

PLANNING FOR THE LABOR SHORTAGE:  
A STUDY OF ROCK COUNTY EMPLOYERS

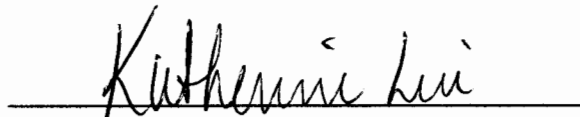
by

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A handwritten signature in black ink, reading "Katherine Lui", is written over a horizontal line.

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ABSTRACT

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The Rock County Job Center works closely with employers in meeting their recruitment needs by placing job openings on JOBNET and providing referrals of qualified employees. Hundreds of jobseekers flock to the job center each week in hope of finding at a new job. However, too many members of our present workforce – including the many young people now entering the workforce – lack the attitude, knowledge, skills, and abilities to properly fill all of the job

openings that our high-tech economy is offering in rapidly growing numbers (Judy, 1999). The question pending is “who will do all the work?”

The purpose of the study is to find out if employers are strategically planning for the forecasted labor shortage. This study will also identify recruitment and retention strategies being planned and investigate the employers’ perception of how the job center will help in its business needs.

The Job Center would like to be proactive and assist employers in their business planning. This study will be used to help the job center develop programs to meet the employers’ expectations.

## TABLE OF CONTENTS

LIST OF TABLES .....	vi
CHAPTER I: INTRODUCTION.....	1
Statement of the Problem.....	2
Purpose.....	2
Assumptions of the Study .....	2
Definition of Terms .....	3
Limitations of the Study .....	4
Methodology.....	4
Summary .....	4
CHAPTER II: REVIEW OF LITERATURE .....	6
Statement of the Problem.....	6
Purpose.....	6
Demographic Factors.....	7
Geographic Factors .....	8
Economic Factors .....	8
Recruitment Strategies.....	9
Retention Strategies .....	11
Employer Services .....	13
Summary .....	14
CHAPTER III: METHODOLOGY .....	15
Subject Selection and Description .....	15
Instrumentation .....	16

Data Collection Procedures .....	17
Data Analysis .....	17
Limitations .....	17
Summary .....	18
CHAPTER IV: RESULTS .....	19
Introduction.....	19
Item Analysis .....	20
Summary .....	28
Chapter V: DISCUSSION .....	29
Introduction.....	29
Limitations .....	29
Conclusions.....	30
Recommendations.....	31
REFERENCES .....	34
APPENDIX A: SURVEY INSTRUMENT .....	37
APPENDIX B: LETTER TO EMPLOYERS .....	39

## LIST OF TABLES

Table 1. Labor Shortage Planning.....	20
Table 2. Hard to Fill Positions .....	21
Table 3. Flexible Work Schedules.....	22
Table 4. Revamping Pay Schedules.....	23
Table 5. Mentoring Programs.....	23
Table 6. JOBNET Usage.....	24
Table 7. Job Fair.....	25
Table 8. Interns, Trainees, and Apprenticeships .....	26
Table 9. In-house Education .....	27
Table 10. Recruitment from Special Populations.....	27

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## CHAPTER I: INTRODUCTION

Labor shortage? What labor shortage?

Currently and through recent quarters Rock County has seen some of the highest unemployment rates since the mid-1980. The loss of huge manufacturing facilities including Beloit Corporation, Parker Pen and Outboard Marine Corporation, have left thousands of individuals without jobs.

It is an employer's market. Due to the increased number of unemployed, employers are picking the best, offering lower wages and benefits and not offering much job security. But that will change.

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The Rock County Job Center works closely with employers in meeting their recruitment needs by placing job openings on JOBNET and providing referrals of qualified employees. Hundreds of jobseekers flock to the job center each week in hope of finding a new job. However, too many members of our present workforce -- and too many young people now entering the work force -- lack the attitude, knowledge, skills and abilities to properly fill all of the job openings that our high-tech economy is offering in rapidly growing numbers (Judy, 1999). The question pending is "who will do all the work?"



## Statement of the Problem

Have the employers of Rock County begun planning for the next labor shortage? How do employers see the role of the Rock County Job Center in their planning?

## Purpose

The purpose of the study is to find out if employers are strategically planning for the forecasted labor shortage. This study will also identify recruitment and retention strategies being planned and investigate the employers' perception of how the job center will help in its business needs.

The Rock County Job Center would like to be proactive and assist employers in their business planning. This study will be used to help the job center develop programs to meet the employers' expectations.

## Assumptions of the Study

The following are assumptions associated with this study:

1. This study assumes that the methodology used in this study is sufficient enough to determine recruitment and retention strategies being planned by Rock County Employers.
2. This study also assumes that professionals in charge of hiring and/or business operations completed the surveys.
3. It is also assumed that other metropolitan communities in Wisconsin, not just Rock County, can use the information gathered from this survey.

## Definition of Terms

1. Labor shortage is described as the inability to fill jobs at prevailing wages (Cappelli, 2003).
2. Baby Boom is described as the “increase in the birth rate between 1946 and 1964” (Britannica Concise Encyclopedia Online, retrieved November 5, 2004).
3. Baby Bust is described as the decrease in birth rates between 1965 and 1979 (Supple, 1986).
4. Employer is described as a business that provides individuals with a job that pays wages or a salary (Merriam-Webster Online, retrieved November 5, 2004).
5. Job Center is a network of public and private partnerships that develop and maintain employment-focused programs that allow employers to hire and retain workers. It also provides individuals and families with services that allow them to achieve financial well-being (Department of Workforce Development (DWD), Division of Workforce Solutions (DWS), retrieved November 5, 2004).
6. JOBNET a computer system that contains current job opportunities of those employers that have listed with the Wisconsin Job Center system (DWD, DWS, retrieved November 5, 2004).
7. Recruitment is the process of finding possible candidates for a job or function (Wikipedia, the free encyclopedia, retrieved April 13, 2005).

8. Retention strategies are practices that support the ability to find and keep good workers (Capelli, 2003).

### Limitations of the Study

The following are the limitations of this study:

1. The results of this study are limited to employers in Rock County with more than 100 employees.
2. The population included in the survey was taken from the Employer Records Systems supported by the State of Wisconsin Department of Workforce Development and may not be all inclusive.

### Methodology

A survey will be designed that compiles the information found in reviewing literature about the forecasted labor shortage. The survey will be designed to investigate strategies currently in place for recruitment and retention along with changes that it may be considering for the future. It will also inquire about the role the employer feels the Rock County Job Center will have in meeting their business needs in the future. Respondents will be asked to rate statements regarding their company's hiring and retention practices on a 5-point Likert scale.

### Summary

This study will investigate the recruitment and retention strategies being planned by the employers of Rock County to deal with the forecasted labor shortage. Chapter 2 will review literature and studies done in the area of labor shortage, including recruitment and retention practices that are currently being

done or future plans. Chapter 3 will describe the methodology in developing and distributing the survey of Rock County employers used in this study. Chapter 4 will examine the results received from the survey. Finally, Chapter 5 will discuss the conclusions and recommendations that can be formulated based on the results of the survey.

## CHAPTER II: REVIEW OF LITERATURE

### Statement of the Problem

The Employment Policy Foundation forecasts that more than 61 million Americans will retire during the next 30 years. It also projects that labor shortages will reach 4.8 million workers in 10 years, 19.7 million in 20 years and 35.8 million in 30 years ("Labor gap threatens U.S. prosperity," 2002). Have the employers of Rock County begun planning for the next labor shortage? How do employers see the role of the Rock County Job Center in their planning?

### Purpose

The purpose of this study is to find out if employers are strategically planning for the forecasted labor shortage. This study will also identify recruitment and retention strategies being planned and will investigate the employers' perception of how the job center will help in its business needs.

The Rock County Job Center would like to be proactive and assist employers in their business planning. This study will be used to establish the need for the job center to develop programming to meet the employers' expectations.

This review of literature will cover previous research and theories on the demographic, geographic, and economic factors that will have an influence the labor shortage. This review will also examine recruitment and retention strategies recommended by professionals that specialize in planning for the forecasted

labor shortage. Finally, this review of literature will describe employer services available through the one-stop Job Centers in Wisconsin.

### Demographic Factors

Between 1955 and 1985 three influential activities took place that affected the nation's labor force: the Baby Boom phenomenon, women entering the labor force, and the changes in ethnicity in the labor force. These three activities also occurred in Wisconsin. In thirty years, from 1960 to 1990, Wisconsin's labor force grew from 1, 647,000 to 2,577,000 (State of Wisconsin, 1996).

With baby boomers (who represent the largest percentage of the Wisconsin Workforce) now starting to retire, there is an increased demand on the labor pool. There is a shrinking labor pool because baby boomers did not have as many children as their parents did (Wisconsin Legislative Council, 2001). Employers, universities, and the armed forces are now feeling the effects of the "baby bust" (Supple, 1986). Currently, 75% of Wisconsin's population of 16 years old and older participates are active in the labor force (State of Wisconsin, 1996). Businesses that traditionally relied on young, low-wage workers, such as tourism, hospitality and food service will have a difficult time filling job openings (Supple, 1986).

Wisconsin has high workforce participation by women; with 69% of Wisconsin females are working in compared to a 55% national average (Wisconsin Legislative Council, 2001). This high participation rate equals less available females to fill future job vacancies.

The influence of immigrants gave hope to many labor markets with their larger families and willingness to work for lower wages. However, Wisconsin will not be affected as greatly as southern and western states in the nation. Another disadvantage to some Wisconsin areas is that the immigrant and minority population is isolated to a small number of communities far from where the growth of jobs is (State of Wisconsin, 1996). Their immigration patterns are primarily to inner cities and metropolitan areas.

### Geographic Factors

According to the Wisconsin Legislative Council Report to the Legislature of 2001, Wisconsin ranks last nationally for people coming to Wisconsin to work, and ranks 7<sup>th</sup> in people leaving the state to work. It is estimated that 82,000 people per day cross the Wisconsin border on their way to work in neighboring states, and only 18,000 drive in. The same Council Report suggests that we lack the encouragement and rewards for businesses to locate into the central city where there is a surplus of workers available (Wisconsin Legislative Council, 2001).

### Economic Factors

Even with the recent decrease in manufacturing in Wisconsin, the economy since 1992 is creating higher job demands. One industry that is seeing a huge increase in job openings is in construction. It is estimated that the number of new jobs in construction will grow by over 18,000 openings to reach 126,000 people employed in the state of Wisconsin by the year 2010. In addition, it is

expected that 40% or 43,200 of those currently employed in construction will retire in next 10 years. With this number of individuals retiring and the number of new positions being added, there will be a need to hire and train 61,000 workers by 2010, about 6,000 per year. However, apprenticeship programs report that only 1,750 new construction apprentices are entering the workforce each year, leaving the industry well short of the demand for workforce (Wisconsin Legislative Council, 2001).

With Wisconsin's population aging, there will be an increased need in healthcare services. A study done by the Heath Resource and Service Administration National Center for Health Workforce estimates a 6 percent shortage of registered nurses in 2000 and by 2015 that will increase to 29 percent (Committee on Health, Education, Labor, and Pensions United States Senate, 2002).

### Recruitment Strategies

Employers that are accustomed to a current surplus of ready, able and willing workers will have to adjust to a working population that is smaller and has higher demands on what work they will do and who they will do it for (Supple, 1986). Businesses will have to look at adjusting their strategies for recruitment in order to stay competitive.

Companies like Wendy's and Traveler's are hiring more older workers and are reversing the trend of early retirement in order to keep workers in the company longer and to alleviate strains on pension programs (Supple, 1986). Older workers will be more likely to stay in the work force when an employer



provides senior-friendly redesigned work, flexible schedules and phased retirement programs (Grossman, 2005).

Raising wages and other terms of conditions, including benefits, flexible schedules and other perks to hire scarce workers away from competitors is a recruitment tool that many employers are considering (Supple, 1986). Offering perks such as on-site daycare, gym, personal shopper service for groceries and even a dry cleaning services may make recruitment easier (Schwartz, 1999).

Many companies are seeking candidates with the best qualities and then putting them through intensive in-house training programs (Supple, 1986). Therefore employers are accepting lower skills and performance standards to fill positions and then expanding training and development programs to develop employees into the skills necessary for the job rather than paying more to hire someone who has all the skills necessary for the job (Capelli, 2003).

Companies may also seek assistance from non-profit or public agencies that specialize in workforce development, including internship placement (Supple, 1986). Companies should also form partnerships with secondary schools, technical schools and colleges to develop internships so that students get hooked up with a Wisconsin business before “out-of-state raiders get a hold of them” (Wisconsin Legislative Council, 2001). Industries should align and engage new workers coming into the labor force, educational institutions and training providers to educate them on the realities of their industry in order to start preparing the youth for future job openings. Strategies could include

localized school outreach, plant tours, and educational programs (National Association of Manufacturers, 2003).

One area that employers are now beginning to look at developing recruitment strategies around is the nontraditional workers, such as those who are disabled, or are just learning English, or are recently released from prison or jails, through a partnership with the local job center (Wisconsin Legislative Council, 2001). There are programs available to assist in offsetting the costs associated with hiring from these groups of workers, including on-the-job training funds, tax credits, and government grants.

Immigration contributes highly to the U.S. workforce. It is imperative that the world's talented workforce be welcomed in growing numbers to U.S. companies wherever they may be (Judy, 1999). Foreign labor certification programs permit U.S. employers to hire foreign workers on a temporary or permanent basis to fill jobs essential to the U.S. economy. Certification may be obtained in cases where it can be demonstrated that there are not enough qualified U.S. workers available and willing to perform the work at wages that meet or exceed the prevailing wage paid for that occupation in the area of intended employment (U.S. Department of Labor, Employment & Training Association, retrieved April 13, 2005).

### Retention Strategies

Retention management should be used to identify which key personnel to retain. Employers should focus on developing competencies in recruitment and

selection, performance management, retention policies, and other practices that support the ability to find and keep good workers (Capelli, 2003).

Businesses may need to offer high wage and benefit packages in order to retain qualified candidates. They may also need to consider more progressive benefits, such as childcare and flexible work schedules (Supple, 1986). Bonuses and incentive pay can help keep employees satisfied with their employer. Other retention techniques may include special recognition or awards (Swartz, 1999).

Some employers, especially those that are not accessible by public transportation may want to consider establishing a fund for low-cost loans for people to obtain cars and recover these funds through payroll deduction (Wisconsin Legislative Council, 2001). This financing program will help in retaining employees until the balance of their loan is paid off.

Businesses interested in retaining their workforce may want to implement incumbent worker activities and training, including English as a Second Language and computer training (Wisconsin Legislative Council, 2001).

Another retention solution could be instituting a buddy system/mentoring program that pair up co-workers to help with job-specific training and social aspects of the work environment. This relationship could reduce the dependence and the lack of security usually felt by new employees (Wisconsin Legislative Council, 2001). By utilizing mentors, the company encourages teamwork and improves staff motivation. With this sharing of expertise, there is an increase in employee competency, an increase in the feeling of belonging and is a valuable resource to consider as part of a training program (Messmer, 2002).

With the increase of minorities entering the workforce, a successful business will provide diversity training for all levels of non-minority employees to provide a broad base of acceptance (Wisconsin Legislative Council, 2001).

### Employer Services

Many employers believe companies should organize into training consortia, get on the local Workforce Investment Boards, and have some influence over the implementation of the Workforce Investment Act to best serve their needs (National Association of Manufacturers, 2003). The state of Wisconsin has 11 of these Workforce Investment Boards. The Southwest Wisconsin Workforce Development Board (SWWDB) serves the Rock County Job Center. The SW-WDB represents the public/private nature of the new workforce development system. Board membership consists of representatives from business, education, labor, economic development, community-based organizations, literacy, rehabilitation agencies, public assistance agencies, and the public employment service (SWWDB, retrieved April 13, 2005).

The Rock County Job Center has staff available to work with employers with recruitment and retention needs. Account Representatives in Job Centers are available to assist employers in listing job openings in JOBNET. They are also available to help employers describe the job better to get a better response from job seekers (State of Wisconsin, 1996). Local Job Centers offer Job Fairs for employers and job seekers in their areas or employers can conduct interviews at the Job Center and draw from the public and the Job Center's extensive pool of applicants.

The Job Center offers many free services to individuals who meet certain eligibility guidelines. Account representatives work with employers who are looking to expand their pool of qualified applicants. Employers may be eligible for on-the-job training funds, applicant screening and referrals and job coaching services for people in the following categories: older workers, disabled individuals, dislocated/laid off work, low income youth, welfare recipients, migrant workers, and veterans (Southwest Wisconsin Job Centers, retrieved November 22, 2004).

The Rock County Job Center, as well as the Department of Workforce Development, offers low-cost or no-cost educational opportunities to employers and managers on labor laws, diversity, and recruitment and retention strategies.

### Summary

Due to demographic, geographic and economic factors, the labor force in Wisconsin is continuing to become tighter. Employers will be looking for new and innovative techniques for recruiting and retaining qualified workers. The Rock County Job Center offers employer services to help connect qualified workers to these businesses in need. The next chapter will look at the methodology used to study what planning employers are currently doing and how the Rock County Job Center may help in the preparation.

## CHAPTER III: METHODOLOGY

The Employment Policy Foundation forecasts that more than 61 million Americans will retire during the next 30 years. It also projects that labor shortages will reach 4.8 million workers in 10 years, 19.7 million in 20 years and 35.8 million in 30 years ("Labor gap threatens U.S. prosperity," 2002). Have the employers of Rock County begun planning for the next labor shortage? How do employers see the role of the Rock County Job Center in their planning?

The purpose of the study is to find out if employers are strategically planning for the forecasted labor shortage. This study will also identify recruitment and retention strategies being planned and investigate the employers' perception of how the job center will help in its business needs.

The Rock County Job Center would like to be proactive and assist employers in their business planning. This study will be used to establish the need for the job center to develop programming to meet the employers' expectations.

In this chapter, the researcher will explain the methodology used in conducting this local study of employer strategic planning. This chapter will include the subject selection and description, the instrumentation and procedures used to collect the data, the process used to analyze the data collected and the limitations of the study.

### Subject Selection and Description

The researcher is interested in the practices and planning of Rock County employers that have 100 or more employees. According to the Employer Record

System maintained by the Department of Workforce Development, that is a population size of 77. These employers come from a variety of industries including manufacturing and service, including healthcare, government, and financial institutes. According to the recommendations of Leedy and Ormrod (2001), the entire population was surveyed as the sample because the population size is less than 100.

### Instrumentation

A survey instrument was developed for this research project to ask employers about the planning being done for the labor shortage and practices that the company would be implementing as part of that strategic planning.

Ten statements on recruitment and retention strategies were developed. Statements 1 and 2 describe whether or not the company is preparing for the labor shortage. Statements 3 through 5 describe retention strategies being planned. Statements 6 through 10 describe recruitment strategies and services available through the Rock County Job Center. The researcher developed these statements based on the literature review, including the best practices of other companies and human resource professionals.

The respondents were asked to rate the statements on a five-point Likert scale: 1= Strongly Disagree, 2=Somewhat Disagree, 3=Neither agree nor disagree, 4=Somewhat Agree, 5=Strongly Agree. A copy of the survey is included in Appendix A. The respondents were given the option of making comments after each statement in order to clarify the choice they selected.

## Data Collection Procedures

With the endorsement of the Rock County Job Center management team, the survey, along with a letter of introduction (See Appendix B) and a postage paid envelope, was mailed directly to directors and managers of the human resource department of Rock County employers with 100 or more employees. The employers were asked to complete the 10-question survey based on the planning being done at their respective companies'. The respondents were assured that their answers would be kept anonymous and confidential (See Appendix B). Of the 77 surveys mailed, 32 were received back completed for a 42% return rate.

## Data Analysis

The data collected from the survey was analyzed with the assistance of tables. The results were compiled and illustrated in the tables showing the number of responses and then the percentage of the responses. Then the comments made on the survey will be compiled to present as additional information that may be used when making recommendations.

## Limitations

The survey instrument did not request any demographic information identifying the industry of which the person completing the survey works in. This additional information could have been used to determine if responses are industry specific or if they are common across industry lines.



## Summary

This chapter explained the methodology behind the selection of subjects, the instrumentation and the procedures used to collect and analyze the data for this study. In Chapter 4, the researcher will explain the results found in the compilation of the data received.

## CHAPTER IV: RESULTS

### Introduction

The Employment Policy Foundation forecasts that more than 61 million Americans will retire during the next 30 years. It also projects that labor shortages will reach 4.8 million workers in 10 years, 19.7 million in 20 years and 35.8 million in 30 years ("Labor gap threatens U.S. prosperity," 2002). Have the employers of Rock County begun planning for the next labor shortage? How do employers see the role of the Rock County Job Center in their planning?

The purpose of the study is to find out if employers are strategically planning for the forecasted labor shortage. This study will also identify recruitment and retention strategies being planned and investigate the employers' perception of how the job center will help in its business needs. The Job Center would like to be proactive and assist employers in their business planning. This study will be used to establish the need for the job center to develop programming to meet the employers' expectations.

A survey was sent to 77 Rock County Employers requesting information regarding their planning for recruitment and retention in consideration of the forecasted labor shortage. This chapter will review the findings from the survey by compiling the number of responses for each question and the percentage of those responses. These findings will be used for making recommendations to the Job Center Management Team. The following descriptions and tables will describe the results from the 10-question survey.

## Item Analysis

Question 1 asked respondents to indicate if the company had begun planning for the labor shortage. Of the responses, only 6% strongly agreed and 19% somewhat agreed that there company is currently planning for the labor shortage. The additional 75% of the respondents indicate that they are not or haven't started planning at this point in time. Refer to Table 1. One comment made on the survey was that the company was discussing it [the labor shortage]. Another comment was that the company executives "know a problem will exist."

Table 1. Labor Shortage Planning

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	4	12.5%
Somewhat Disagree	8	25%
Neither Agree nor Disagree	12	37.5%
Somewhat Agree	6	19%
Strongly Agree	2	6%

Question 2 asked respondents to indicate if the company currently had "hard to fill" positions. The majority of the responses shows that 38% of the managers somewhat agreed and 19% strongly agreed that they currently have positions that are considered "hard to fill". Refer to table 2. A comment made on the survey was that the vacant positions were "industry specific." Another

comment made was that it is “difficult to find experienced welders” even at a “start wage of \$14.22/hr.”

Table 2. Hard to Fill Positions

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	2	6%
Somewhat Disagree	9	28%
Neither Agree nor Disagree	3	9%
Somewhat Agree	12	38%
Strongly Agree	6	19%

Question 3 asked respondents to indicate if the company was considering flexible schedules or other incentives to keep individuals from retiring. Only 22% of the respondents somewhat agreed or strongly agreed that this retention tactic was one that they were considering using. Refer to Table 3. One respondent indicated that he/she neither agreed nor disagreed, however commented that he/she “would be interested in exploring this.”

Table 3. Flexible Work Schedules

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	9	28%
Somewhat Disagree	5	16%
Neither Agree nor Disagree	11	34%
Somewhat Agree	4	13%
Strongly Agree	3	9%

Question 4 asked respondents to indicate if the company was considering revamping its pay schedule to become more competitive. Half of the responses (50%) were strongly disagree or somewhat disagree that the company will consider this recruitment and retention issue. Refer to Table 4. One comment made by a respondent is that their company “did [wage increases] last year.” Another business “conducts market surveys each year and adjust [wages] accordingly.” Yet another business stated that they would like to raise wages but it is “difficult in a period of flat funding and/or funding cuts. We are grant funded.”

Table 4. Revamping Pay Schedules

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	11	34%
Somewhat Disagree	5	16%
Neither Agree nor Disagree	7	22%
Somewhat Agree	7	22%
Strongly Agree	2	6%

Question 5 asked respondents to indicate if the company was considering mentoring programs to retain younger workers. The largest response to this question (38%) was the neither agree nor disagree choice. The other categories were chosen somewhat evenly. Refer to Table 5. A comment made by a respondent was they “already do it”. Another manager stated, “we have the beginnings of this, I would like to do more”, both referring to mentoring.

Table 5. Mentoring Programs

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	6	19%
Somewhat Disagree	6	19%
Neither Agree nor Disagree	11	34%
Somewhat Agree	5	16%
Strongly Agree	4	13%

Question 6 asked respondents to indicate if the company would be increasing its usage of JOBNET. In response to this question, the majority (53%) of the managers neither agreed nor disagreed with the intention of increasing JOBNET utilization. Refer to Table 6. One of the respondents choosing neither agreed or disagreed stated, “we use JOBNET for all positions.”

Table 6. JOBNET Usage

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	3	9%
Somewhat Disagree	6	19%
Neither Agree nor Disagree	17	53%
Somewhat Agree	4	13%
Strongly Agree	2	6%

Question 7 asked respondents to indicate if the company would be interested in participating in a Job Fair at the Rock County Job Center. The largest response to this question was that 31% of the respondents somewhat agreed that they would be interested in the job fair. One manager responded that it “depends on the timing” as to whether or not he/she would be interested in participating in a job fair. Two others commented that they would be interested if qualified workers were present. Another manager selected that he/she would

somewhat disagree with attending a job fair stating, “our workers need to be specially trained.”

Table 7. Job Fair

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	5	16%
Somewhat Disagree	7	22%
Neither Agree nor Disagree	8	25%
Somewhat Agree	10	31%
Strongly Agree	2	6%

Question 8 asked respondents to indicate if the company would consider the use of interns, subsidized training, and/or apprenticeships. Managers looked favorably at the use of such recruiting techniques with 60% responding that they somewhat agreed or strongly agreed that the company would consider these tools. Refer to Table 8. One company representative commented that they “already do have engineering interns.” While another manager commented that they were unable to have interns due to a “unionized facility.”



Table 8. Interns, Trainees, and Apprenticeships

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	6	19%
Somewhat Disagree	1	3%
Neither Agree nor Disagree	6	19%
Somewhat Agree	15	47%
Strongly Agree	4	13%

Question 9 asked respondents to indicate if the company is planning in-house basic education courses, including English as a Second Language, Math/Writing and Computers. Managers (72%) responding to this question expressed that they either strongly disagreed or somewhat disagreed with having plans for incorporating in-house basic education classes into the workplace. Refer to Table 9. One respondent selected strongly disagreed, however commented, "occasionally we have computer training, but not regularly. We also have occasionally offered Spanish class for English-speaking staff." Still another manager stated that they were "discussing ESL [English as a Second Language]."

Table 9. In-house Education

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	14	44%
Somewhat Disagree	9	28%
Neither Agree nor Disagree	3	9%
Somewhat Agree	6	19%
Strongly Agree	0	0%

Question 10 asked respondents to indicate if the company has plans to target special populations for recruitment, for example, older workers, disabled, or ex-offenders. Only 21% of the respondents agreed that they plan to recruit from special populations, where the other 79% were either indifferent or disagreed with this recruitment strategy. Refer to Table 10. One respondent even indicated that they would not hire from the ex-offender population.

Table 10. Recruitment from Special Populations

Response Selected	Number of Responses	Percentage of Responses
Strongly Disagree	9	28%
Somewhat Disagree	5	16%
Neither Agree nor Disagree	11	34%
Somewhat Agree	6	19%
Strongly Agree	1	3%



## Summary

This chapter analyzed the survey responses made by Rock County employers regarding tools and techniques being planned to recruit and retain workers during the pending labor shortage. The survey was developed based on the best practices of current planning as discussed in the review of literature. The item analysis also includes comments that were made on the survey in regards to the statement being answered. The major finding of this survey is that 75% of the respondents surveyed have not started planning for the pending labor shortage. According to the data supplied by the Employment Policy Foundation, this labor shortage will start to affect Rock County within the next five to ten years. Chapter V will discuss the researchers conclusions and recommendations to the Rock County Job Center as steps necessary to assist employers and the Rock County Job Center staff in developing action plans for the pending labor shortage.

## Chapter V: DISCUSSION

### Introduction

The Employment Policy Foundation forecasts that more than 61 million Americans will retire during the next 30 years. It also projects that labor shortages will reach 4.8 million workers in 10 years, 19.7 million in 20 years and 35.8 million in 30 years ("Labor gap threatens U.S. prosperity," 2003). Have the employers of Rock County begun planning for the next labor shortage? How do employers see the role of the Rock County Job Center in their planning?

The purpose of the study was to find out if employers are strategically planning for the forecasted labor shortage. This study also identifies recruitment and retention strategies being planned and will investigate the employers' perception of how the job center will help in its business needs.

The Job Center would like to be proactive and assist employers in their business planning. This study will be used to establish the need for the job center to develop programming to meet the employers' expectations. This chapter will discuss the limitations to the study, conclusions that can be made and recommendations for further research or strategies for implementation.

### Limitations

The following are the limitations of this study:

1. The results of this study are limited to employers in Rock County with more than 100 employees.

2. The population included in the survey was taken from the Employer Records Systems supported by the State of Wisconsin Department of Workforce Development and may not be all inclusive.
3. The survey instrument did not request any demographic information identifying the industry of which the person completing the survey works in. This additional information could have been used to determine if responses are industry specific or if they are common across industry lines.

## Conclusions

The following conclusions are drawn from the results of the survey. Note that these conclusions are limited to the sample of this survey.

1. The majority of Rock County Employers have not or are not planning for the pending labor shortage even though the majority have "hard-to-fill" positions.
2. Few employers are considering or have started looking at retention strategies including, revamping pay schedules, flexible work schedules, mentoring programs, or in-house basic education training.
3. Rock County employers are interested in utilizing Interns, Subsidized Training Programs and Apprenticeships.
4. The employers do not plan on increasing job order activity on JOBNET or are not interested in participating in job fairs.
5. Employers have no desire to target recruitment from special populations, for example, older workers, disabled, or ex-offenders.

## Recommendations

The researcher believes by the amount of respondents that answered neither agree nor disagree on the question regarding planning for the labor shortage that employers are not sure if and/or when a labor shortage will affect them. One recommendation of the researcher would be to offer additional information to the employers on what impact the labor shortage could have in Rock County. The Rock County Job Center staff should work closely with the Department of Workforce Development's labor market analysts to develop information specific to Rock County that could be shared either through printed materials, e-mail or informational sessions.

The researcher believes that the role of the Rock County Account Representatives will change from one of labor exchange, developing job orders and matching qualified candidates, to the role of a business consultant. According to the research, the employers of Rock County are not planning on increasing their usage of the basic employer services (ie. job orders and job fairs) available at the job center. Instead of concentrating their efforts on marketing of these basic services, the account representatives should be trained on what succession planning is and what techniques and tools those employers that are making plans currently use. The recommendation of immediate staff training will allow the job center to deal with the pending shortage proactively and not wait until staff training is a reactive response for not enough people to refer to job openings.

According to the researcher's conclusions, Rock County employers are interested in utilizing Interns, Subsidized Training Programs and Apprenticeships. The recommendation would be increase emphasis on On-the-Job training and increase the funding available for those services in the programs offered at the Rock County Job Center. Another recommendation would be that the Rock County Job Center facilitate a partnership between employers, the technical college, and secondary schools in trying to connect individuals that are interested in participating in job shadowing, internships, or co-op programs. The Rock County Job Center may also want to offer informational sessions on the best practices of successful employers utilizing these recruitment techniques, including mentoring programs.

Rock County employers indicated a strong preference in not hiring from targeted groups. The researcher recommends that at this time account representatives continue to refer individuals to employers based on the match of qualifications and not mention to the employer whether or not the job seekers falls into a target population. The researcher recommends looking at ways of improving the qualifications of these target populations through continued job skills training which includes on-the-job training, classroom training or customized, employer specific training programs. To implement this recommendation, the job center may need to seek out additional grant funding available to serve these target populations.

The researcher does recommend that future research be conducted on the employers planning for the labor shortage. The researcher believes that as



more individuals start retiring and the unemployment rates start to minimize that this will be a necessary topic for employers and the Rock County Job Center to analyze and act on. The researcher believes that employers are still ambiguous to labor shortage planning due to the fact that they are not currently facing the problem. This may be an instance of "seeing is believing."

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## APPENDIX A: SURVEY INSTRUMENT

### Labor Shortage Planning A Survey

Please complete this survey and return in the envelope provided. Results will assist the Rock County Job Center in planning for the needs of the area employers. All responses will be kept confidential.

**DEADLINE: Friday, April 1, 2005.**

	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
1. My company has begun planning for a labor shortage (ie. succession planning.) Comments:	1	2	3	4	5
2. My company currently has positions that are considered "hard to fill." Comments:	1	2	3	4	5
3. My company is considering flexible work schedules or other incentives to keep individuals from retiring. Comments:	1	2	3	4	5
4. My company is considering revamping its pay schedule to become more competitive. Comments:	1	2	3	4	5
5. My company has or is considering a mentoring program to retain younger workers. Comments:	1	2	3	4	5
6. My company will increase its usage of JOBNET. Comments:	1	2	3	4	5

7. My company would like to participate in a Job Fair at the Rock County Job Center.

1 2 3 4 5

Comments:

8. My company will consider the use of interns, subsidized training, and/or apprenticeships

1 2 3 4 5

Comments:

9. My company has or is planning in-house basic education courses, including English as a Second Language, Math/Writing, and Computers.

1 2 3 4 5

Comments:

10. My company has plans to target special populations for recruitment (ie. older workers, disabled, ex-offenders.)

1 2 3 4 5

Comments:

**THANK**

**YOU!**

**This research has been approved by the UW-Stout IRB as required by the Code of Federal Regulations Title 45 Part 46.**

## APPENDIX B: LETTER TO EMPLOYERS

March 1, 2005

Dear Human Resources Professional:

The Employment Policy Foundation forecasts that more than 61 million Americans will retire during the next 30 years. It also projects that labor shortages will reach 4.8 million workers in 10 years, 19.7 million in 20 years and 35.8 million in 30 years (Training, Jan2002, Vol.39 Issue1 p33.) These figures are nationwide; however, Labor Market Analysts for the State of Wisconsin feel that our state is not immune to this phenomenon.

Your company is one of a small number of companies that are being asked to assist the Rock County Job Center in planning for the future needs of area employers. For the results to represent what the majority of employers are planning, it is important that each questionnaire be completed and returned.

You may be assured that information you provide will be kept confidential. The questionnaire does not have any identifying information and your company's name will never be placed on the questionnaire.

By completing and returning the questionnaire, you have given your consent to participate in this research project. This study has been reviewed and approved by The University of Wisconsin-Stout's Institutional Review Board (IRB). The IRB has determined that this study meets the ethical obligations required by federal law and University policies. If you have questions or concerns regarding this study please contact the Investigator or Advisor. If you have any questions, concerns, or reports regarding your rights as a research subject, please contact the IRB Administrator, Sue Foxwell, Director, Research Services, 152 Vocational Rehabilitation Bldg. UW- Stout, Menomonie, WI 54751, (715) 232-2477; foxwells@uwstout.edu

The results of this research will be made available to the management team of the Rock County Job Center and any others interested. If you would like a copy of the results, you may call me at (608) 741-3610 or e-mail at kelly.garcia@dwd.state.wi.us.

Thank you for your assistance. If you have any questions, please feel free to contact me.

Sincerely,

Kelly Garcia  
Job Service Team Leader  
Rock County Job Center  
(608) 741-3610  
kelly.garcia@dwd.state.wi.us