Best Practices: Workforce Development

This report examines workforce development in Pennsylvania and the best practices that differentiate successful companies.

In April 2013, the Pennsylvania Chamber of Business and Industry (PA Chamber) surveyed 464 Pennsylvania companies regarding their ability to find qualified employees, their workforce requirements, and their workforce development initiatives. The survey also examined the best practices associated with successful workforce development.

To identify best practices, we defined "successful companies" as those that rated their internal training and workforce development activities as "very or completely successful." We defined "less successful companies" as those that rated their training and workforce development efforts as "moderately successful to completely unsuccessful." Our analysis reveals that successful companies (representing 24% of the companies surveyed) are more actively involved in a variety of internal and external training and workforce development initiatives.

Pennsylvania's Workforce Problem

A clear majority (72%) of Pennsylvania companies have difficulty hiring employees with adequate skills, training, or education. In fact, more than half of the business community found it increasingly difficult to find qualified employees during the last five years and expects the problem to get worse over the next five years.

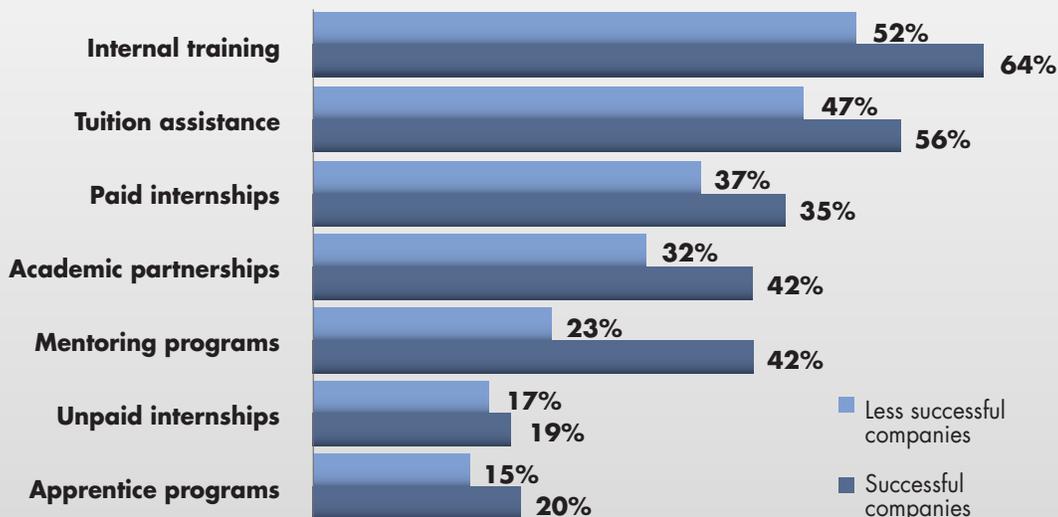|		
It's a problem for PA businesses	59% Sometimes	29% Usually/Always
It's a problem for my company	40% Sometimes	32% Usually/Always
Over the last 5 years	57% Staffing became more difficult	
Over the next 5 years	56% Staffing difficulties will increase	

Interestingly, companies with successful internal training and workforce development activities are markedly more optimistic. In fact, 37% of successful companies say they have little or no difficulty finding employees with adequate requirements, compared to only 25% of less successful companies. Moreover, only 37% of successful companies report that staffing their workforce has become more difficult over the past five years, compared to 64% of less successful companies.

Best Practices for Addressing Workforce Development Issues

What do successful companies do differently to resolve their workforce problems? What are the best practices associated with training and workforce development?

Successful companies are more involved in a variety of partnerships, programs, and workforce development initiatives. As illustrated in the following graphic, successful companies are actively involved in mentoring programs (42%), paid internships (45%), and tuition or financial assistance for employees in academic courses or job-related training (56%). Successful companies (42%) also are highly engaged in partnerships with high schools, technical schools, and universities to develop curriculum. Finally, successful companies (64%) are likely to support formal training programs that develop specific workforce skills.

Involvement in Workforce Development Initiatives

	Less successful companies	Successful companies
Internal training	52%	64%
Tuition assistance	47%	56%
Paid internships	37%	35%
Academic partnerships	32%	42%
Mentoring programs	23%	42%
Unpaid internships	17%	19%
Apprentice programs	15%	20%

One reason successful companies are more involved in training and workforce development is that they have a dedicated training and development executive or manager (35%), compared to less successful companies (20%). Nearly one-third of all companies task a Human Resources manager with training and workforce development; 40% of less successful companies lack a position specifically responsible for these activities.

Another differentiator between successful and less successful companies concerns workforce development and training budgets. More than three quarters of successful companies (78%) say they are spending the right amount on workforce development, while 50% of less successful companies acknowledge they spend too little. Successful companies also are planning to maintain (52%) or increase (21%) their workforce development funding. In contrast, 43% of less successful companies are planning to maintain such funding and only 18% are planning to increase it.

Finally, successful companies (59%) rate their documentation of knowledge, skills, and training requirements for jobs as strong or exceptionally detailed. Only 21% of less successful companies rated their documentation as strong/exceptional, while 25% said their documentation was weak or non-existent.

Workforce Requirement Difficulties

When asked which workforce requirements are the most difficult to fill, 83% of the companies surveyed said general work ethic and behavior like reporting on-time, following instructions, performing assignments, and being reliable. Interestingly, only 59% of successful companies reported having difficulty with work ethic and behavior issues. This suggests that a company's internal training and workforce development efforts can be effective in addressing pervasive behavioral problems.

Beyond the issue of work ethic, successful and less successful companies are similar regarding which workforce skills they seek. Across the board, Pennsylvania companies have the most difficulty finding employees that:
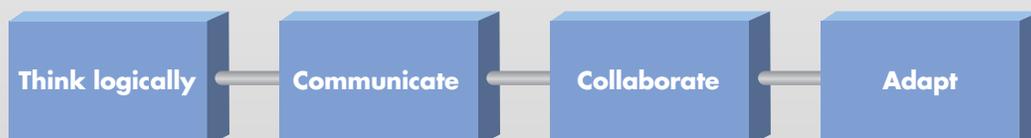- think logically and problem solve (64%),
- communicate well verbally (52%),
- collaborate and cooperate with others (45%), and
- adapt and are responsive to new situations (46%).

Along these same lines, our survey respondents say that inadequate documentation and verbal, interviewing, and writing skills are the most significant factors blocking candidates from passing initial screenings and progressing to the final selection process. Communication, collaboration, adaptability, and problem solving are keys to satisfying the business community's workforce requirements.
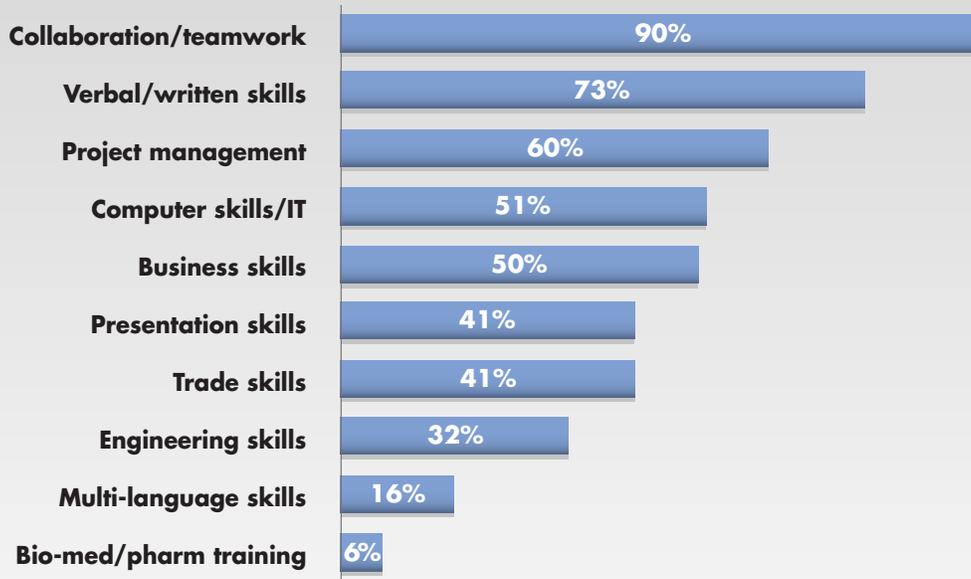
Fewer companies have difficulty finding applicants with skills in basic math (34%), business math (13%), and advanced math (10%). Likewise, writing skills (40%) and reading comprehension (34%) are cited less often as impediments to finding viable employees.

Apart from academic skills, a significant percentage of Pennsylvania companies have difficulty filling jobs that require industry-specific training (55%), technical training (41%), and general training (23%) acquired through trade schools or work experience. Given successful companies' emphasis on internal training and external workforce development, it's no surprise that 21% report no difficulty in finding employees with these requirements, compared to 12% of less successful companies.

Looking at the next decade, we asked companies to rate the importance of various training and workforce skills. As is presently the case, collaboration/teamwork and verbal/written skills top the list of future workforce requirements. Project management and computer/information technology skills are also forecast to be in high demand during the next 10 years.

Think logically — **Communicate** — **Collaborate** — **Adapt**

Skills Rated as "Very/Extremely Important" over next 10 Years

Skill	Percentage
Collaboration/teamwork	90%
Verbal/written skills	73%
Project management	60%
Computer skills/IT	51%
Business skills	50%
Presentation skills	41%
Trade skills	41%
Engineering skills	32%
Multi-language skills	16%
Bio-med/pharm training	6%

The Bottom Line

The PA Chamber's survey on workforce development in Pennsylvania provides a number of insights and conclusions:

- A majority of Pennsylvania companies have difficulty hiring employees with the right skills, training, and education. Most companies report the problem has grown during the past five years and is expected to increase in the future.

- Successful companies that rate their internal training and workforce development activities as very or completely successful are more likely than less successful companies to provide formal training programs that develop specific workforce skills and knowledge. They also are more actively engaged in:
     o providing tuition assistance to employees,
     o offering paid internships,
     o participating in academic partnerships, and
     o supporting mentoring programs.

  Successful companies also are more likely to:
     o employ a dedicated workforce training executive or manager,
     o manage adequate budgets for training and workforce development, and
     o maintain detailed documentation on knowledge, skills, and training requirements for job positions.

- The primary difficulty in staffing a qualified workforce is work ethic and behavioral issues like reporting on-time, following instructions, performing assignments, and reliability. Beyond these issues, Pennsylvania companies have the most difficulty finding employees that can:
     o think logically and solve problems,
     o communicate well verbally,
     o collaborate and cooperate with others, and
     o adapt and be responsive to new situations.

- Looking at the next decade, workforce skills that are forecast to be most important are:
     o collaboration/teamwork,
     o verbal and written skills,
     o project management,
   o computer skills, and
     o business skills.

Survey Methodology and Respondent Profile

In April 2013, the PA Chamber sent an e-mail message to its membership and contacts, inviting them to participate in a workforce development survey. The online questionnaire required approximately 10 minutes to complete. More than 600 respondents partially completed the questionnaire, while 464 completed it in its entirety. Mentis Analytics designed, executed, and analyzed the survey. The following is a profile of the survey respondents and the organizations they represent.
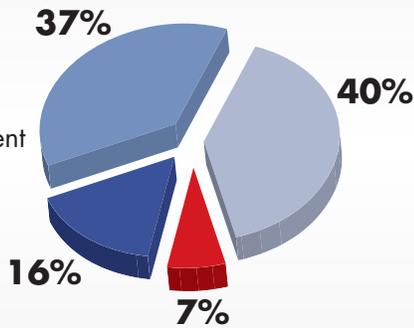
Respondent Profile

Job Position
- C-level executive
- Business unit head
- Professional
- Other

43%
31%
11%
15%
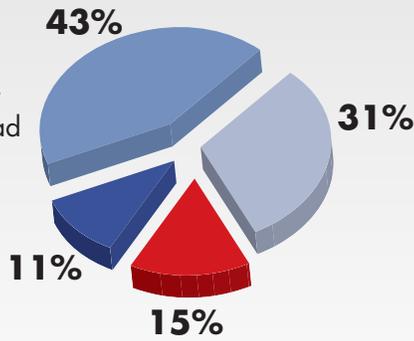
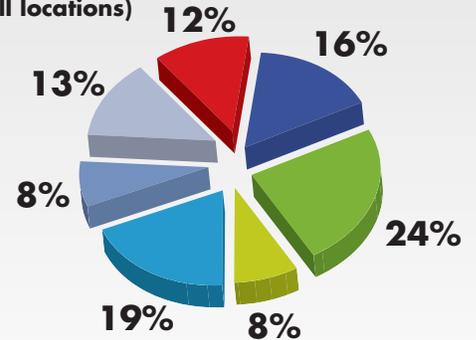**Primary Job Responsibilities**
- General management
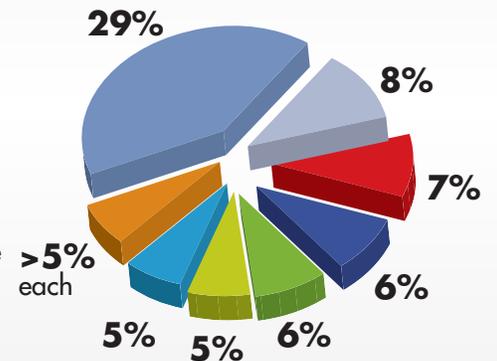- Human Resources
- Finance
- Other

37%
40%
16%
7%

Company Profile

Company Size (Number of full-time employees across all locations)
- Under 5
- 5–19
- 20–49
- 50–99
- 100–499
- 500–1000
- Over 1000

12%
16%
13%
8%
24%
8%
19%

Industry Sector
- Manufacturing
- Health/Medical
- Professional/Legal
- Construction
- Transportation
- Finance/Insurance
- Govt./Public Service
- Other sectors

29%
8%
7%
6%
6%
5%
5%
>5% each

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