to support education, learning or training for employees. Of all respondents, 13 percent indicate they already do so. The chart shows that, among those who do not currently partner with education institutions, 80 percent expressed interest in such partnerships now or in the future.

Does your organization work with local education and training providers to help them assess local skills gaps that can be addressed through their program offerings and curricula? (percent of total responses)



Would your organization consider partnering with a local post-secondary institution or other learning provider to support education, learning, or training for your employees? (Among those not currently partnering)



Landscape Reflection

1. Which goals explored in this survey are important to your community and how influential is education in achieving them?
2. If there are important goals that reflect little influence from education, how might your community address these weaknesses (internal goals) or threats (external goals) by exploring education partnerships?
3. How might you build on the strengths and opportunities you already have for those goals in which education is influential?
4. For employers who already have an education support benefit for employees, how might you enhance and expand its effectiveness in getting more employees to take advantage of it?
5. For organizations who do not have an education support benefit, how might this benefit help you achieve organizational goals and address skill gaps among your employees?
6. What opportunities might exist in your area to explore education partnerships, and what areas in your business would most benefit from such partnership?

Follow Up

Thank you for your investment in our Bridging the Talent Gap survey. The results of this effort are vital not only for understanding the immediate needs of our region's business, but for ensuring businesses, higher education institutions, community leaders, and elected officials are creating and implementing programs and initiatives that are data-driven to help our collective community grow and thrive.

At the St. Louis Regional Chamber, we are committed to our overall goal — of seeing St. Louis become a top 10 region for economic prosperity by the year 2025. Together, with your leadership, insights, and participation, we can do just that.

If you have any questions about Bridging the Talent Gap or other talent and workforce solutions at the St. Louis Regional Chamber, please contact VP of Education Strategies, Greg Laposa (glaposa@stlreigonalchamber.com). You can learn more about the initiative and view our interactive dashboard at BridgingTheTalentGap.org.

