

Study links hiring difficulties to 45 percent of job vacancies

Written by

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A new study found that 45 percent of job vacancies in select occupations in Minnesota were considered by employers to be difficult to fill because of skills mismatches, demand-side issues such as unattractive wages, hours or location, or a combination of the two, according to the Minnesota Department of Employment and Economic Development (DEED).

DEED's Hiring Difficulties Study found that overall 15 percent of job vacancies in nine key occupations in Minnesota were difficult to fill because of a shortage of job candidates with the right skills, education or experience.

Another 6 percent of job vacancies in those occupations were difficult to fill because of "demand-side factors," such as uncompetitive wages and undesirable job locations or work shifts. Another 24 percent of the job vacancies in the study were difficult to fill because of a combination of skills mismatches and demand-side factors.

DEED conducted the study last fall in response to growing concerns about hiring difficulties related to skills gaps in certain occupations in Minnesota. The agency contacted 213 employers who had open positions during the second quarter of 2012 in one of the following occupations: registered nurses, nurse practitioners, nurse anesthetologists, industrial engineers, industrial engineering technicians, materials engineers, CNC (computer numerical control) machine operators, numerical tool and process control programmers, and machinists.

Those occupations were chosen because of anecdotal evidence that employers are having difficulties filling jobs in those fields.

Employers with vacancies in those occupations were interviewed and the results of this survey were used to analyze the following issues:

1. How prevalent are hiring difficulties in Minnesota?
2. Among hard-to-fill vacancies, what share were hard to fill because of skills or education gaps, and what share were hard to fill because of demand-side factors?
3. Under what conditions are skills mismatches most likely to arise?
4. How serious of a problem do skills mismatches represent for employers?

The study found that the most difficult-to-fill jobs were in the production occupations, with just over two-thirds of the vacancies in that field falling into that category. About one-half of the vacancies in engineering were considered difficult to fill, while nursing had the lowest share of difficult-to-fill positions with less than one-third. This is evidence of the successful response of Minnesota's postsecondary educational institutions to the well documented nursing shortage over the last decade.

In skills gap-related hard-to-fill vacancies, 61 percent of the jobs were filled by the time the survey was conducted - that is, between three and eight months from the time the position was first reported open.

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When employers were unable to fill a job, 82 percent said they responded by hiring contractors or by paying employees to work overtime. In 38 percent of the cases, respondents said the inability to fill positions prevented them from expanding and innovating, while another 38 percent said unfilled jobs prevented them from meeting customer demand and maintaining quality.

The Hiring Difficulties Survey was the first conducted by DEED. The agency plans to conduct the survey twice annually and is currently working on a second round of interviews for other occupations.

More details on the study are available at the following link: http://www.positivelyminnesota.com/Data_Publications/Publications/Hiring_Difficulties_in_Minnesota/index.aspx

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