

WORKFORCE SNAPSHOT

Companies Offer Prognosis

By Rebecca Patrick

There is a growing sense of progress and optimism from businesses – both for their own fortunes and that of the state – according to the 16th annual employer workforce survey from the Indiana Chamber of Commerce and its Institute for Workforce Excellence.

Over 1,000 employers from various industries and all regions of Indiana took part in the research, which concluded in August.

While employers again indicated by a wide margin that finding/retaining talent was their biggest challenge, that number, 42%, was 10% lower than last year. The next highest selection was inflation and economic factors at only 9%.

Strikingly, the percentage of employers reporting that the supply of qualified applicants does not meet their needs has dropped sharply in the last two years from 72% in 2021 to 62% in 2022 and now 52% in 2023.

“It’s heartening to see fewer employers report the lack of high-caliber talent. It’s also fair to say that’s in part because employers increasingly are stepping up to proactively tackle their workforce needs,” says Jason Bearce, Indiana Chamber of Commerce vice president of education and workforce. “Whether that’s through skills-based hiring, targeted training or talent diversity, more employers are becoming a part of the solution as collaborative, co-creators of Hoosier talent.”

Still, almost a third (31%) of employers reported that their company left a “significant” or “notable” amount of jobs unfilled in Indiana last year due to underqualified applicants. Add in those who left a “small” number of jobs unfilled (37%) and that combined total reaches nearly 70%.

On an encouraging note, close to two-thirds (65%) of employers surveyed already do so or want to learn more about steps needed to assess or test employees based on the actual competencies or skills needed for the position. The larger a company in terms of number of employees, the higher the response rates.

Zeroing in on the external factors negatively impacting their workforce, employers led with childcare and housing woes – each at 30%, followed by lack of suitable transportation at 19%. Rounding out the top five at 15%: lack of diversity and quality schools.

The smaller a firm is in terms of number of employees, it’s significantly more likely to respond that “none of these” negatively impacts employee attraction or retention efforts. For-profit employers were twice as likely as nonprofits to respond that “none of these” were problems – to the tune of 40%. Meanwhile, female respondents cited access to childcare as a problem by a 10% higher margin than male respondents.

Increasingly, companies seem ready to welcome Hoosiers from a variety of circumstances.

Employers were open to hiring or already have hired individuals who are non-violent ex-felons (41%) or immigrants/non-English speakers (34%), as well as those with physical disabilities (47%) or mental disabilities (28%).

“It’s clear that a significant number of Hoosier employers are willing to and want to accommodate individuals who a few years ago might not have been top of mind for their workforce, especially as they are seeing firsthand what they can bring to their organization,” Bearce offers.

That mindset will continue to be critical going forward as nearly half (48%) of respondents anticipate the size of their workforce will increase in the next 24 to 48 months. Only 5% predict its workforce size will decrease. A clear trend with this question was the larger a firm is in terms of number of current employees, the more likely they are to respond that they expect to expand their workforce.

Regarding technology, 43% said their organization is likely to “make a significant investment and implementation of automation and/or artificial intelligence” over the next five years. However, this doesn’t necessarily mean they intend to cut jobs overall as a result. In fact, it’s the opposite: More than 60% of companies that plan to invest in automation and AI also intend to increase their workforce in the next two years. Only 5% intend to decrease the size of their workforce.

When asked what changes they expect at their business in the next year, employers indicated a clear top five: Add new staff to accommodate growth or new product lines (47%), utilize current employees to perform additional job functions (46%), restructure positions or hiring process to align with evolving job functions (36%), retrain employees due to deployment of new technology (27%) and utilize temporary or contract staff (23%).

One research point that jumped out in this survey and was surprising, says Bearce, was how optimistic businesses are in general about Indiana.

Almost 70% of respondents believe the state is headed in the right direction. That sentiment from employers is much higher than the 39% from all Hoosier voters answering the same question via a recent poll by Indiana Business for Responsive Government, the Indiana Chamber’s political action committee.

While political identification of the respondents also is a big driver of opinion on this question, Bearce cites another factor: “Companies that do not consider diversity, equity and inclusion to be a priority in their organization are significantly less likely to respond that Indiana is headed in the right direction.”

What’s more, over half (51%) of employers that believe Indiana is headed in the right direction are with firms expecting to increase their workforce in the next two years.

Full results of the employer survey are available at www.indianachamber.com/survey.

