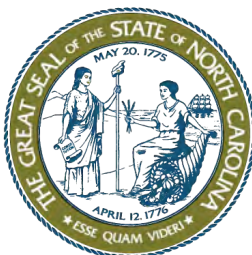


2024

# EMPLOYER NEEDS SURVEY REPORT



**NC DEPARTMENT**  
*of* **COMMERCE**  
**LABOR & ECONOMIC**  
**ANALYSIS**

This year marks 10 years of North Carolina’s Employer Needs Surveys. During that decade, North Carolina’s economy has experienced tremendous change, with both employers and jobseekers facing new disruptions and new opportunities. In order to maintain a successful workforce system that can respond to such changes and challenges, the NCWorks Commission, the state of North Carolina’s workforce development board, needs good data.

As one way of achieving that goal, we have partnered with the Labor and Economic Analysis Division (LEAD) of the N.C. Department of Commerce to produce Employer Needs Surveys every other year since 2014. In our last survey (published in 2022), we noticed the effects of the COVID-19 pandemic on the labor market, and now, in this, our sixth Employer Needs Survey, we can see a clearer picture of the “post-pandemic” recovery.

It is appropriate to survey our employers, because in many respects, they are the “end users” of the workforce system that we support and guide. A workforce system must seek to deliver what employers demand, so that jobseekers and students can gain relevant skills and prepare for great careers. We cannot know what employers need without relevant data that allows us to make informed decisions. Now, with this survey report, we are better prepared to provide guidance and recommendations to North Carolina’s workforce and economic development stakeholders. In addition, we hope that this report informs all the people of our state - with insights for how we can all help employers find and train talent, while removing any barriers that keep people from participating in the labor market.

North Carolina has a strong economy because of our diverse, skilled workforce, and our state’s “First in Talent” plan makes clear that we must invest in our people in order to prepare for continued success. The NCWorks Commission is honored to be part of that work, and we appreciate the strong leadership of Governor Cooper and N.C. Commerce Secretary Machel Baker Sanders in building our inclusive, innovative economy. I also wish to thank the Commission staff, the team at LEAD and everyone who has contributed their expertise and dedication to this impactful survey report.

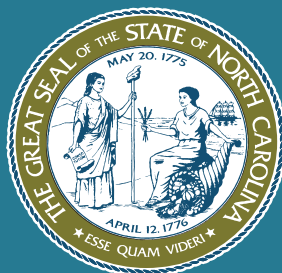
A handwritten signature in black ink that reads "Tom B. Rabon, Jr." in a cursive style.

Tom Rabon, Jr.  
Chair, NCWorks Commission



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**NC DEPARTMENT**  
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# Executive Summary

North Carolina's ability to develop and maintain a skilled workforce is critical to supporting business growth and economic prosperity across the state. In fact, the strength of the workforce has led to national accolades for North Carolina, including rankings as [“America’s top state for business.”](#) The 2024 Employer Needs Survey, conducted biennially by the Labor and Economic Analysis Division (LEAD) in partnership with the NCWorks Commission, provides vital insights into the workforce challenges faced by employers and identifies strategies to bridge talent gaps.

This year’s survey findings reveal a labor market that has improved since the previous study in 2022 but one that still faces considerable tightness. While fewer employers (62%) reported difficulties filling open positions compared to 2022 (81%), a lack of job applicants and deficiencies in employability skills such as work ethic, motivation, and reliability remained top reasons for hiring challenges.

To attract and retain talent, the majority of employers increased wages, offered more flexible schedules, and expanded training opportunities. However, many continue to face barriers in attracting job applicants, stemming, they report, from insufficient access to childcare and reliable transportation for potential workers. Looking ahead, one out of five employers plans to adopt automation technologies over the next two years, which could further disrupt workforce needs.



This report offers six key insights and opportunities for the NCWorks Commission and workforce development stakeholders:

1. Expand efforts to engage underutilized talent pools, including individuals with disabilities and justice-involved individuals.
2. Comprehensively address challenges related to missing employability skills through educational initiatives and workplace improvements, such as the Department of Public Instruction’s emphasis on durable skills in their [“Portrait of a Graduate.”](#)
3. Prioritize addressing barriers to employment, such as transportation access and childcare affordability, by assessing areas of greatest needs and connecting funding resources.
4. Facilitate employer-driven talent development initiatives like internships, apprenticeships, and job shadowing programs across all industries.
5. Prepare employers, workers, and education and workforce development professionals for new automation and emerging technologies through training and responsible adoption.
6. Continue strengthening industry-specific partnerships and collaboration among employers, educators, and workforce professionals.

By addressing these issues, North Carolina can effectively tackle employers’ workforce challenges, cultivate a future-ready workforce aligned with industry needs, and continue to be First In Talent. Collaborative efforts between businesses, policymakers, and workforce development organizations are essential to driving sustainable solutions.





# 2024 Employer Needs Survey Key Findings

Since 2014, the Labor and Economic Analysis Division (LEAD) of the North Carolina Department of Commerce, in collaboration with the NCWorks Commission, has conducted a biennial survey to gauge the workforce needs and hiring challenges faced by employers across the state. The *2024 Employer Needs Survey* marks the first comprehensive assessment of the state's hiring landscape following the profound disruptions caused by the COVID-19 pandemic. This report offers insights into the current labor market dynamics, recruitment practices, training initiatives, and the evolving workforce requirements of businesses in North Carolina.

As the economy emerges from the pandemic's impact, ensuring a skilled and robust workforce remains a critical priority for employers of all sizes and industries. The findings of this survey serve as a vital resource for policymakers, workforce development practitioners, educational institutions, and economic development partners. Understanding the specific challenges and needs identified by employers can hopefully spur effective collaboration to develop targeted solutions, align workforce training programs with industry demands, and foster a thriving business environment that supports economic growth and prosperity throughout the state.

## INDUSTRY SAMPLES INCLUDED

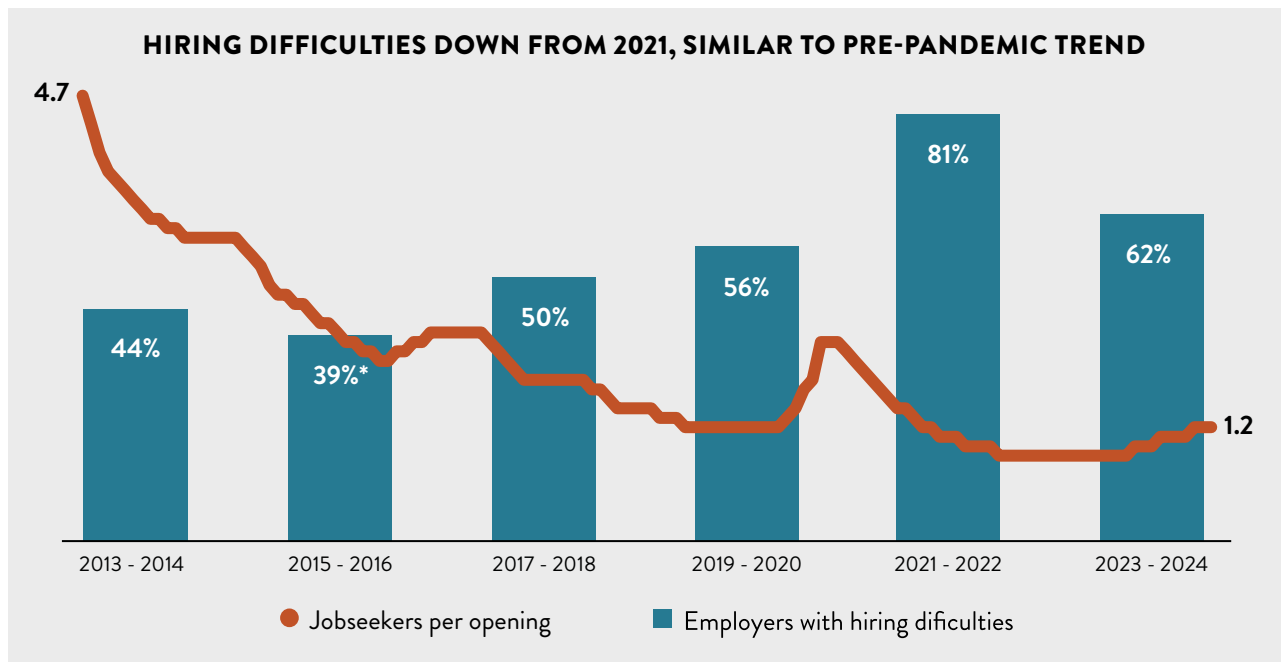
The 2024 Employer Needs Survey presents results for all NC employers, plus separate findings for four individually surveyed industries: Health Care, Manufacturing, Construction, and STEM.

## Fewer employers reported hiring difficulties than in the previous survey.

Respondents were first asked if their establishment tried to fill any positions in the past 12 months, and 82 percent of employers in the Overall sample said they did, slightly down from 86 percent in the previous survey. The other industry groups reported similar percentages, with the exception of Health Care, in which 93 percent of employers tried to hire.

Those employers who reported attempting to hire in the past year were then asked if they had difficulty filling any of those positions, and 62 percent of employers in the Overall sample said they did. This is down sharply from the 81 percent who reported any hiring difficulty in the previous survey, and is closer to the pre-pandemic frequency of 56 percent, reported by employers in 2019 (published in 2020).

**62% of North Carolina employers experienced at least some difficulty hiring in 2023 – down significantly from 81% in 2021.**



\*No statistical significance in hiring difficulty from 2013

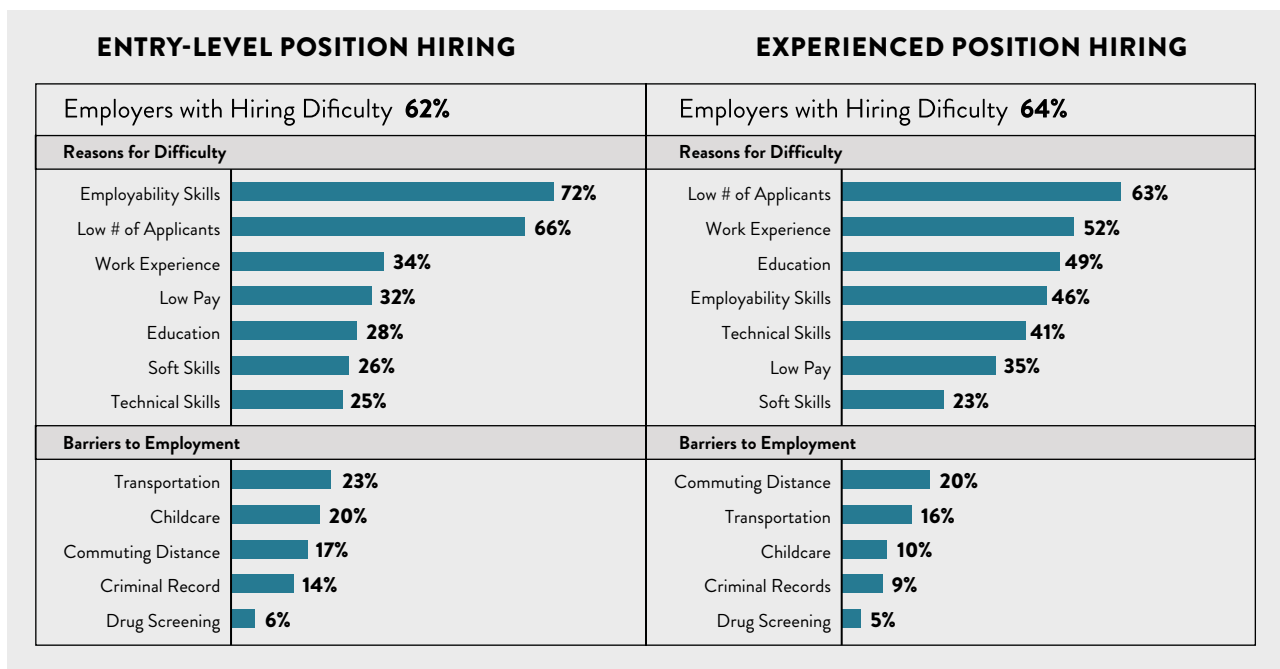
The ratio of jobseekers per opening has increased since its nadir of 0.9 jobseekers per opening in 2022, and is currently at the same level as 2019, 1.2 jobseekers per opening. This return to pre-pandemic labor market tightness may explain the lower frequency of employers reporting hiring difficulties, although conditions still remain relatively tight by historical standards.

Those employers who reported difficulty in hiring were then asked whether they had hiring difficulties with **entry-level** (requiring 1 year or less work experience) and/or **experienced** positions (requiring more than 1 year of experience). 62 percent of the Overall businesses with hiring difficulties were seeking to fill entry-level positions, and 64 percent reported seeking more experienced positions. Among the industry groups, fewer STEM employers reported difficulty with entry-level positions (59%) but more reported issues with experienced positions (79 percent). Health Care employers also reported higher percentages of difficulties with experienced positions (75 percent). The other industry groups were similar to the Overall sample.

## “Employability” issues dominate the reasons for hiring difficulties.

Employers who reported difficulty in hiring were asked to choose from a list of factors that may have contributed to difficulties for both **entry-level** and **experienced** positions. For **entry-level** positions, the most frequently selected explanations in this survey were a lack of basic employability skills, such as work ethic, professionalism, reliability and motivation (72%) and a low number of applicants (66%). These reasons were also the top two factors chosen in the previous survey (published in 2022), although a low number of applicants was the previous top reason. Other reasons for difficulty were selected by 1/3 or fewer of employers. Applicants unwilling to accept the offered wages (“low pay”) were only cited by 32 percent of employers this time, down from over half of employers in 2022.

A low number of applicants and a lack of basic employability skills were also the top two reasons for hiring difficulties given across the industry-specific samples for entry-level positions, although sometimes not in the same order. Differences among the industry groups can be explored in the online dashboard found at <https://analytics.nccommerce.com/>.



For more **experienced** positions, the top reasons included a low number of applicants (63 percent), a lack of relevant work experience (52 percent), and a lack of the necessary education level or credential (49 percent). While a low number of applicants was the most commonly chosen factor in the previous survey, other top issues such as an unwillingness to accept the offered wages (“low pay”) were not as frequently chosen this time, at 35 percent. The industry-specific samples also had the same top three concerns, although low pay was more frequently cited as an issue for Health Care employers.

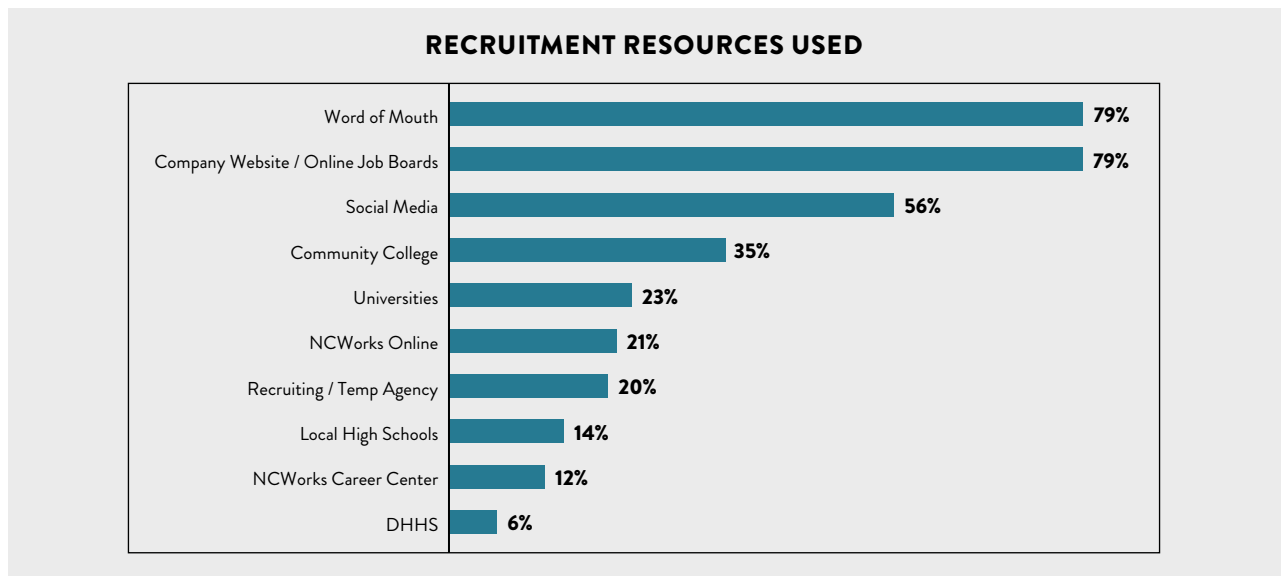
The changes in the frequency of these various factors can perhaps be explained by changes in the state’s labor market conditions over the past several years. While wage growth was high and labor shortages common in the rebound from the pandemic recession, the past year has seen wage growth slow and labor markets loosen somewhat in a more balanced economy.





## Employers' use of online recruiting has become as common as word of mouth.

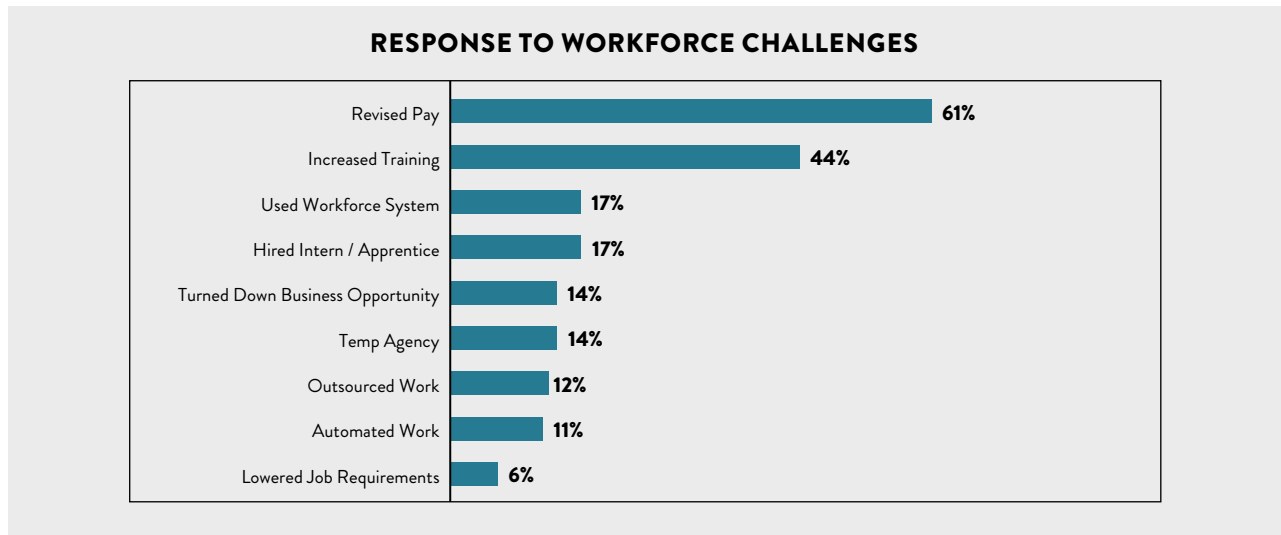
Employers that tried to hire in the previous 12 months (regardless of whether they had difficulties) were asked about the types of resources they used to recruit candidates for job openings. As in previous surveys, the top recruiting resources were Word of Mouth (79%). However, this was tied for the first time by the use of online Job Boards and Company Websites (79%), followed by Social Networking Websites such as Facebook or LinkedIn (56%). The record numbers of employers reporting use of online resources for recruitment may be something to consider in how the workforce system's business services help employers recruit and evaluate talent. Thirty-five percent of employers reported using the Community Colleges to help recruit, followed by four-year universities (23%) and the NCWorks Online system (21%). Smaller percentages used temporary help agencies (20%), local high schools (14%), NCWorks Career Centers (12%) and the Department of Health and Human Services (6%).



Employers in the industry samples followed roughly the same pattern, with some differences in the use of specific resources to recruit. For example, Construction (69%) employers are less likely to use online job boards, while Health Care (90%) and STEM (87%) employers are more likely to use them. Manufacturing (76%) was similar to the Overall sample in their use of online job boards. However, all the industry groups report utilizing word of mouth, online job boards, and social networking sites as the top recruiting tools. The mix of recruiting resources was also similar to the 2022 survey results. As with other questions, more detailed data and industry comparisons are available at <https://analytics.nccommerce.com/employer-needs-survey/>.

## Employers responded to workforce challenges by revising pay and increasing training.

All respondents to the survey (regardless of whether they tried to hire in the previous 12 months) were asked about how they responded to workforce challenges. As in the previous survey, most employers responded by revising their pay scale or benefits (61%) and increasing training (44%). The other possible responses were less common: 17 percent reported using workforce system resources, hiring an intern or apprentice (17%), turning down business opportunities (14%), outsourcing (12%) or automating work (11%). Only six percent reported lowering the requirements for jobs.



The industry samples were fairly similar to the Overall with a few differences. Health Care employers were more likely to revise pay or benefits (75%) and increase training (54%) and reported turning down business at a higher rate (27%). They were also much more likely to lower requirements for jobs (21%). Taken together, this suggests Health Care employers may be responding more aggressively to workforce challenges in their industry.

When compared to the 2022 survey, employers in the current overall sample were less likely to use workforce system resources (previously 31%), turn down business (previously 25%), automating functions (previously 16%) and lowering job requirements (previously 13%). This may be reflective of an improved labor market since the previous survey—employers overall had less difficulty hiring and therefore didn't need the workforce system to the same extent. The fact that fewer businesses are reporting turning down business, automating functions, or reducing job requirements are also potentially positive signs for employers as they responded to the labor market in 2024.



## ***Employers provide in-house training opportunities to meet their needs.***

Employers met the skill needs of their workforce through a mix of informal and formal training. Most employers reported using informal on-the-job training (90%) as well as formal training customized for their workplace (57%) and formal training through a private vendor (17%). Self-study and/or online training was used by 41 percent of employers, followed by 28 percent of employers utilizing seminars or conferences. Thirteen percent of employers said they used apprenticeship programs to meet skill needs.

Among the industry samples, Health Care businesses were more likely to use customized formal training (65%) and training through a private vendor (27%) as well as self-study and/or online training (54%) and seminars and conferences (41%). However, they were less likely to use apprenticeship programs (5%). Construction employers were less likely to use customized formal training (49%) but more likely to use training through a private vendor (23%). They also were less likely to use seminars and conferences (18%) and self-study and/or online resources (27%). Manufacturers were also less likely to use seminars and conferences (11%) and self-study and/or online resources (19%).

When compared to the 2022 survey, fewer Overall employers reported the use of formal customized training (73% in 2022 vs. 57% in 2024). This was also true for Construction (63% vs. 49%), Health Care (79% vs. 65%) and STEM businesses (77% vs. 57%). Manufacturers reported the same level of formal customized training in both years (58%). In addition, fewer employers across the samples reported utilizing seminars and conferences as well as self-study and/or online resources. Fewer Health Care (14% vs. 5%) and STEM employers (22% vs. 16%) reported using apprenticeship programs. The reasons why fewer employers are reporting these types of training are not clear, although it may be a result of an increase of available job seekers as compared to the previous survey.

Those employers who said they used formal training were then asked who provided the training. The largest single response, with over half of employers (55%), was “Other.” Almost all of these respondents indicated they provided formal training themselves or “in-house.” Thirty-four percent of employers reported the use of a private vendor, followed by the use of Community Colleges (21%) and Four-Year Colleges or Universities (11%). Among the industry groups, Manufacturers were more likely to report using the Community Colleges (33%), and Construction employers were more likely to report using private vendors (46%). As might be expected, STEM employers were more likely to use Four-Year Colleges or Universities (28%) for training.

If they did not report using formal training, employers were asked a follow-up question about possible reasons for not doing so. Employers were able to choose from a list of potential reasons as well as provide their own response. Most employers (78%) again chose “Other” and noted that they did in-house training and therefore, the other reasons were not applicable. Among those who did select one of the provided reasons, ten percent said they were unaware of training resources, followed by those who said they were unable to afford outside training (7%), didn’t have enough time to dedicate to training (6%), lacked the technical capacity or staff to provide training (6%), or were unsatisfied with past trainings (2%).

## ***There is room for growth in the use of Work-Based Learning.***

Thirty-seven percent of businesses reported providing some type of work-based learning opportunity to youth. Most common was job shadowing opportunities (22%), followed by paid or unpaid internships (20%), apprenticeship or pre-apprenticeship programs (12%), taking part in career-related activities in K-12 schools (9%) and hosting field trips for K-12 students (6%). These opportunities to engage with youth appear to have plenty of room to grow as employers seek to create interest among their potential future workforce.

Among the industry groups, Construction businesses were less likely to offer job shadowing (10%) or internships (15%) but more likely to offer apprenticeship programs (16%). Health Care employers were less likely to offer apprenticeships (4%), while Manufacturers reported less use of job shadowing (10%). STEM businesses were the most likely to offer internships and job shadowing to youth (27% each).

All employers were asked if they had utilized a selection of services provided by local Workforce Development Boards. The most commonly selected services were hiring events such as job fairs (15%), training for existing staff (i.e. incumbent worker training) (11%) and NCWorks business services such as on-the-job training and job postings (11%). Ten percent of employers said that Workforce Development Boards helped convene similar businesses around common needs, including industry strategies and sector partnerships. Six percent of employers reported receiving regional labor market information through the boards.

There were similar levels reported among the industry groups, although Manufacturers (17%) were more likely to use NCWorks business services such as on-the-job training and job postings, as well as convening similar businesses around common needs (16%).

## ***Employers' use of benefits has not increased substantially.***

All employers were asked about which benefits they currently offer to their employees. The most common benefits were paid leave (76%), health insurance (66%) and contributions to a retirement plan (50%). Fewer employers offered tuition reimbursement (17%) or childcare or childcare subsidy (3%). These percentages were similar to the previous results, with the exception of fewer businesses offering tuition reimbursement (24%) and childcare (6%) than in 2022.

Among the industry samples, STEM employers were more likely to offer paid leave (85%), health insurance (82%), retirement contributions (77%), and tuition reimbursement (39%). Health Care businesses were more likely to offer health insurance (72%), retirement contributions (58%), tuition reimbursement (30%) and childcare benefits (29%).

Manufacturers were more likely to offer health insurance (76%) and less likely to offer childcare support (1%). Construction businesses were also less likely to offer childcare (1%) and tuition reimbursement (12%).

## ***Some employers are open to sharing the costs of childcare.***

Although few businesses currently offer childcare, employers were asked about their interest in a hypothetical program in which the state, the employer, and the employee each pay one-third of childcare costs—similar to the state of Michigan’s Tri-Share program. Nearly one-third of businesses in the Overall sample (32%) said they would be in favor of such a policy.

Health Care employers were much more supportive of such a program (45%), while Manufacturers (23%) and Construction employers (18%) were less so. STEM employers (35%) were similar to the Overall sample. This may suggest an opportunity to create pilot programs with certain employers in certain or areas of the state.

**While only 3% of employers offer employees a childcare benefit, 32% favored the concept of a childcare Tri-Share program.**

## ***Businesses increased wages and made schedules more flexible over the past year.***

Businesses were asked if they had made any of a series of changes to their business in the past 12 months. The top responses included increasing wages for existing workers (79%), increasing offered wages for new hires (66%), and allowing more flexible (49%) and more predictable (41%) work schedules. Less common changes included offering a signing bonus or other hiring incentives (24%), increasing the use of automation or artificial intelligence (8%) and reducing office space as a result of more remote work (4%).

Industry differences were seen in Health Care businesses, which had fewer reporting wage increases for existing workers (64%) but more reporting wage increases for new hires (74%). Health Care employers also reported higher percentages offering flexible (63%) and predictable schedules (57%) as well as signing bonuses (31%). Construction employers were less likely to report offering flexible (26%) and predictable schedules (29%) as well as signing bonuses (19%). Manufacturers reported lower levels of offering flexible schedules (34%) but were similar in other ways to the Overall sample. STEM businesses had higher percentages offering flexible (58%) and predictable schedules (54%) as well as increased automation or artificial intelligence (16%). STEM businesses were also more likely to report reducing office space as a result of more remote work (10%).

## ***Employers are optimistic about business conditions in the coming year.***

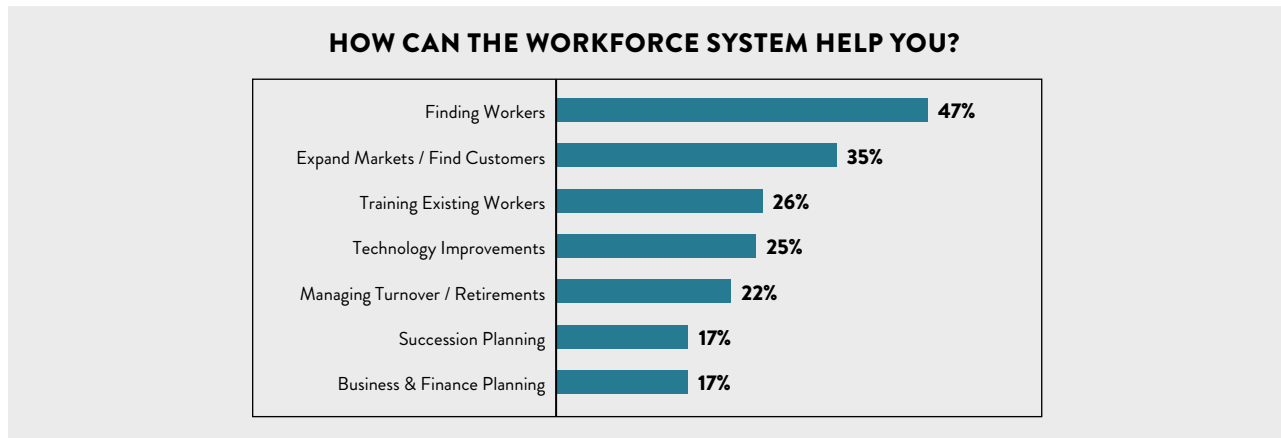
Employers were asked about their confidence in success in their businesses over the next year. As in previous surveys, employers were pretty optimistic about their future. Over half of employers (55%) reported being “very confident” in their business success and another 36 percent reported being “confident.” Eight percent were “somewhat confident” and only 1 percent were “not confident” in their success over the next year. These percentages were similar to the previous survey.

Employers were asked how concerning employee retirements are to their business on a scale of 1 to 4, where 1= Not Concerning, 2 = Somewhat Concerning, 3 = Concerning, and 4 = Very Concerning. Sixty-five percent of employers said retirements were not concerning, another 19 percent said they were somewhat concerning, 9 percent said they were concerning and 7 percent said they were very concerning. Taken together, this means 35 percent of employers are at least somewhat concerned about the potential of future retirements on their business. The industry groups were similar to the Overall sample, and the level of concern was also similar to the previous survey. This may provide an opportunity for the workforce system to engage with employers as they are impacted by ongoing retirements of the baby boom cohort.



## ***Employers say finding new workers is their largest need from the workforce system.***

Finally, respondents were asked how the state’s workforce system could better help employers. Nearly half (47%) selected “finding new workers,” representing an opportunity for an increase in work-based learning to be part of the solution. More than one-third (35%) chose “expanding markets and reaching new customers,” and about one-quarter of employers chose “training existing workers” (26%), “identifying and implementing new technology” (25%), and “managing turnover and retirements” (22%). Fewer employers chose “business and financial planning” (17%) and “succession planning” (17%).



The industry samples followed the same pattern with finding new workers and expanding markets as the top 2 areas for all employers. Manufacturers were more likely to say they could use help with expanding markets (43%). About one-quarter of all respondents also suggested help with training existing workers. Help with new technology was less frequently selected by Manufacturing, Construction, and Health Care employers, as was help with business and financial planning and succession planning. STEM employers were similar to the Overall sample.

When compared to the 2022 survey, finding new workers and training existing workers were reported at similar levels. Expanding markets and reaching new customers were more frequently reported in this survey by all groups except Health Care, which reported a similar level to last time. The fact that this area increased to the second-most frequently chosen reason in 2024 suggests that helping businesses with marketing may be an area for potential outreach by workforce practitioners.

## ***Efforts to recruit from non-traditional populations is mixed.***

New respondents to a supplemental survey, representing all industries, were asked if they tried to recruit from several groups in the past, including some with potential barriers to employment. The most commonly selected response was young applicants (aged 16 to 24) (78%), followed by veterans (52%), individuals with a disability (41%), individuals with criminal records (30%) and remote workers (18%).

## Diversity is “extremely important” to most employers.

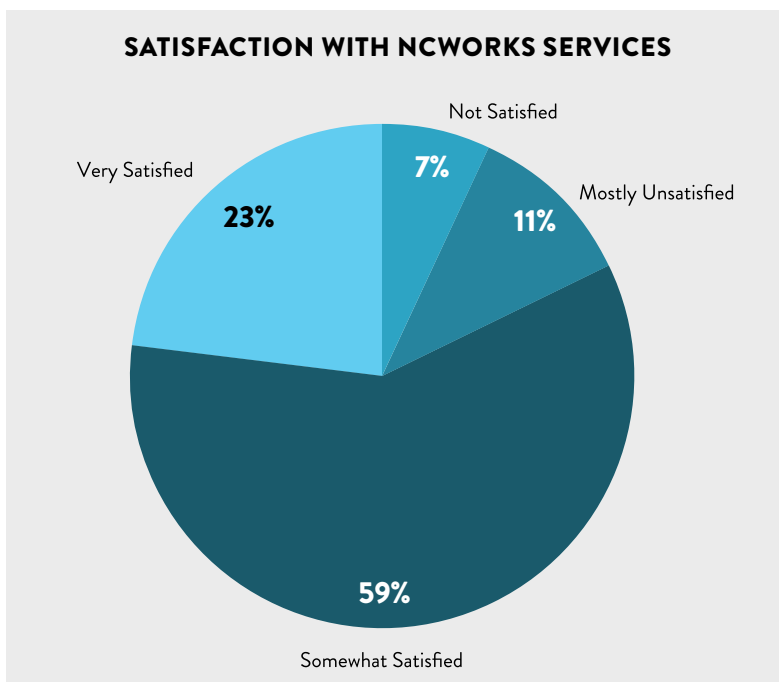
Respondents were then asked how important it is to their company to have a diverse workforce, including racial, ethnic, gender, age, and other forms of diversity, on a scale of 1 to 10, where: 1 = Not at all important and 10 = Extremely important. The average of the responses was 8.5. Over half (52%) selected 10, meaning diversity was extremely important to their business. Another twenty-six percent chose “8” or “9”, meaning more than three-fourths of employers reported workforce diversity as “very important” or “extremely important” to their company, and only five percent chose something less than a “5”. It is unclear if these responses may be influenced by social desirability bias, as valuing diversity could be seen as a morally correct position expected of contemporary businesses. However, there has also been a political backlash to efforts to promote diversity at businesses in the past year, which in theory could allow more negative views to be expressed toward the importance of diversity.

More than three-fourths of employers reported workforce diversity as “very important” or “extremely important” to their company.

## Nearly half of employers are familiar with NCWorks and most are satisfied with the services provided.

Employers were asked a series of questions about their awareness, use, and satisfaction with the NCWorks system, including NCWorks Online and NCWorks Career Centers. Almost half of respondents (46%) said they were familiar with the NCWorks system. Of those who were familiar, 59 percent said they had used any services from NCWorks, with another 8 percent saying they were unsure if they had. Those who had reported using services were then asked to rank their level of satisfaction on a scale of 1 to 4, where 1=Not Satisfied, 2= Mostly Unsatisfied, 3= Somewhat Satisfied, and 4=Very Satisfied. The average was 3.0 out of 4. Twenty-three percent of respondents who had used NCWorks services rated themselves as “Very Satisfied” and another 59 percent rated themselves as “Somewhat Satisfied”. Eleven percent were “Mostly Unsatisfied” and 7 percent said they were “Not Satisfied”.

Those employers who reported not using NCWorks services were asked about possible reasons why they didn’t. Nearly one-quarter (24%) said they didn’t think the services would be relevant to their business, followed by those who were unaware of these resources (17%) or didn’t have enough time to seek out these resources (6%). Many of the written comments in response to this question mentioned that these services were not applicable to their businesses and/or that they do not need additional services.



## Not much change expected in in-person vs remote work.

All employers were then asked about the extent of in-person vs. remote work arrangements at their businesses, ranging from one hundred percent in-person work to complete remote work and three combinations in between. Seventy-eight percent of respondents said they worked completely in person, followed by twenty percent who said they had some hybrid but mostly in-person work arrangements. Only one percent of respondents said they had half remote and half in-person, one percent said they were hybrid but mostly remote, and one percent said they worked 100 percent remotely.

Employers were asked how they expected their work arrangements to change in the future, and almost all employers (94%) thought their arrangements would stay about the same. Another five percent thought they would involve more in-person work, and one percent thought they would do more remote work in the future.

## One-fifth of employers plan to increase use of automation technology but do not expect decreases in labor demand.

Twenty-one percent of businesses anticipated expanding the use of automation technology (such as Artificial Intelligence [AI], robotics, or automation software) in their work over the next year. Those employers were then asked to consider the impact of these automation technologies on their organization's workforce needs over the next two years. In general, these employers were optimistic about the impacts of automation on several groups of workers. Nearly half (47%) felt there would be an increase in the need for production or general operations staff, while only 7 percent thought there would be a decrease in staffing levels for those positions. Another 47 percent thought the demand would be about the same. For administrative or clerical staff, 56 percent thought there would be an increase while only one percent thought there would be a decrease, and 43 percent thought the demand would be about the same. When asked about professional, creative, and technical staff, 34 percent of employers thought there would be an increase while only two percent thought there would be a decrease, and 65 percent thought there would be no change. Similarly, thirty-five percent of companies thought there would be an increase in sales or customer assistance staff, three percent thought there would be a decrease, and 61 percent thought there would be no change in demand for these types of workers.

**IMPACT OF AUTOMATION ON DEMAND FOR WORKERS**

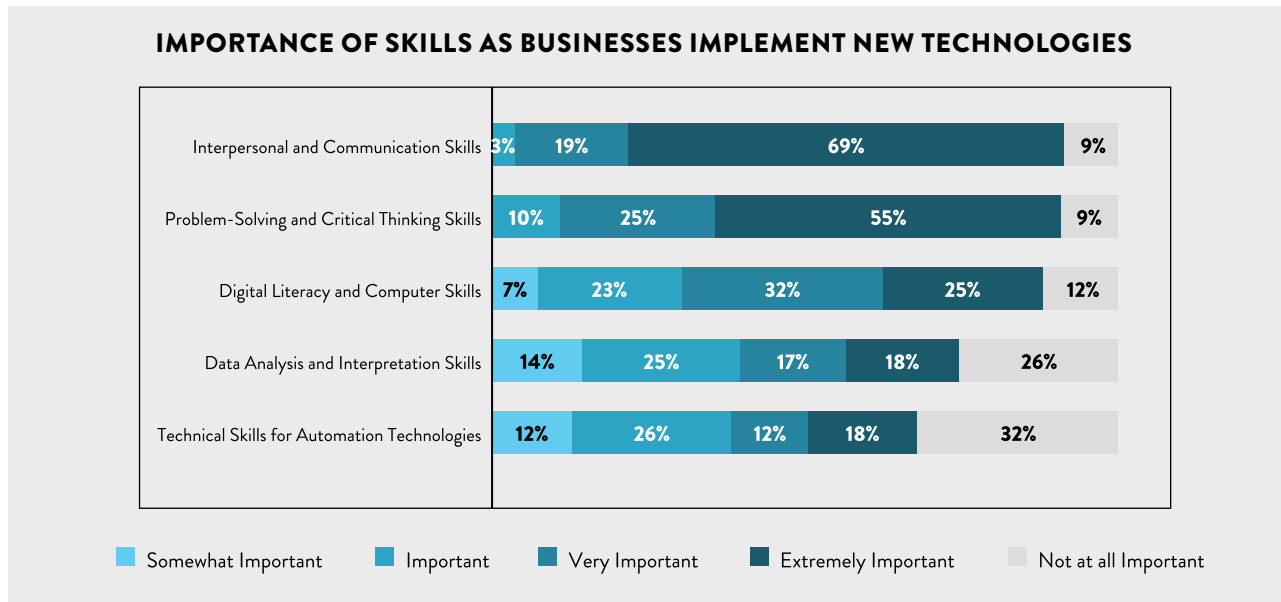
	Increase	Same	Decrease
Production or General Operations	47%	47%	7%
Administrative or Clerical	56%	43%	1%
Professional, Creative, Technical	34%	65%	2%
Sales or Customer Assistance	35%	61%	3%

Overall, the one-fifth of employers planning to expand automation seemed to believe there would be similar or increased demand for all of these workers, and very few anticipated having less. Although some automation technologies have been in place for many years, much of the public is only recently learning about and trying to implement artificial intelligence. Therefore, the impacts of these technologies may be unknown at this moment.



## Interpersonal and communication skills expected to be important as new technologies are adopted.

All employers were asked to rank the importance of certain skills for their workforce over the next two years as their organization adopts or increases the use of new technologies on a scale of 1 to 5, with 1 being "Not at all important" and 5 being "Extremely important". Interpersonal and communication skills were the most highly ranked, with an average of 4.4 out of 5, followed by problem-solving and critical thinking skills (4.2 out of 5). Digital literacy and computer skills had an average of 3.5 out of 5, followed by data analysis and interpretation skills (2.9 out of 5) and technical skills to operate, maintain, or program automation technologies had the lowest average of 2.7 out of 5.



Interpersonal and communication skills received the highest percentage of “5’s” (69%), followed by problem-solving and critical thinking skills (55%). It is unclear whether these are important skills in general to employers or whether they will become more important to employers as they adopt or increase the use of new technologies. The lowest ranked skills had high percentages of “1’s”—technical skills for automation technology (32%) and data analysis and interpretation (26%)—meaning that sizable percentages of employers thought these skills would be “not at all important” over the next two years. This finding makes sense given the earlier finding that only twenty-one percent of businesses anticipated expanding their use of automation technology over the next year. It may be that these sets of skills may be not relevant to the remainder of employers who do not plan to adopt these new technologies. In fact, when we break out those respondents who had earlier said they planned to increase the use of these technologies, we see they had higher rankings for the importance of technical skills, data analysis, and digital literacy and computer skills.

Several of these important skills, including collaboration, communication, and critical thinking, are part of the durable skills set emphasized in the NC Department of Public Instruction’s “Portrait of a Graduate.” Even as new technologies are adopted, these skills are viewed as essential for success in the workplace.



## Opportunities to Support Employers

The results of the 2024 Employer Needs Survey capture an improving but still challenging environment for employers throughout the state. 62 percent of those who attempted to hire in the past year experienced some degree of difficulty - an improvement over the 2022 study. This is likely due to a more balanced labor market with an increased ratio of jobseekers per opening over improvements in job-matching or skill alignment. The top reason for difficulty again this year was simply “a lack of job applicants.” Although, among those with difficulty hiring entry-level workers, finding workers with proper employability skills, such as a strong work ethic, professionalism, reliability, and motivation, was an even greater problem. Overall, employers have responded to ongoing workforce challenges by revising pay and increasing training, although often through in-house training rather than through the workforce development system. Despite this, nearly half of employers were familiar with the NCWorks system, and most were satisfied with the services provided.



Going forward, employers will most likely continue to find themselves in a tight labor market due to long-term demographic trends. In the absence of an increased fertility rate or ramped-up immigration, there will probably continue to be few jobseekers for each job opening that employers would like to fill. While technological advances in automation and artificial intelligence have the potential to meet some of this unmet labor demand, it is unclear how much of the gap will be made up. In the meantime, employers report recruiting through a variety of sources and from underutilized groups, including youth, veterans, individuals with disabilities, and justice-involved individuals.

There is also a growing recognition among employers that many potential applicants have barriers to employment that could be restricting the labor pool—including a lack of reliable transportation and a lack of affordable childcare, among others. These barriers may be preventing people from working or even applying to certain employers. About  $\frac{1}{3}$  of employers report being in favor of a childcare cost-sharing program as one way to overcome these barriers. And although some businesses are already engaging youth through work-based learning and career events at K-12 schools, these percentages are relatively low and have room to grow.

As the findings of the survey demonstrate, employers of all sizes and industries have ongoing needs that the workforce development system can help address. The NCWorks Commission has begun outreach to the hundreds of survey respondents who asked to be contacted by a workforce professional and/or participate in future focus groups. It is our hope these activities will continue to be useful in guiding workforce development policy and programs as employers, jobseekers, and policymakers respond to a changing economy and workforce.

Based on the findings from the 2024 Employer Needs Survey, the NCWorks Commission should consider the following opportunities to address the critical workforce challenges facing North Carolina employers.



## OPPORTUNITY 01.

### *Expand Efforts to Engage Underutilized Talent Pools*

The survey data reveals that nearly half of employers (47%) cited the need to simply find workers as their top priority. With over 50% of employers still struggling to fill positions, the NCWorks Commission should prioritize initiatives to expand the pool of potential job applicants.

#### **Potential Actions:**

- Launch targeted marketing campaigns to raise awareness about employment opportunities among underutilized talent pools, such as individuals with disabilities (41% of employers recruited from this group) and justice-involved individuals (30% recruited from this group).
- Facilitate partnerships between employers and community organizations serving underrepresented populations, such as individuals with disabilities, justice-involved individuals, and opportunity youth.
- Greatly enhance promotion of NCcareers.org among all underrepresented populations – with particular emphasis on opportunity youth and in low-wealth communities as a means of achieving greater equity in the career and education planning process.
- Promote and expand state-level efforts such as Governor Cooper’s Executive Order No. 303, directing whole-of-government coordination to improve reentry for formerly incarcerated people.
- Provide training and resources to support employers in implementing inclusive and equitable recruitment practices.
- Research and promote information on regional prevailing wages, benefits, schedules, and work environments to help employers remain competitive in attracting talent.

## OPPORTUNITY 02.

### *Comprehensively Address Challenges of Missing “Employability” Skills*

Employers consistently cited a lack of basic employability skills (work ethic, professionalism, reliability) as the greatest challenge in hiring, particularly for entry-level positions (72% of employers cited this as a top reason for hiring difficulties). Addressing this issue requires a comprehensive approach.

#### **Potential Actions:**

- Collaborate with the Department of Public Instruction to integrate employability and durable skills development into K-12 curricula, aligning with the "Portrait of a Graduate" initiative.
- Better understand the capabilities of training programs like Human Resources Development (HRD) and WorkKeys to effectively address employability issues across the state.
- Partner with community colleges and universities to incorporate employability skills training into workforce development programs and career services.
- Launch a statewide awareness campaign - targeted to educational institutions, career centers and community/family services organizations - emphasizing the importance of demonstrating employability skills during interviews and early employment.
- Assist employers in evaluating and improving workplace environments, managerial skills, and operational policies that foster a more engaged, professional, and productive workforce that drives enhanced performance. Some employability traits like motivation, enthusiasm, dependability, etc. can be coaxed or incited with the proper management, policies, or work environment.

## **NC PORTRAIT OF A GRADUATE 7 DURABLE SKILLS**

- |                  |                      |                      |                            |
|------------------|----------------------|----------------------|----------------------------|
| 1. Adaptability  | 3. Communication     | 5. Empathy           | 7. Personal Responsibility |
| 2. Collaboration | 4. Critical Thinking | 6. Learner’s Mindset |                            |

### OPPORTUNITY 03.

## *Prioritize Addressing Barriers to Employment*

The survey identified transportation (23% for entry-level positions) and childcare (20% for entry-level positions) as significant barriers to employment, nearly as impactful as skills gaps. Notably, one-third of employers expressed interest in exploring childcare subsidy cost-sharing programs.

### **Potential Actions:**

- Collaborate with the Department of Transportation, regional metropolitan planning organizations, and local governments to assess and improve public transportation options for job seekers.
- Track the impact and effectiveness of NC's childcare tuition cost-sharing program pilot, NC Tri-Share, as a potential solution for alleviating financial burdens of childcare and increasing workforce participation among workers who qualify.
- Partner with community organizations and employers to identify and address other potential barriers to employment, such as housing instability or access to healthcare.

### OPPORTUNITY 04.

## *Facilitate Employer-Driven Talent Development Initiatives*

The survey highlights employers' desire to invest in their existing workforce through training and career advancement opportunities (44% of employers increased training efforts). However, few offer some type of work-based learning (37%) to attract or grow new talent. Opportunities exist to increase the engagement of youth and build future talent pipelines.

### **Potential Actions:**

- Collaborate with educational institutions to increase the availability and accessibility of work-based learning opportunities, such as internships, pre-apprenticeships, apprenticeships, and job shadowing programs. These opportunities should be available across all industries and experience levels in order to provide the skills and work experience employers say are needed.
- Foster industry-specific partnerships and convene employers to identify common workforce needs, develop targeted training programs, and align education and workforce initiatives with industry demands.
- Provide resources and technical assistance to employers in designing and implementing effective workforce training programs, including on-the-job training and customized skills curriculum, training/classroom space and equipment, and best practices for career advancement initiatives.

#### OPPORTUNITY 05.

### *Prepare Employers and the Workforce for New Automation and Emerging Technologies*

One-in-five employers plan to increase the use of automation or AI to address hiring challenges in the next year. The workforce system should support thoughtful technology implementation while ensuring that workers are adequately prepared for the future of work.

#### **Potential Actions:**

- Engage employers to understand how workforce and education can best assist them and their employees in transitioning to more productive automation and AI technologies.
- Develop reskilling and training initiatives in areas such as digital literacy, data analysis, and technical skills to facilitate worker transitions to new roles as technology adoption increases.
- Foster collaboration among employers, educational institutions, and workforce development entities to align curriculum and training programs with the skills required for emerging technologies.
- Promote longer-term career planning and resources that advance life-long learning and ease potential job or industry transitions among potentially impacted occupations.

#### OPPORTUNITY 06.

### *Continue to Strengthen Industry-Specific Partnerships and Collaboration*

The survey revealed that employers seek assistance in areas beyond traditional workforce development roles, such as expanding markets and finding new customers (35% of employers cited this need), adaption to new technologies (25%), succession planning (17%), and business financing and planning (17%). Addressing these needs requires strategic partnerships and collaboration.

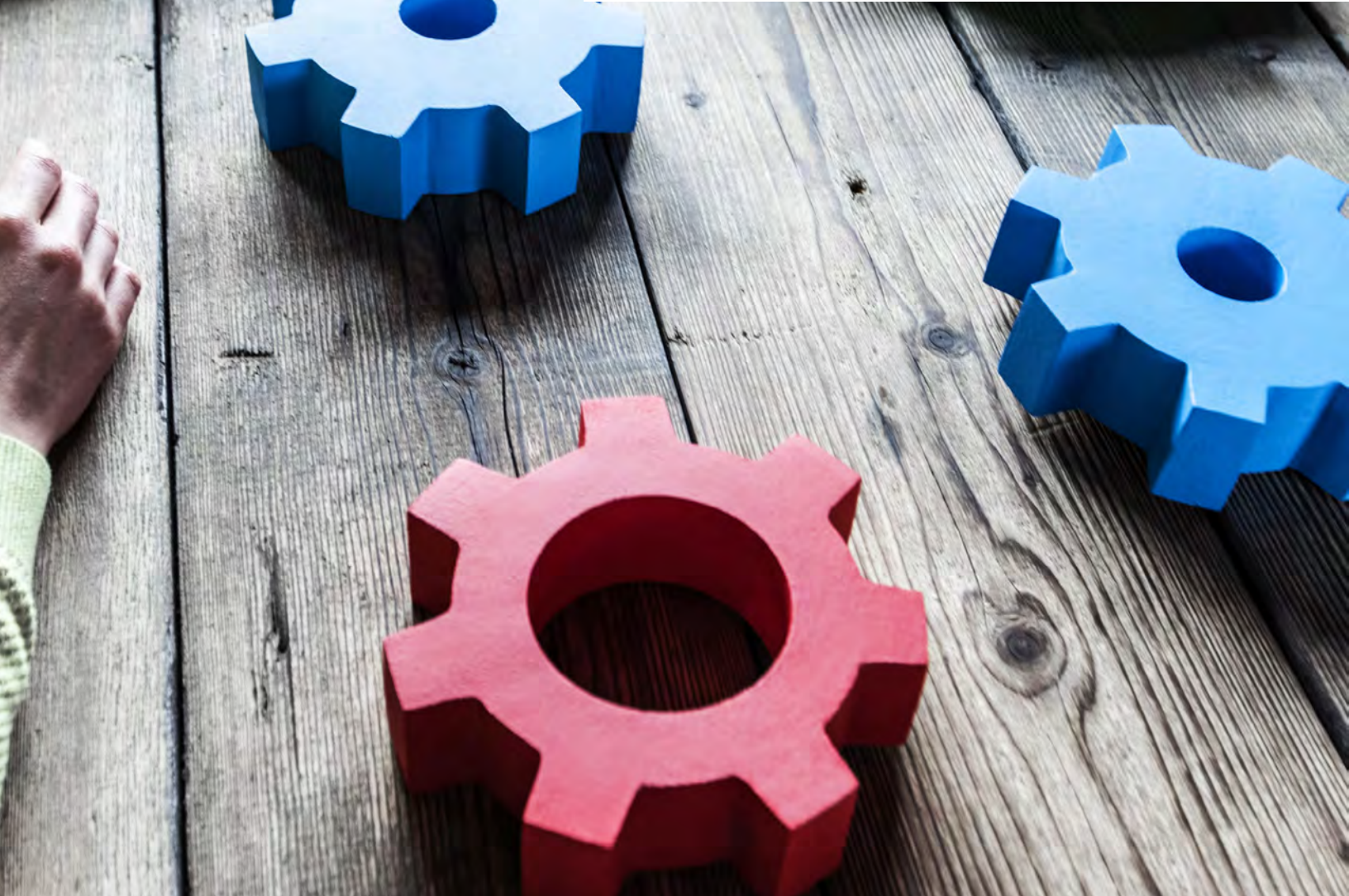
#### **Potential Actions:**

- Support the development of sector-based partnerships and initiatives that foster collaboration among employers within the same industry to address workforce challenges collectively.
- Encourage information-sharing and collaboration between workforce development boards, economic development agencies, and employers through joint events and electronic communications platforms to support talent attraction, retention, and overall business growth strategies.
- Encourage workforce boards and other workforce partners to collaborate with organizations like the Community College Small Business Centers (SBC), Small Business Technology Development Centers (SBTDC), and NC State's Industry Expansion Solutions (IES) and Manufacturing Extension Partnership (MEP) to provide expertise in areas such as market expansion, business growth, technology, and succession planning.
- Convene industry-specific advisory councils or regular forums that bring together employers, workforce development professionals, educators, and economic development experts to align efforts and share best practices.





By focusing on these opportunities, the NCWorks Commission and its workforce development partners can help meet the challenges identified by employers, bridge skill gaps, improve workforce readiness, and foster a more robust and resilient workforce aligned with industry needs. The supporting evidence from the Employer Needs Survey underscores the urgency and importance of these actions, ensuring that North Carolina remains competitive in attracting and retaining talent while supporting the growth and success of its businesses.







## Methodology

From November 2023 through February 2024, we surveyed private and public business establishments in North Carolina with at least 10 employees and collected 1,919 responses. A supplemental survey (Survey #2) asked additional questions and received 381 responses. These responses came from employers in all 100 of the state's counties. Participants were drawn from a stratified random sample of public and private employers who contribute to the state's unemployment insurance system to reflect the composition of industry establishments in the state.

The 2024 Employer Needs Survey was administered from 5 samples of industries, including an Overall sample reflective of the state's industrial mix, a Manufacturing sample, a Construction sample, a Health Care and Social Assistance sample and a sample of Scientific, Technical, and Engineering (STEM) businesses. Each sample received about 380 responses.

The Center for Urban Affairs and Community Services (CUACS) at NC State University conducted telephone interviews between November 2023 through February 2024. In addition to this summary of the findings, a dashboard with the results and visualizations of the data is available at <https://analytics.nccommerce.com/employer-needs-survey/>.