



# New Mexico Employer Survey

A survey of employer  
needs and workforce  
job readiness

February 2014

**State of New Mexico**

The Honorable Susana Martinez  
Governor

**New Mexico Department  
of Workforce Solutions**

Celina Bussey  
Cabinet Secretary



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# Executive Summary

The New Mexico Employer Survey was administered by the New Mexico Department of Workforce Solutions in cooperation with the Employability Partnership of New Mexico Advisory Council. Davis Innovations was contracted to collect and analyze responses of employers' needs and observations of the skills and education of the New Mexico workforce. Information was gathered over the telephone and through email by an electronic questionnaire from 504 approximately equal numbers of small, medium and large employers in 43 cities across New Mexico. This questionnaire was designed to explore:

- Employer general business and recent hiring activities;
- Qualifications and readiness of job applicants;
- Job-related education, skills and training; and
- Employer-provided training of employees.

The survey revealed that 81.7% of employers have hired new workers in the past three years. Although 75% of employers stated having no difficulty finding applicants with the required education level for a job, about half of the employers reported experiencing some difficulty in finding applicants with desired occupation-specific skills, work habits and communication skills. According to the employers, most entry-level workers have sufficient communication and basic math skills; however, most entry-level workers have trouble with social interaction and personal responsibility skills such as taking responsibility for learning, problem-solving, decision-making, resolving conflicts and conducting negotiations.

Almost half of employers had difficulty finding qualified job applicants. Whereas 20.6% of

all employers reported that these difficulties impacted their firms' product or service quality, 20.4% indicated that it reduced their production output or sales. Difficulty finding qualified job applicants inspired 14.9% of employers to provide more training to current employees, while another 14.9% indicated these difficulties caused them to increase the overtime of their employees.

Employers reported that finding trained and educated workers is an important component for achieving desired level of business productivity and competence. Just over half of the employers surveyed indicated that a certificate would be required of their employees for their firm to reach the desired level of productivity and competence and nearly half indicated that an industry recognized credential is needed. Some employers expected their needs to increase in the next five years, highest in the areas of some college course work beyond high school (26.2%), a vocational diploma or certificate (28.3%), and a vocational associate's degree (23.1%).

Nearly three quarters of employers surveyed provide training to employees with the most preferred primary training provider being in-house staff (46.9%) and the next most popular group (33.7%) being industry, business, or professional organizations. Most employers were satisfied with the training obtained from their primary training provider. Just over half of employers surveyed indicated that the percentage of employees who received training has stayed about the same; while 21.2% indicated that training has increased.

Of those firms where training has increased, 17.2% pointed to changes in technology as the reason, followed closely by a need to improve the quality of output and to promote the personal or career development of employees.

Most employers have some use of computers by non-supervisory employees, while almost half of employers indicated that all of their non-supervisory employees use computers in their jobs.



# New Mexico Employer Survey

## 1.0 Introduction

The New Mexico Department of Workforce Solutions (NMDWS) contracted with Davis Innovations, Inc. (DI) to assist them in better understanding the needs and perspectives of New Mexico (NM) employers as they relate to workforce professional characteristics and job readiness and economic development issues. DI staff worked with NMDWS staff, the Employability Partnership of New Mexico Advisory Council members and other identified stakeholders to develop the research methodology and to conduct the NM Employer Survey. This survey is the first comprehensive survey of NM employers' observations of the skills and education in the NM workforce. It was intended to open a window into common workforce issues and provides a snapshot of a multitude of industries across the state.

## 2.0 Methodology

The NM Employer Survey was administered by the NMDWS, in cooperation with the Employability Partnership of New Mexico Advisory Council. In an effort to adopt industry best-practices, the survey questions (Appendix) were based on the Washington State Employer Survey administered by the Washington State Workforce Training and Education Coordinating Board.

A sample of small, medium and large employers was provided to Davis Innovations by NMDWS. These NM businesses were randomly selected from a database maintained for the NMDWS by InfoUSA. Overall DI staff attempted contact of over 2000 NM employers from a total population of 104,000 NM businesses; however, DI staff was only able to secure interviews with 504 employers – a

25% response rate. With a survey sampling of 504 employers, DI surveying was sufficient to obtain a better than 95% confidence interval with an error of  $\pm 5\%$  for the findings assuming maximum variability in the population ( $p=0.5$ ). The survey was conducted over the telephone and via email with an electronic questionnaire. Surveys were conducted in both English and Spanish. Data was managed through the Survey Monkey online survey tool.

Representatives from each employer answered a series of 28, multi-part questions from November 4, 2013 through January 22, 2014. Surveyors asked employers to provide information on their experiences hiring employees, finding qualifications, specific skills and education levels in applicants, as well as training of employees. This questionnaire was designed to explore:

- Employer general business and recent hiring activities;
- Qualifications and readiness of job applicants;
- Job-related education, skills and training; and
- Employer-provided training of employees.

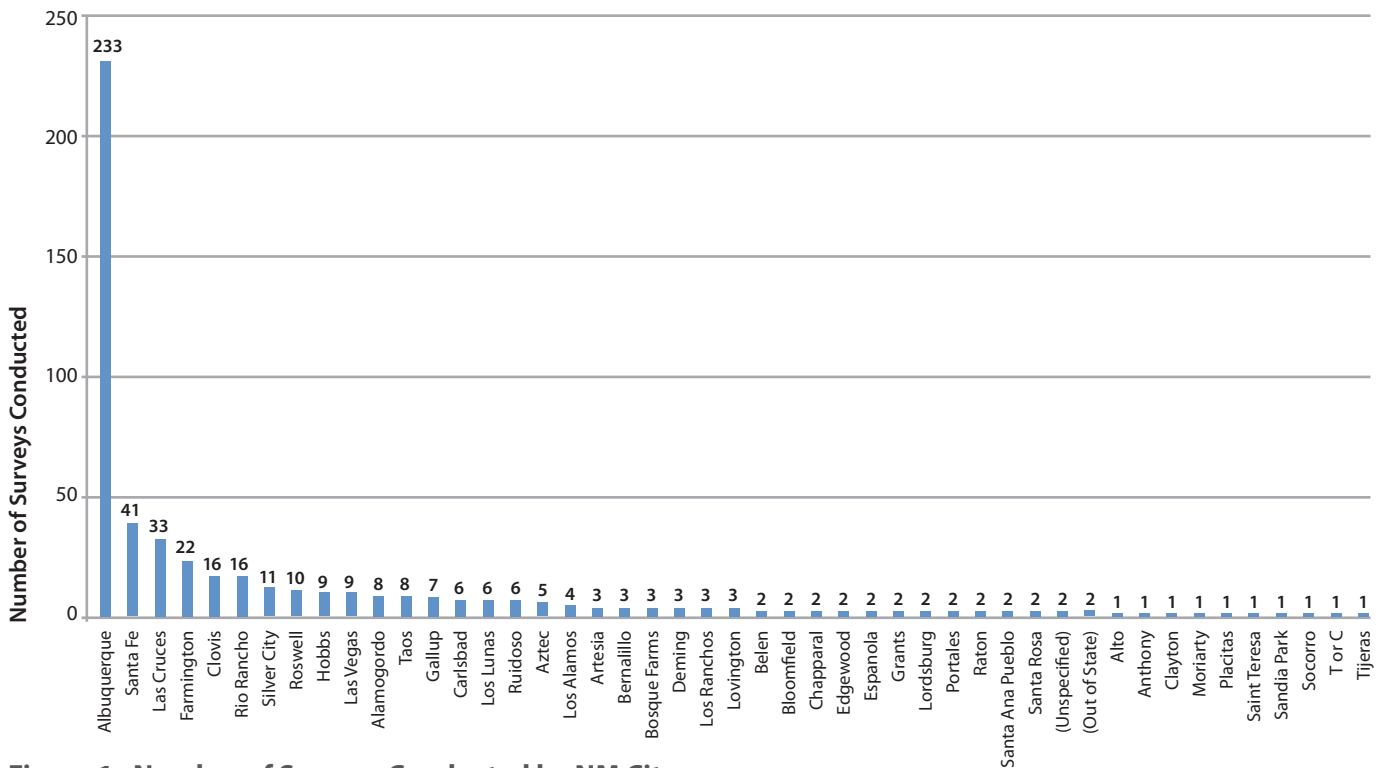
## 3.0 Employer General Business and Recent Hiring Activities

### 3.1 Firm or Organization Size

Employers' size was divided into one of three categories, defined as:

- Small businesses which operate with less than ten employees;
- Medium businesses which operate with more than 10 but less than 100 employees; and
- Large businesses which operate with one hundred or more employees.

Business Size	Percent of Surveyed Employers	Response Count
Small	33.1%	167
Medium	33.7%	170
Large	33.1%	167
<b>Table 1. Respondent Business Size</b>		<b>TOTAL</b>
		504



**Figure 1. Number of Surveys Conducted by NM City**

Table 1 (above) shows the spread of the firms or organizations size, by number of employees.

### 3.2 Location of Primary Business Office

Responses were recorded from 504 employers in 45 cities across NM. Above, Figure 1 shows the distribution, by NM City, of the number of surveys completed in each city and Table 2 (following page) provides the data in tabular form.

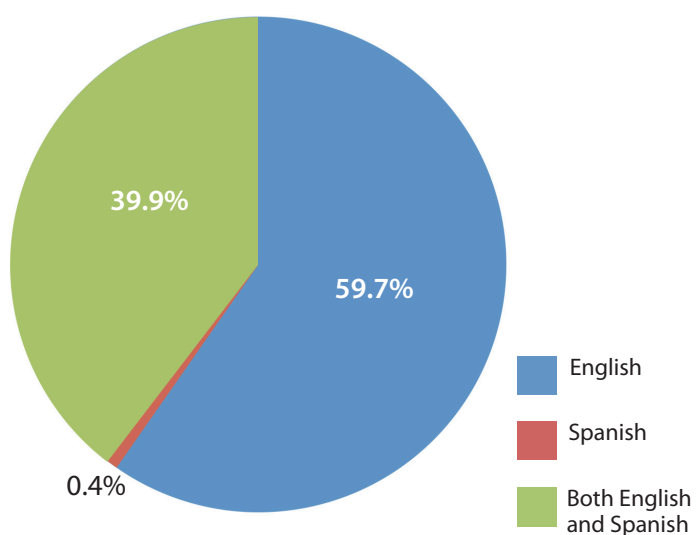
### 3.3 Primary Language Used To Conduct Business

Most employers surveyed, 59.7%, indicated English as the primary language used to

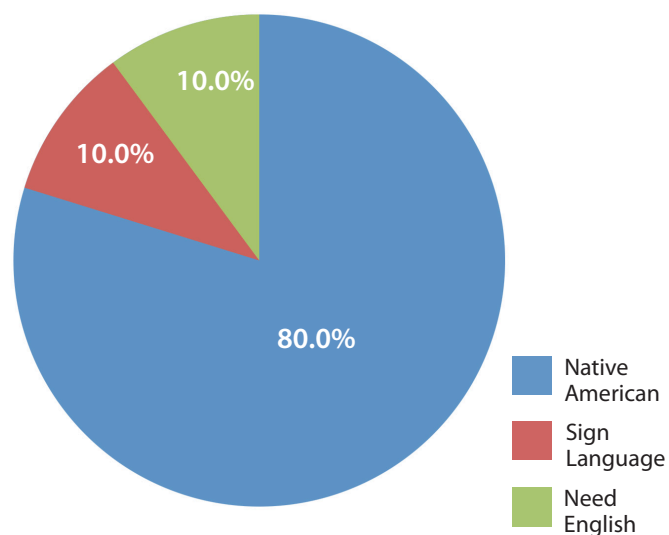
conduct their businesses. In addition, Figure 2 shows that less than 1% indicated Spanish as the primary language, and about 40% said both English and Spanish are used in their businesses. A few employers mentioned (n=10) Native American and Sign Language as being used in their businesses. Of the employers which indicated a language use other than English or Spanish, most specified a Native American language, 10% specified Sign Language and 10% specified other. Figure 3 reveals a few other languages used to conduct business, specified by about ten respondents.

City	Total	Percent	City	Total	Percent
Albuquerque	233	46.23	Belen	2	0.40
Santa Fe	41	8.13	Bloomfield	2	0.40
Las Cruces	33	6.55	Chapparral	2	0.40
Farmington	22	4.37	Edgewood	2	0.40
Clovis	16	3.17	Espanola	2	0.40
Rio Rancho	16	3.17	Grants	2	0.40
Silver City	11	2.18	Lordsburg	2	0.40
Roswell	10	1.98	Portales	2	0.40
Hobbs	9	1.79	Raton	2	0.40
Las Vegas	9	1.79	Santa Ana Pueblo	2	0.40
Alamogordo	8	1.59	Santa Rosa	2	0.40
Taos	8	1.59	(Unspecified)	2	0.40
Gallup	7	1.39	(Out of State)	2	0.40
Carlsbad	6	1.19	Alto	1	0.20
Los Lunas	6	1.19	Anthony	1	0.20
Ruidoso	6	1.19	Clayton	1	0.20
Aztec	5	0.99	Moriarty	1	0.20
Los Alamos	4	0.79	Placitas	1	0.20
Artesia	3	0.60	Saint Teresa	1	0.20
Bernalillo	3	0.60	Sandia Park	1	0.20
Bosque Farms	3	0.60	Socorro	1	0.20
Deming	3	0.60	T or C	1	0.20
Los Ranchos	3	0.60	Tijeras	1	0.20
Lovington	3	0.60			

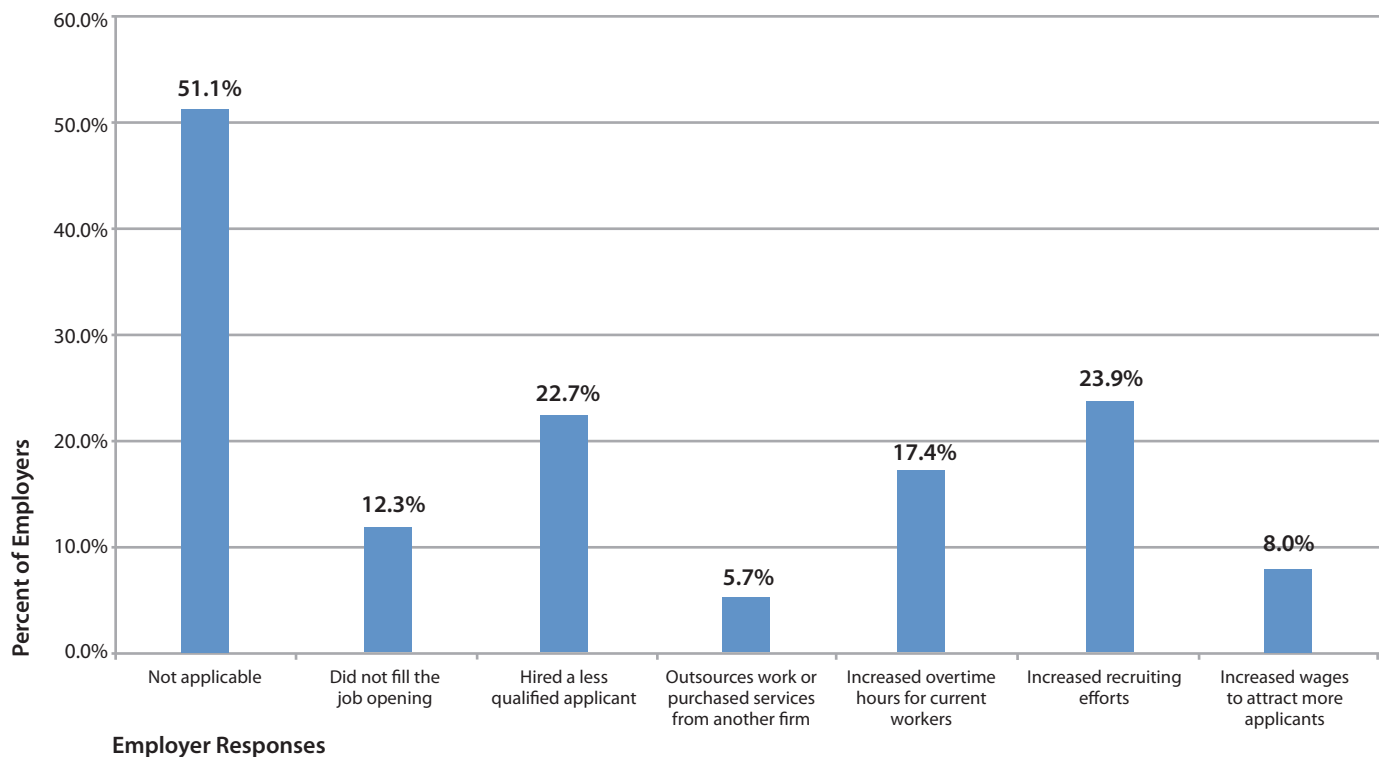
**Table 2. Number of Surveys Conducted by NM City**



**Figure 2. Primary Language Used to Conduct Business (n=504)**



**Figure 3. Other Languages Specified (n=10)**



**Figure 4. Responses to Difficulties Finding Qualified Job Applicants (n=511)**

*Note: For figures 2 and 3, (n=X) is specified in the caption, where X is the number of respondents to the question represented by the figure.*

## **4.0 Employer Response to Workforce Characteristics and Job Readiness**

### **4.1 Qualifications of Job Applicants**

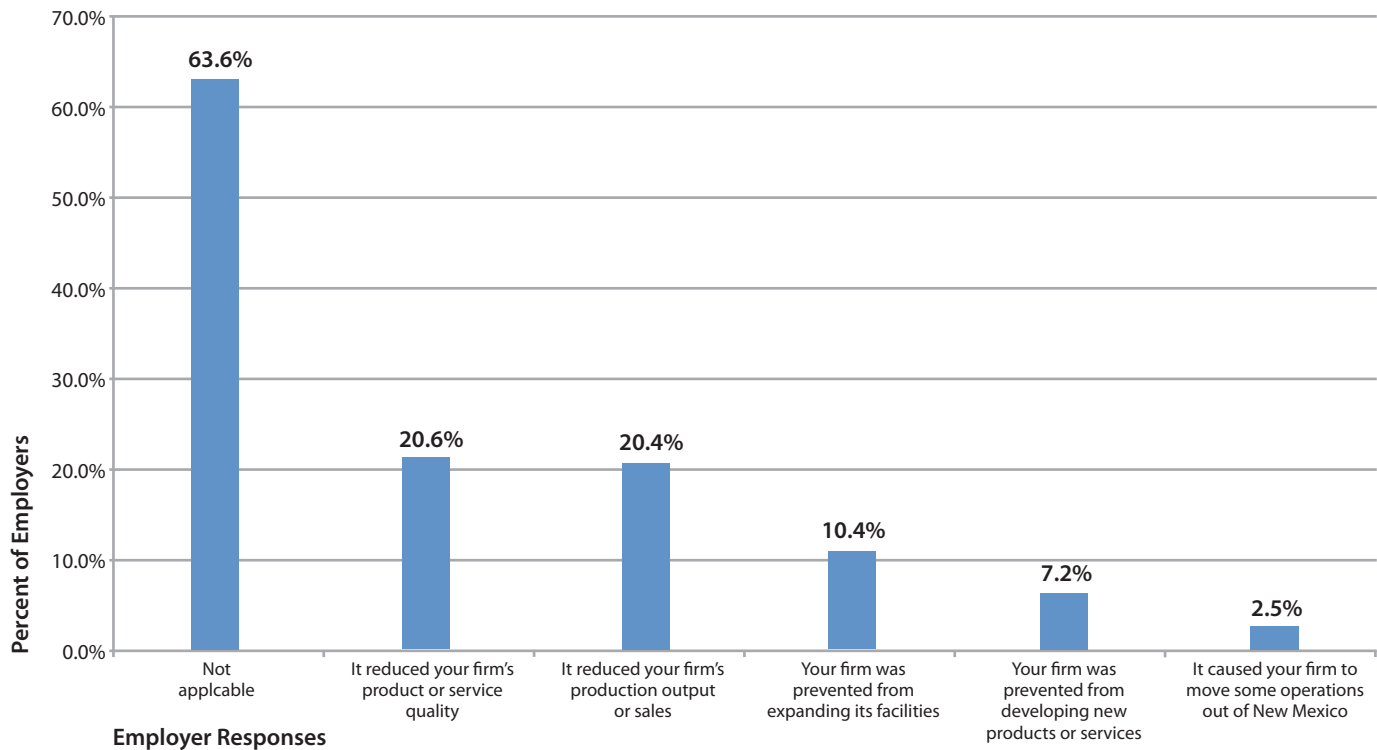
About three-quarters of the employers surveyed expressed no difficulty finding specific education levels in job applicants; 59% on average had no difficulty finding applicants with necessary, occupation-specific skills, such as work habits, problem solving, communication, computer and customer service skills. However, 19% of employers stated that they encountered non-skill, more character related issues with applicants, such as work ethics, drug abuse, accepting supervision and teamwork issues.

### **4.2 Response to Difficulties in Finding Qualified Job Applicants**

The surveys documented that 81.7% of employers surveyed have hired workers in the past 3 years. While 35.9% reported they experienced no difficulty finding qualified applicants, almost half of all employers surveyed (47.3%) reported having difficulty finding qualified applicants during this period. As a result, some employers (22.7%) settled for hiring a less qualified applicant, while others (12.3%) simply left the job unfilled. Other responses include:

- 5.7% outsourced work or purchased services from another firm;
- 17.4% increased overtime hours for current workers;
- 23.9% increased recruiting efforts; and
- 8.0% increased wages to attract more applicants.





**Figure 5. Results of Difficulties Finding Qualified Job Applicants (n=442)**

Figure 4 graphically illustrates these employer responses to difficulties in finding qualified job applicants.

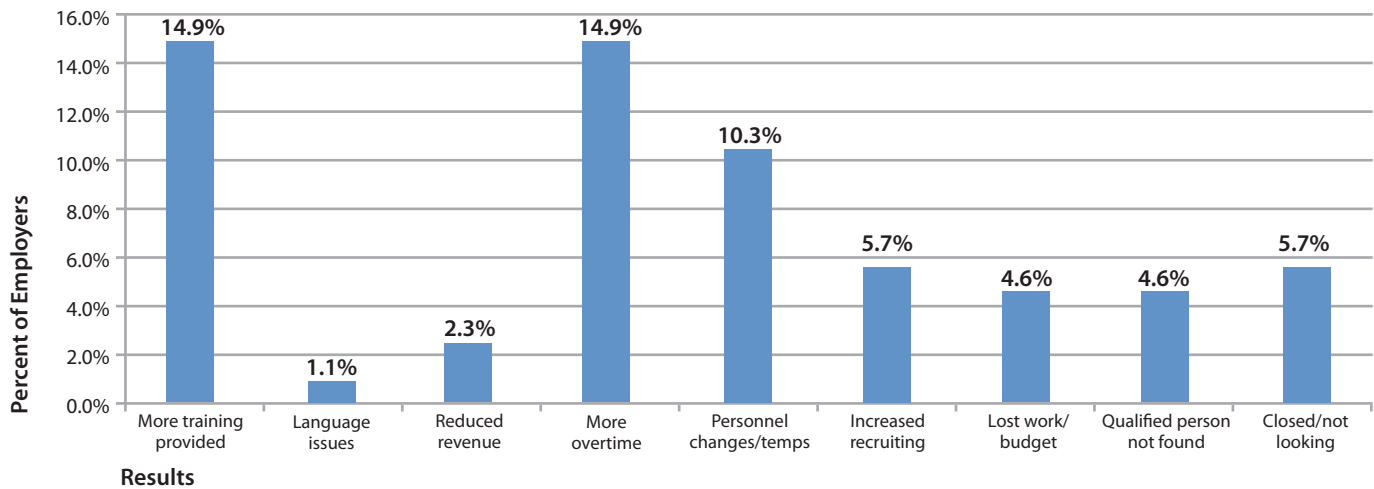
#### **4.3 Results of Difficulties in Finding Qualified Applicants**

For the 47.3% of employers which had difficulty finding qualified job applicants, the primary impacts on the organization were a reduction in the firm's product or service quality (20.6%) and a reduction in the firm's production output or sales (20.4%). Of the respondents, 10.4% said not finding qualified applicants prevented them from expanding their facilities. Figure 5 details the full breadth of employer responses.

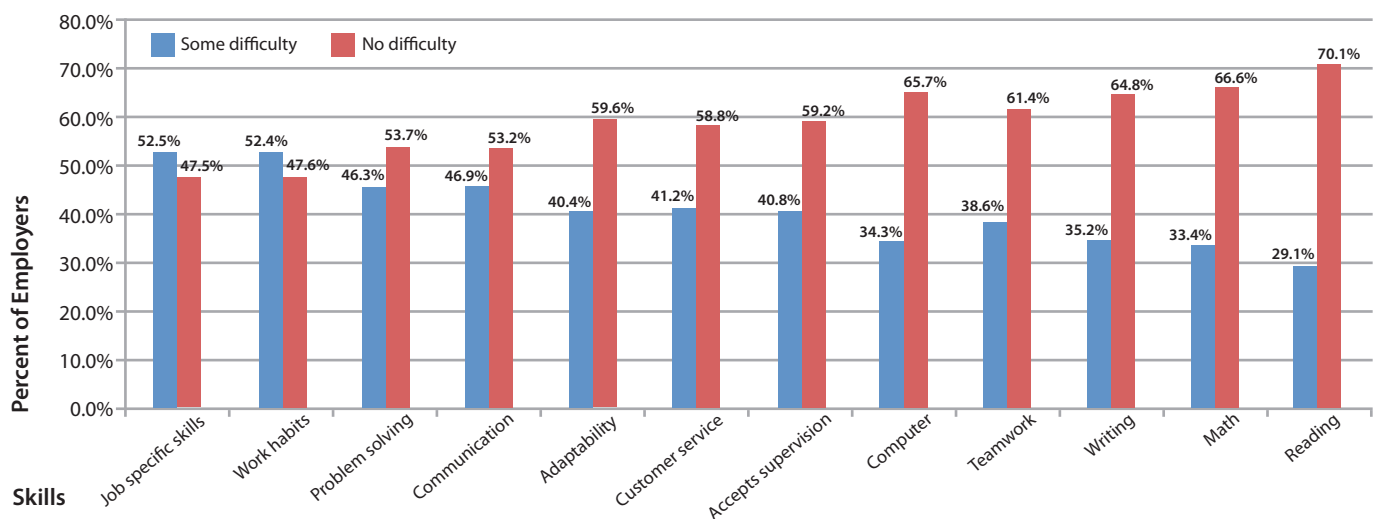
As shown in Figure 6 (following page), 14.9% of the respondents commented that these difficulties caused them to provide more training; another 14.9% indicated these difficulties caused them to increase the overtime of their employees. Just over 1% of respondents commented that their firm has no employees, or has closed or moved.

No direct correlation has been established indicating that these closed businesses went out of business due to a difficulty finding qualified applicants.

It is interesting to note that when asked about the results of difficulties in finding qualified applicants, some commented on their response to the difficulties. Section 4.1.1 shows several tactical or short-term responses of these employers. However, when asked here for the results of the difficulties they experienced, by instead providing responses (in the "other [please specify]" comments section), these responses opened a window view into some of their more strategic, longer term actions taken by these employers. A few of these strategic responses include down-sizing or closing the business, moving business locations (even out of state), increased employee mentoring/coaching, or pausing the quest for employees (e.g., due to the economy).



**Figure 6. Difficulties Finding Qualified Job Applicants: Other Specified Results (n=56)**



**Figure 7. Employer Difficulty Finding Employees with Specific Skills (n=458)**

## 5.0 Skills and Education of Job Applicants

In addition to providing information on the extent of hiring difficulties experienced by employers across the state, the survey also offered insight on the skills, formal education and occupational training necessary for many jobs.

### 5.1 Skill Level of Applicants

The skill categories listed most frequently by employers (more than 45%) as lacking in job applicants were:

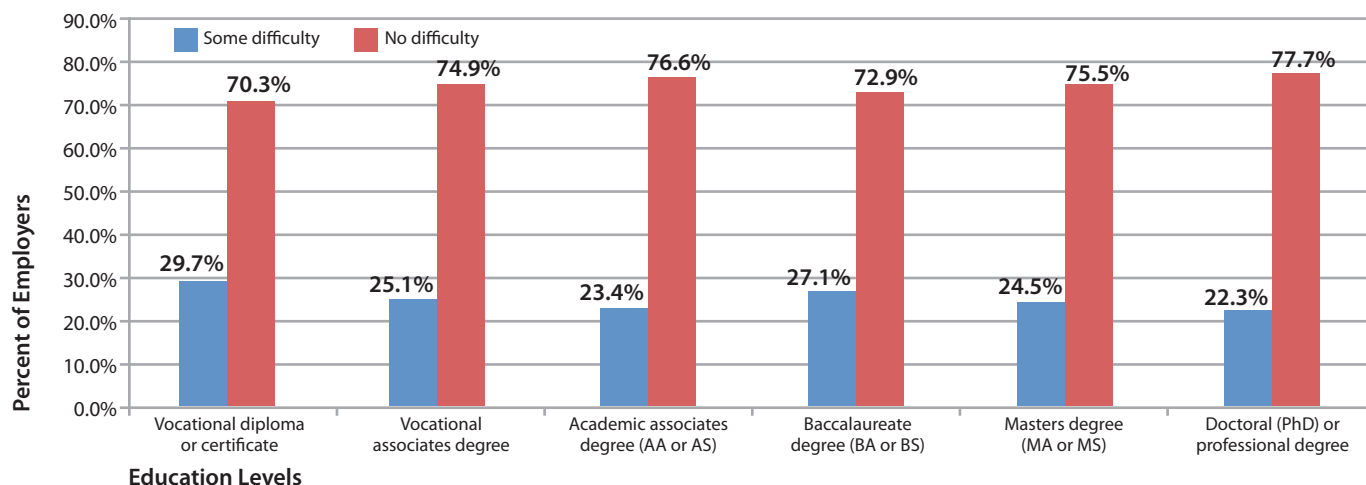
- Occupation-specific skills (52.5%),
- Work habits (52.4%),

- Communication (46.9%), and
- Problem solving (46.3%).

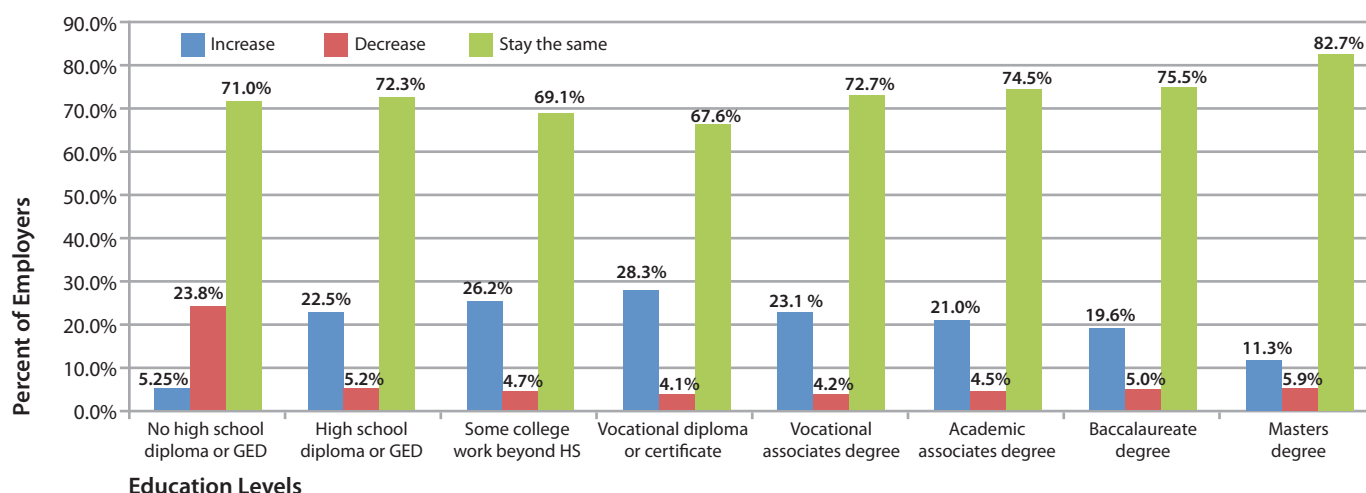
Figure 7 reveals the level of difficulty the surveyed organizations had finding employees with a variety of specific skills.

### 5.2 Education Level of Applicants

It is significant that an average of three-fourths of the respondents reported having no difficulty finding applicants with the necessary education level for the job. The remaining 25% (on average) of employers said that they experienced some difficulty finding applicants with the necessary education level for the job;



**Figure 8. Employer Difficulty Finding Employees with Specific Education Levels (n=371)**



**Figure 9. Employer Projected Need for Specific Employee Education Levels (n=506)**

the education levels most frequently reported as difficult to find in job applicants were:

- Vocational diploma or certificate (29.7%),
- Baccalaureate (BA or BS) degree (27.1%), and
- Vocational associate's degree (25.1%).

Figure 8 provides the full employer response, when questioned about difficulties finding qualified applicants with specific education levels. Some employers commented that either they had no education requirement at all (27.8%) or that a high school diploma or GED is sufficient (8.4%).

### 5.3 Employee Educational Needs in the Next Five Years

In order to obtain some awareness of strategic hiring activities conducted by NM businesses, employers were asked to project their firm's need for various education levels of their employees over the next five years, from no high school diploma or GED through a master's degree. Most employers (an average 73.2%) reported that over the next five years, their need for formal training up through the master's degree level (MA or MS) would stay the same. However, across education levels from a high school diploma or GED up

Education Level	Increase	Decrease	Stay the same
No high school diploma or GED	5.3%	23.8%	71.0%
A high school diploma or GED	22.5%	5.2%	72.3%
Some college course work beyond high school	26.2%	4.7%	69.1%
A vocational diploma or certificate	28.3%	4.1%	67.6%
A vocational associate's degree	23.1%	4.2%	72.7%
An academic associate's degree (AA or AS)	21.0%	4.5%	74.5%
A baccalaureate degree (BA or BS)	19.6%	5.0%	75.5%
A master's degree (MA or MS)	11.3%	5.9%	82.7%
Average	19.7%	7.2%	73.2%
Average w/o "No H.S. diploma or GED"	21.7%	4.8%	

**Table 3. Employer Projected Need for Specific Employee Education Levels (n=506)**

through a master's degree, an average 21.7% of employers indicated that such education levels would need to increase, while only an average 4.8% indicated their need for these levels would decrease. The percent of employers which predicted a need for employees without a high school diploma or GED showed an inverse relationship to the other education level projections: only 5.3% indicated an increased need for employees without a high school diploma or GED, while 23.8% cited a decreased need for such employees. Figure 9 (previous page) and Table 3 illustrate these results.

## **6.0 Workforce Job Related Skills, Education, and Training**

### **6.1 Entry-Level Worker Skills**

Many respondents expressed difficulty finding qualified applicants for reasons not related to education or training, but instead, difficulties with entry-level worker skills. Across a variety of occupation critical skills, an average 37.2% of respondents indicated that they experienced some difficulty with entry-level workers demonstrating these skills, while an average

62.8% (a majority) reported no difficulty. The top six entry-level worker skills which provided some difficulty to employers were:

- Taking responsibility for learning (43.9%),
- Solving problems and decision-making (41.6%),
- Resolving conflict and negotiating (40.7%),
- Listening actively (39.7%),
- Observing critically (39.2%) and
- Cooperating with others (36.6%).

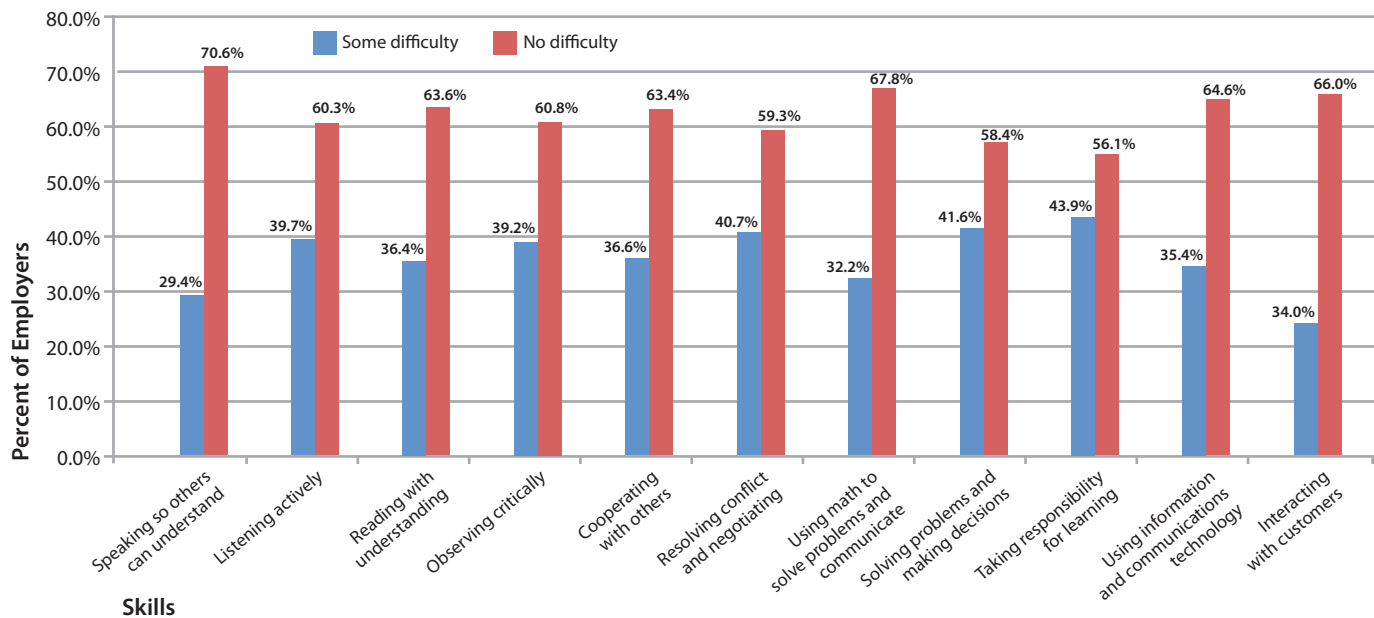
The full set of the worker lacking skill sets are provided in Figure 10.

Of employers which specified other difficulties in finding entry-level workers, 8.0% said language/communication skills were a problem, followed by a low work ethic (6.8%) and a general lack of training or skills (5.7%).

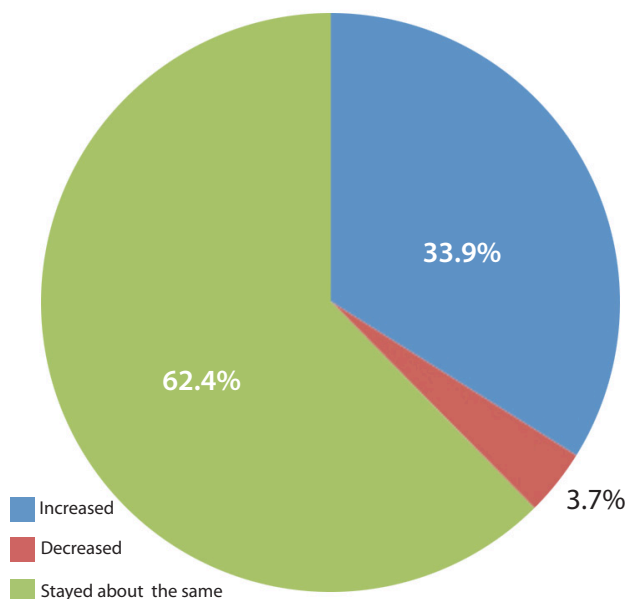
### **6.2 Skills Required for Primary, Front-Line or Support Service Jobs**

When asked whether in the last three years the skills required to adequately perform their firm's primary, front-line or support service jobs had increased, decreased or stayed





**Figure 10. Employer Difficulty with Specific Entry-Level Worker Skills (n=455)**



**Figure 11. Primary, Front-Line or Support Service Job Skills (n=508)**

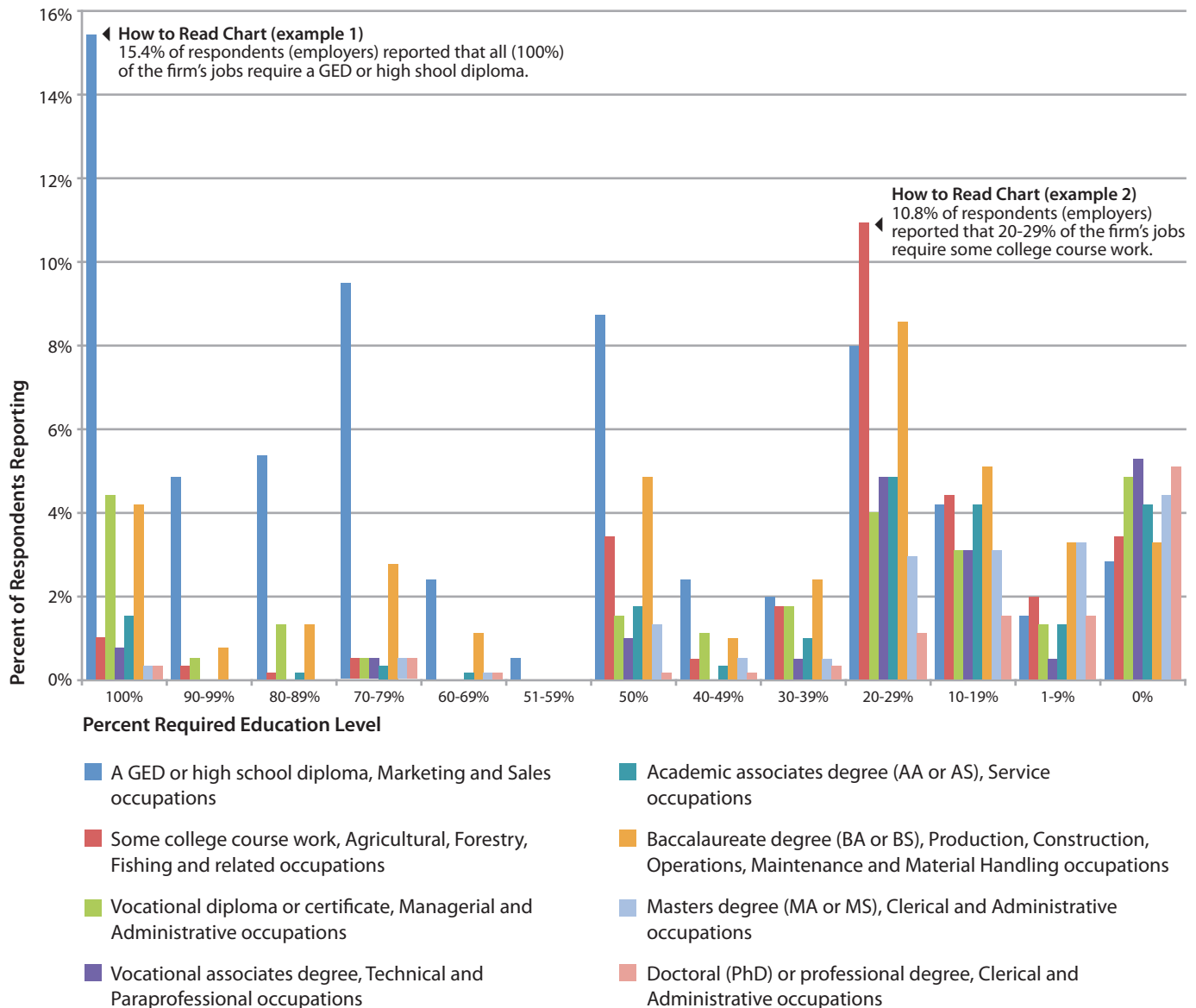
the same, a majority (62.4%) of employers surveyed indicated that the employee skills required had stayed the same. However, just over one-third (33.9%) said these skills have increased. A very small minority, only 3.7%, said these skills have decreased Figure 11 depicts these skills requirements statistics.

### 6.3 Job Education Requirements

Employers were asked to classify what percentages of their firm's jobs require each of several education levels, from no high school diploma up through a doctoral (PhD) or professional degree. Many reported that a high school education or GED is required. For example:

- 15.4% of respondents indicated that all (100%) their jobs require a high school degree or GED,
- 9.6% indicated that between 70% and 79% of their firm's jobs require a high school degree or GED,
- 8.6% indicated that half (50%) of their firm's jobs require a high school degree or GED, and
- Approximately 4% of employers had no high school degree/GED or higher educational requirements for any of their positions.

Figure 12 (following page), shows how employers classified the education requirements for different types of jobs; Table 4 provides the corresponding data table.



**Figure 12. Employer-Reported Percentage of Education Level Requirements (n=501)**

*Interpreting Figure 12: Note that bar height represents the percent of employers which include an education level (bar color) in the grouping on the horizontal axis. For example, the tall blue leftmost bar on the chart indicates that 15.4% (bar height) of respondents (employers) reported that all (100% on horizontal axis) of the firm's jobs require a GED or high school diploma (bar color).*

#### **6.4 Employer Sponsored Classroom Training, Workshops, or Seminars**

A majority (68.4%) of employers provided classroom training, workshops, or seminars for

employees over the past 3 years, while 28.4% did not (Figure 13, page 16).

#### **6.5 Percent of Employees Receiving Classroom Training, Workshops, or Seminars**

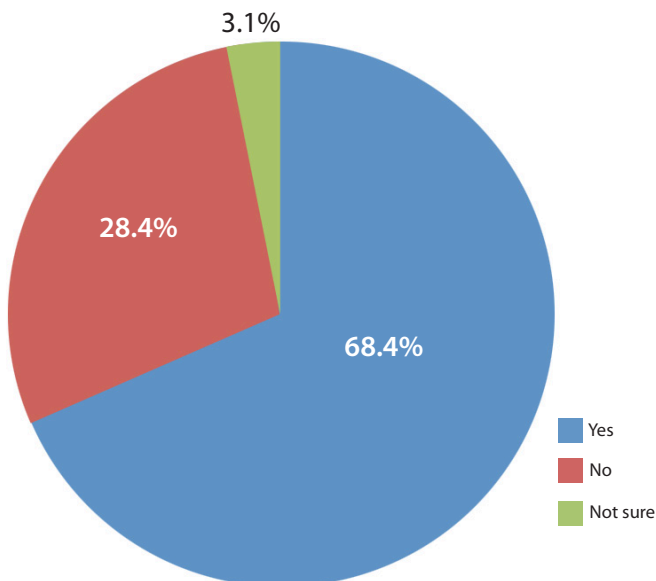
Employers were asked to classify for a variety of employee occupations, from clerical and administrative to professional occupations, what percentage of each occupation type received classroom training, workshops or seminars in the last three (3) years. Employers indicated a primary training focus on employees of professional occupations, service occupations,

Education Level	100%	90-99%	80-89%	70-79%	60-69%	51-59%	50%	40-49%	30-39%	20-29%	10-19%	1-9%	0%
No high school diploma/ GED	5.6	1.4	1.4	1.2	0.8	0.0	1.6	0.8	2.2	6.0	4.2	1.4	6.4
GED or high school diploma	15.4	4.8	4.8	9.6	2.4	0.6	8.6	2.4	2.0	8.0	4.2	1.6	2.8
Some college course work	1.0	0.4	0.4	0.6	0.0	0.0	3.6	0.6	1.8	10.8	4.4	2.0	3.6
Vocational diploma or certificate	4.4	0.6	0.6	0.6	0.0	0.0	1.6	1.2	1.8	4.0	3.2	1.4	4.8
Vocational associates degree	0.8	0.0	0.0	0.6	0.0	0.0	1.0	0.0	0.6	4.8	3.2	0.6	5.4
Academic associates degree (AA or AS)	1.6	0.0	0.0	0.4	0.2	0.0	1.8	0.4	1.0	4.8	4.2	1.4	4.2
Baccalaureate degree (BA or BS)	4.2	0.8	0.8	2.8	1.2	0.0	4.8	1.0	2.4	8.4	5.2	3.4	3.4
Masters degree (MA or MS)	0.4	0.0	0.0	0.6	0.2	0.0	1.4	0.6	0.6	3.0	3.2	3.4	4.4
Doctoral (PhD) or professional degree	0.4	0.0	0.0	0.6	0.2	0.0	0.2	0.2	0.4	1.2	1.6	1.6	5.2

Table 4. Education Level Requirements Data for Figure 12 (n=501)

and managerial and administrative occupations. The employer responses showed, for example:

- 25.5% of employers reported that all (100%) of their professional occupations employees received training;



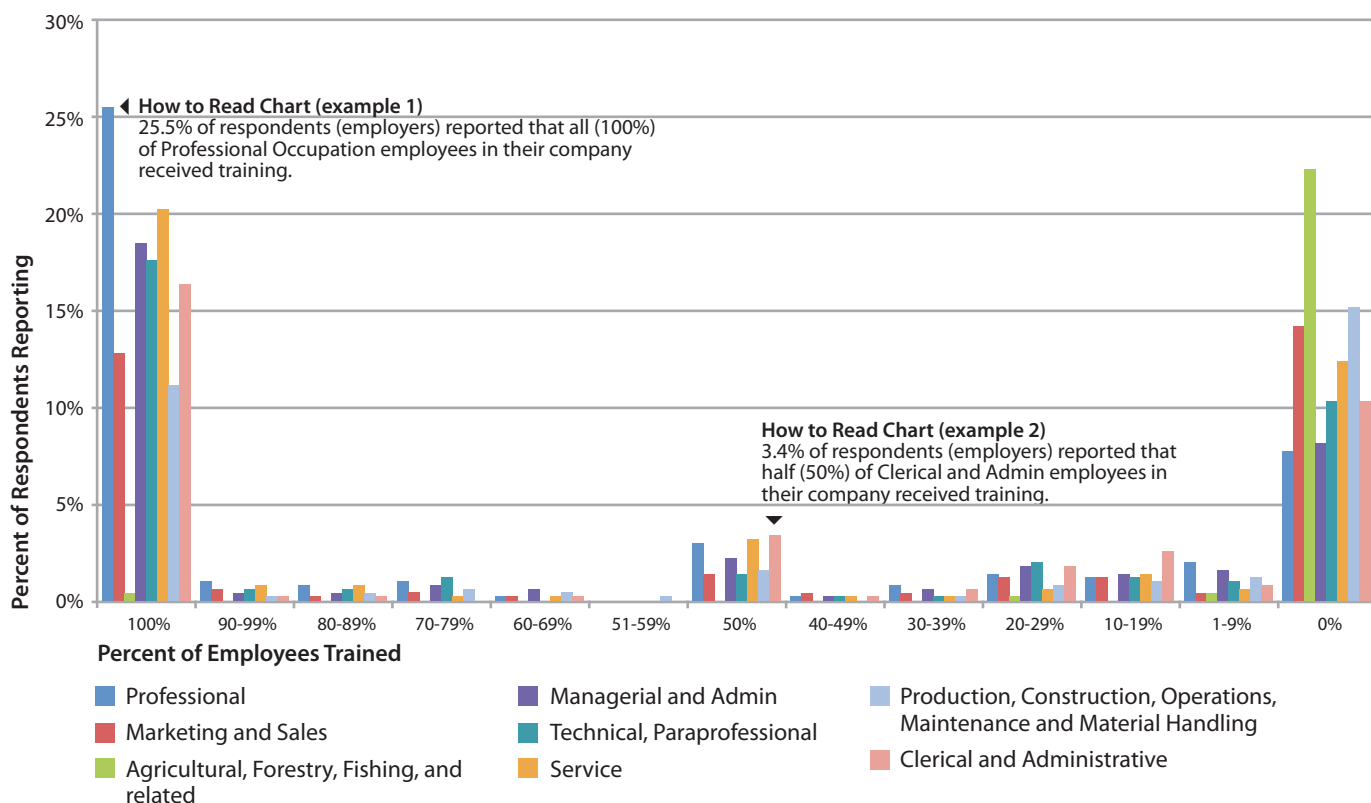
**Figure 13. Employer-sponsored classroom training, workshops or seminars (n=510)**

- 20.3% of employers reported that all (100%) of their service occupations employees received training; and
- 18.5% of employers that all (100%) of their managerial and administrative occupations employees received training.

Employees of the following occupations received the least amount of training:

- 22.5% of employers reported that none (0%) of their agricultural, forestry, fishing and related occupations employees received training;
- 15.3% of employers reported that none (0%) of their production, construction, operation, maintenance and material handling occupations received training; and
- 14.3% of employers reported that none (0%) of their marketing and sales occupations received training.

Figure 14, below, along with its corresponding table (Table 5, facing page), shows the full spectrum of employer responses.

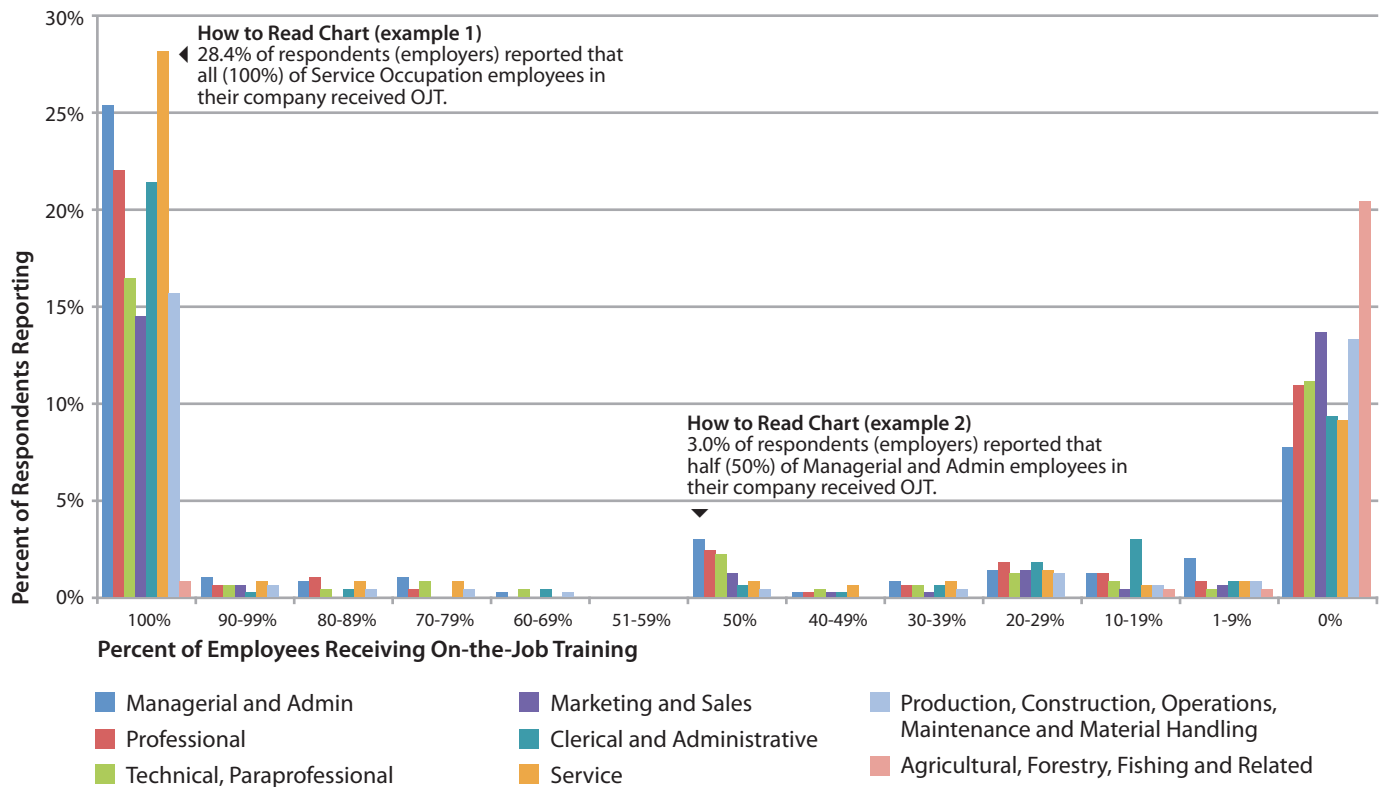


**Figure 14. Percent of Employees Receiving Classroom, Workshop, or Seminar Training, by Occupation (n=502)**



Occupation Type	100%	90-99%	80-89%	70-79%	60-69%	51-59%	50%	40-49%	30-39%	20-29%	10-19%	1-9%	0%
<b>Professional Occupations</b>	25.5	1.0	0.8	1.0	0.2	0.0	3.0	0.2	0.8	1.4	1.2	2.0	7.8
<b>Marketing and Sales Occupations</b>	12.9	0.6	0.2	0.4	0.2	0.0	1.4	0.4	0.4	1.2	1.2	0.4	14.3
<b>Agricultural, Forestry, Fishing and Related Occupations</b>	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.4	22.5
<b>Managerial and Admin Occupations</b>	18.5	0.4	0.4	0.8	0.6	0.0	2.2	0.2	0.6	1.8	1.4	1.6	8.2
<b>Technical and Paraprofessional Occupations</b>	17.7	0.6	0.6	1.2	0.0	0.0	1.4	0.2	0.2	2.0	1.2	1.0	10.4
<b>Service Occupations</b>	20.3	0.8	0.6	0.2	0.2	0.0	3.2	0.2	0.2	0.6	1.4	0.6	12.5
<b>Production, Construction, Operation, Maintenance and Material Handling Occupations</b>	11.2	0.2	0.4	0.6	0.4	0.2	1.6	0.0	0.2	0.8	1.0	1.2	15.3
<b>Clerical and Admin Occupations</b>	16.5	0.2	0.2	0.0	0.2	0.0	3.4	0.2	0.6	1.8	2.6	0.8	10.4

Table 5. Employee Classroom, Workshop, or Seminar Training Data for Figure 14 (n=502)



**Figure 15. Employer Provided OJT, by Occupation (n=500)**

### 6.6 Percent of Employees Receiving On-the-Job Training (OJT)

Employers were asked to classify, for a variety of employee occupations from clerical and administrative to professional occupations, what percentage of each occupation type received on-the-job training in the last three (3) years. Of the employers which provided on-the-job training, the following occupations received the most OJT:

- 28.4% of employers provide OJT to all (100%) of their service occupations employees;
- 25.6% of employers provide OJT to all (100%) of their managerial and administrative occupations employees; and
- 22.2% of employers provide OJT to all (100%) of their professional occupation employees.

Of employers which provided on-the-job training, the following occupations received the least amount of on-the-job-training:

- 20.6% of employers provide OJT to none (0%) of their agricultural, forestry, fishing and related occupations employees;
- 13.4% of employers provide OJT to none (0%) of their production, construction, operation, maintenance and material handling occupations employees; and
- 13.8% of employers provide OJT to none (0%) of their marketing and sales occupations employees.

Figure 15, above, shows the full spectrum of employer responses; Table 6 (facing page) provides the corresponding data table.

### 6.7 On-the-Job-Training (OJT) Formality

Most employers (53.9%) did not formally document employee on-the-job training (OJT) in a written plan or agreement. However, 37.8% of employers did provide such documentation (Figure 16, page 20).

Occupation Type	100%	90-99%	80-89%	70-79%	60-69%	51-59%	50%	40-49%	30-39%	20-29%	10-19%	1-9%	0%
<b>Managerial and Admin Occupations</b>	25.6	1.0	0.8	1.0	0.2	0.0	3.0	0.2	0.8	1.4	1.2	2.0	7.8
<b>Professional Occupations</b>	22.2	0.6	1.0	0.4	0.0	0.0	2.4	0.2	0.6	1.8	1.2	0.8	11.0
<b>Technical and Paraprofessional Occupations</b>	16.6	0.6	0.4	0.8	0.4	0.0	2.2	0.4	0.6	1.2	0.8	0.4	11.2
<b>Marketing and Sales Occupations</b>	14.6	0.6	0.0	0.0	0.0	0.0	1.2	0.2	0.2	1.4	0.4	0.6	13.8
<b>Clerical and Admin Occupations</b>	21.6	0.2	0.4	0.0	0.4	0.0	0.6	0.2	0.6	1.8	3.0	0.8	9.4
<b>Service Occupations</b>	28.4	0.8	0.8	0.8	0.0	0.0	1.2	0.6	0.8	1.4	0.6	0.8	9.2
<b>Production, Construction, Operation, Maintenance and Material Handling Occupations</b>	15.8	0.6	0.4	0.4	0.2	0.0	1.4	0.0	0.4	1.2	0.6	0.8	13.4
<b>Agricultural, Forestry, Fishing and Related Occupations</b>	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	20.6

Table 6. Employee On-the-Job-Training Data for Figure 15 (n=500)

6.8 Employee Training to Meet Required Level of Company Productivity and Competence

Employers were asked what percent of their current employees need further education or training in order to reach the current level of productivity and competence their company needs. Over one third of employers (35.7%) indicated that no employees needed further training, while 9.6% of employers said that half of their employees needed further training, and 13.6% of employers said all (100%) of their employees needed further training. Figure 17 shows these results, along with other employee responses, in percentile groups of ten.

6.9 Level of Employee Education to Meet Desired Company Productivity and Competence

Employers were asked what level of employee training/education would be required in order

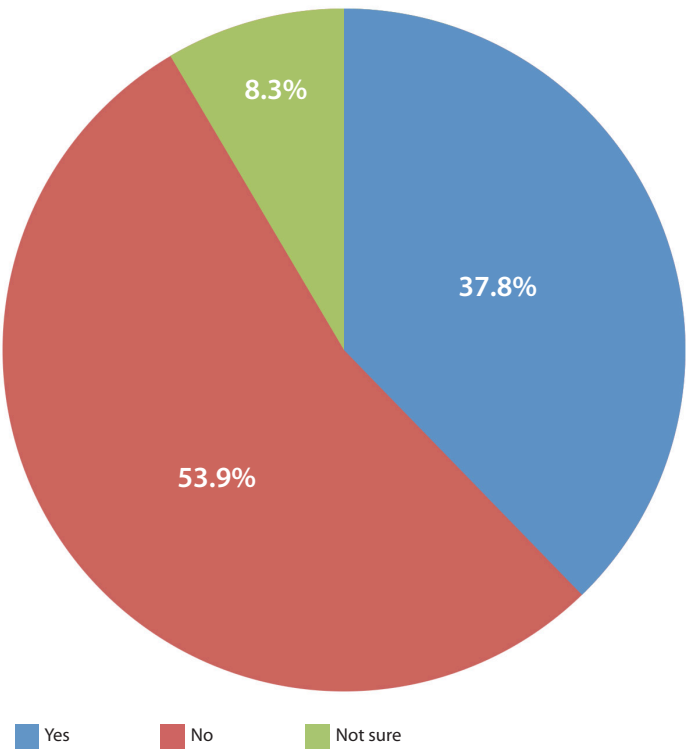


Figure 16. Employers Which Document OJT in a Written Plan or Agreement (n=505)

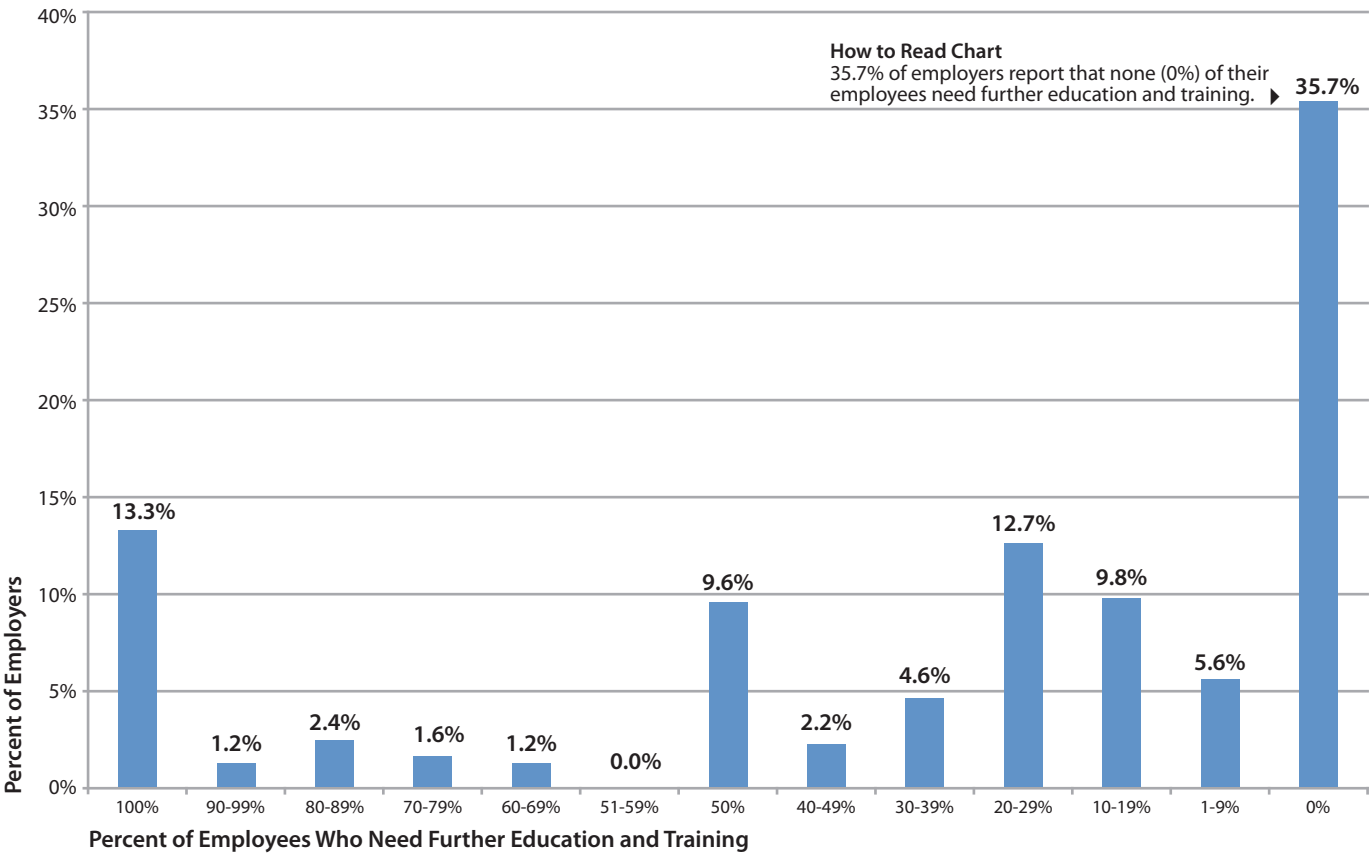
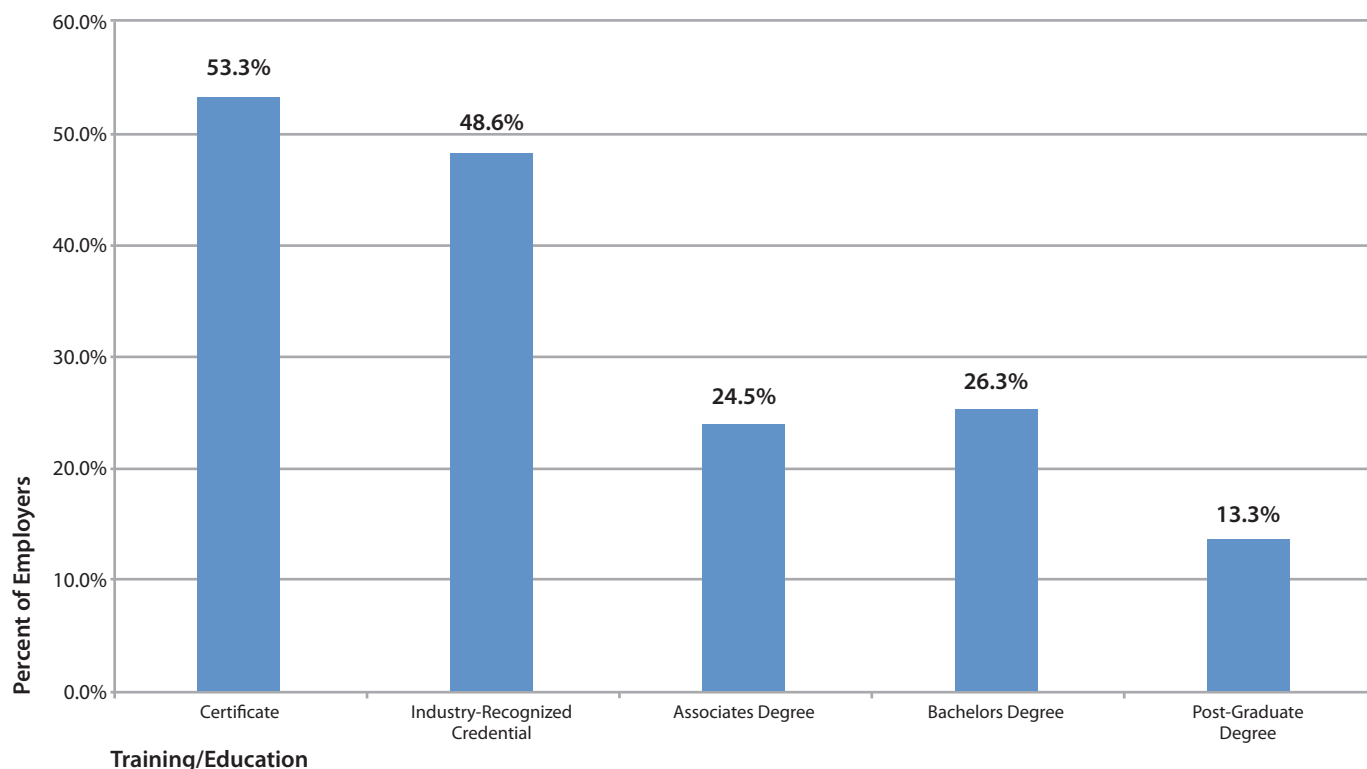


Figure 17. Reported Percentage of Employees Needing Further Education and Training (n=498)

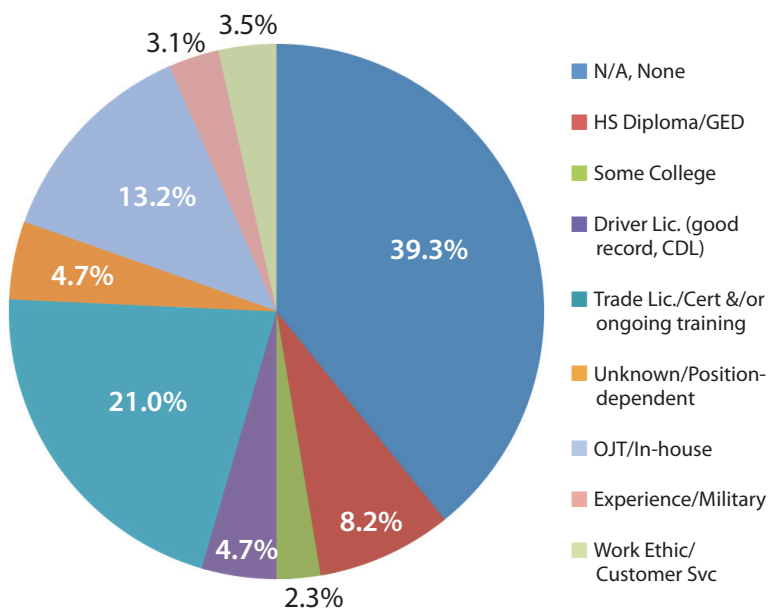




**Figure 18. Employee Education/Training to Reach Desired Company Productivity and Competence (n=323)**

to reach the desired level of productivity and competence that their firm or organization needs. Over half (53.3%) of the employers

surveyed indicated that a certificate would be required of their employees for their firm to reach the desired level of productivity and competence. Almost as many (48.6%) indicated that an industry recognized credential is needed. About one-quarter of the employers indicated that an Associate's or Bachelor's degree is needed, while only 13.3% indicated a need for post-graduate degrees. Figure 18 provides all these results.



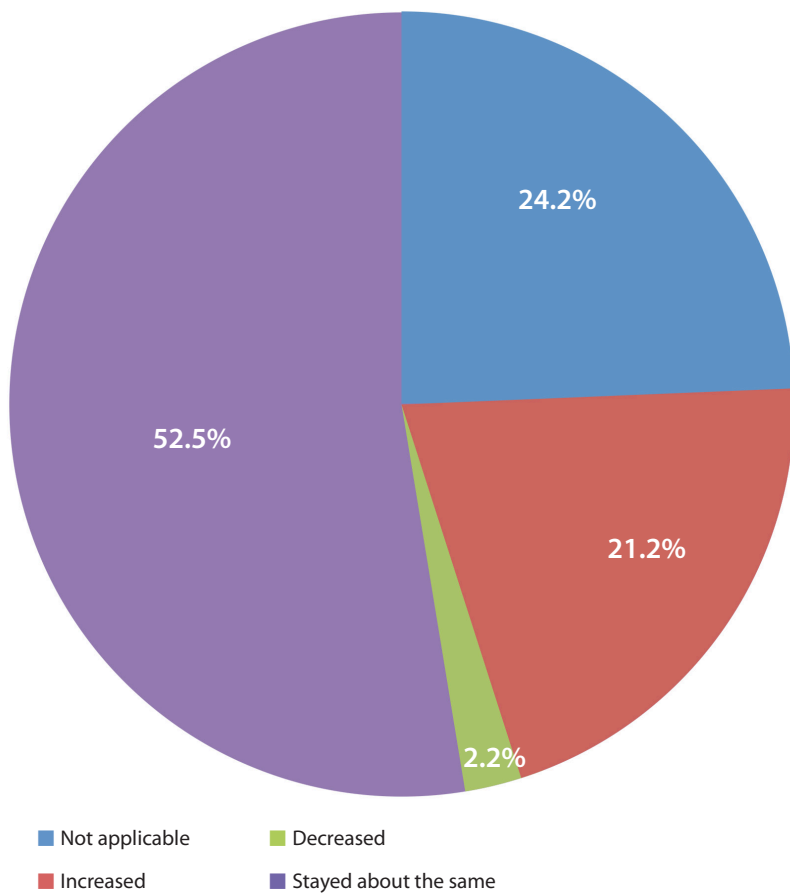
**Figure 19. Other Specified Training/Education Required to Meet Productivity and Competence (n=257)**

Some employers (39.3%, n=101) commented that no additional training is required, while others (21.0%, n=54), stated that a trade-specific certification, license or ongoing training is required. Other training or certifications specifically mentioned were the requirement of a high school diploma or GED, driver's license or commercial driver's license and need for customer service training. Figure 19 illustrates answers provided by all respondents.

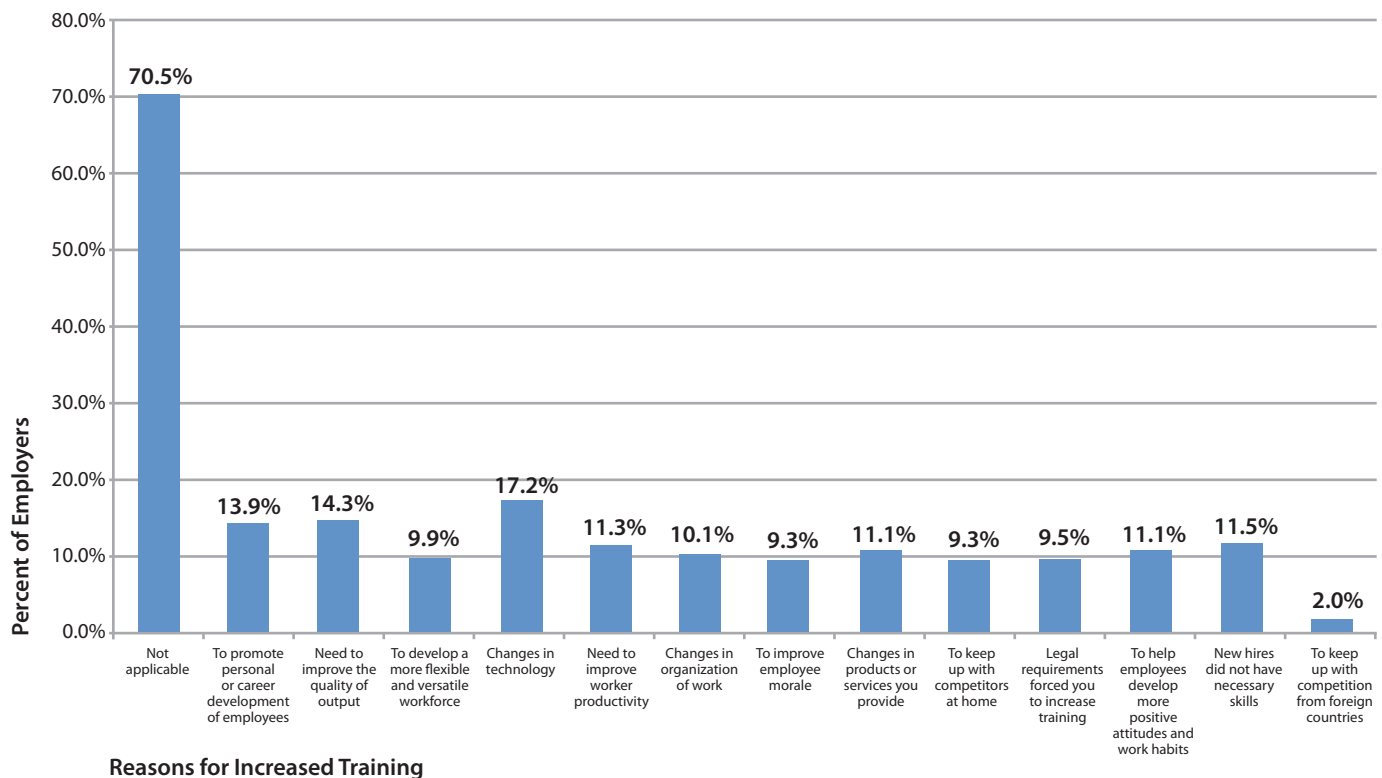
### 6.10 Change in Employee Classroom Training, Workshops, or Seminars

Employers were asked if the percentage of their employees who have received classroom training, workshops or seminars has increased, decreased or stayed about the same in the last three years. A majority (52.5%) of employers surveyed indicated that the percentage of employees who received training has stayed about the same; 21.2% indicated that training has increased. The full picture of how training levels have changed in the last three years is provided in Figure 20.

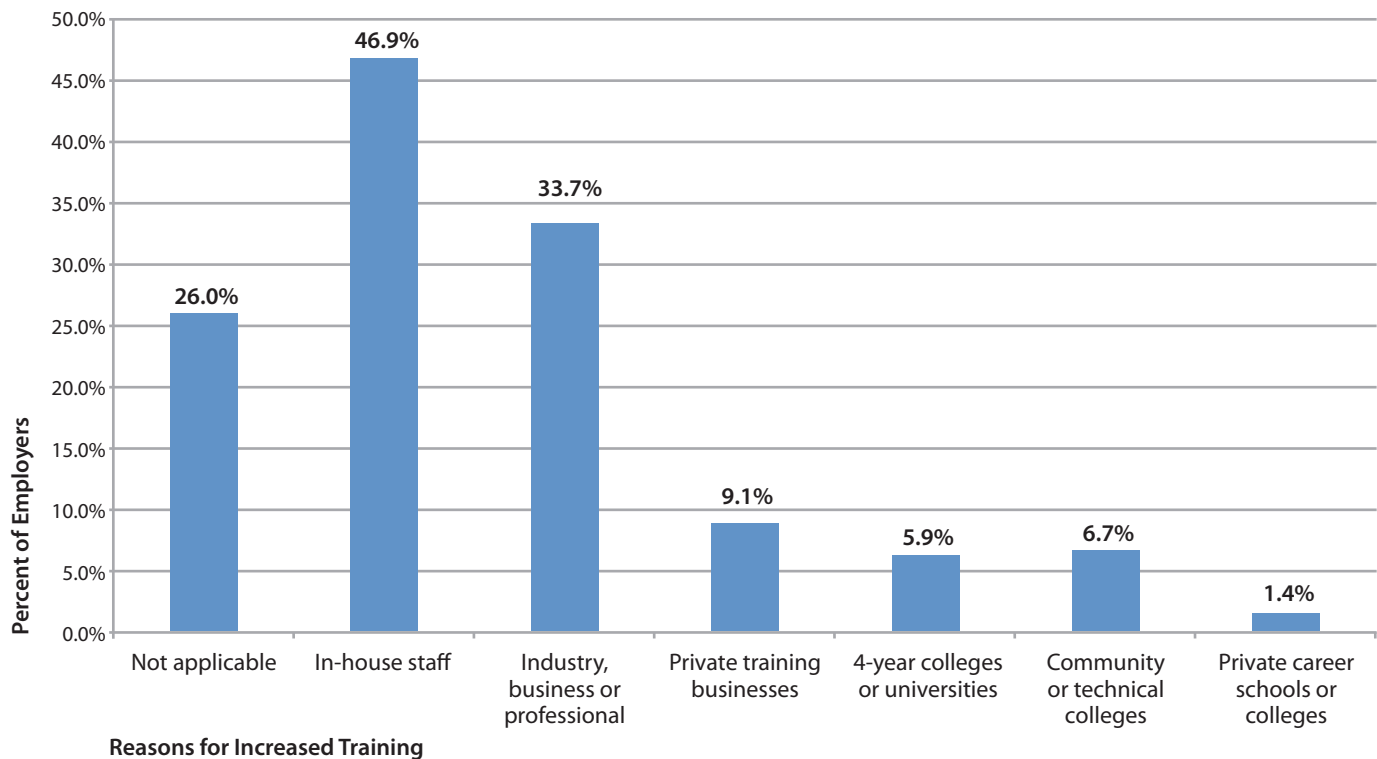
Of those firms where training has increased, 17.2% pointed to a change in technology as the reason, followed closely (14.3%) by those indicating a need to improve the quality of output, then to promote the personal or career development of employees (13.9%). Figure 21 illuminates the full spectrum of reasons for increased training.



**Figure 20. Change in Classroom Training, Workshops or Seminars for Employees (n=509)**



**Figure 21. Reasons for Increased Employee Training (n=505)**



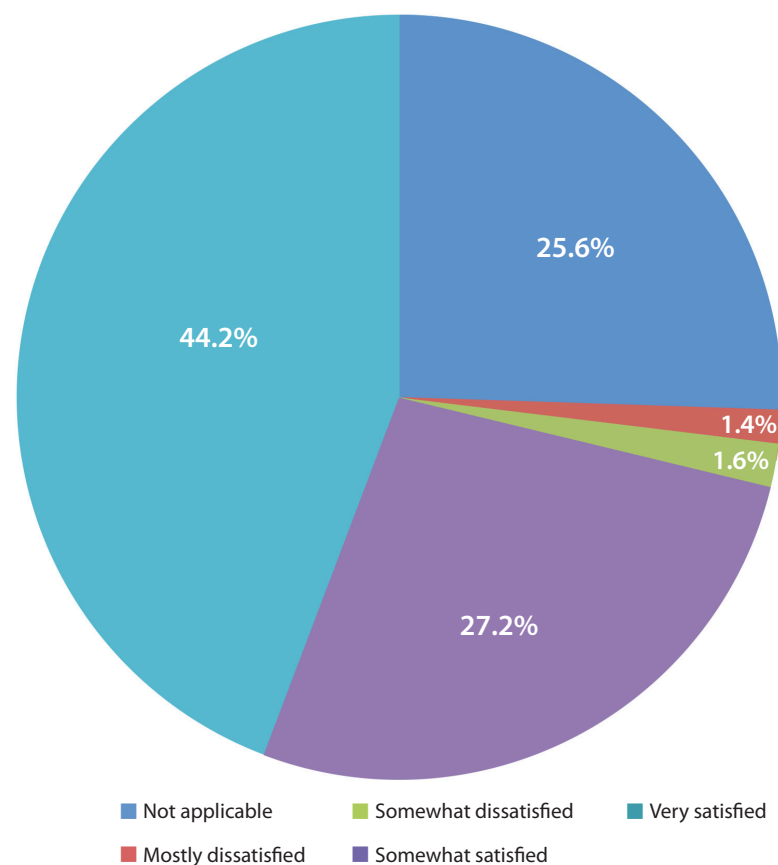
**Figure 22. Primary Training Provider Utilized (n=508)**

#### 6.11 Primary Training Provider Utilized

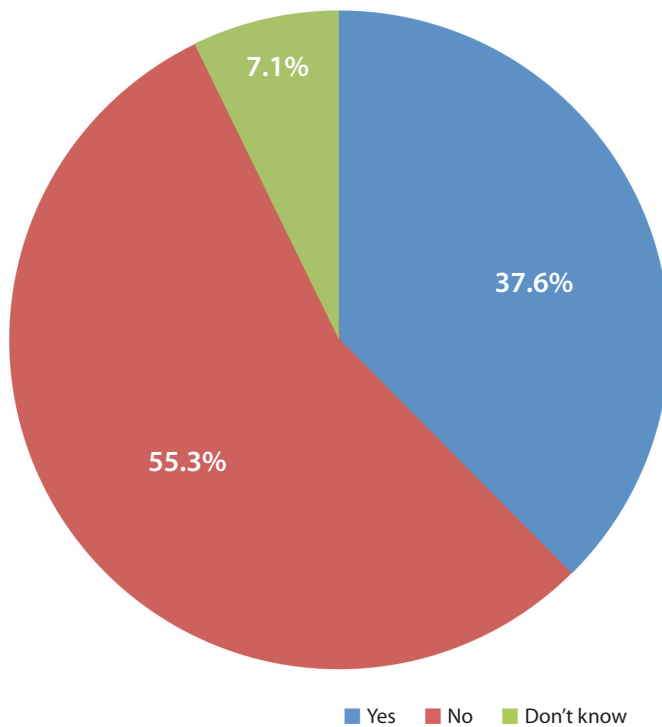
Within NM organizations and firms, 26.1% do not provide training to their employees. Of the 73.9% who do provide training, in-house staff was the most preferred/primary training provider for 46.9% of the employers surveyed. However, industry, business, or professional organizations were favored by 33.7% of the respondents. Figure 22 shows the several training provider options which the employers were asked about, and the percentage of employers surveyed using each of these as primary training providers.

#### 6.12 Employer Satisfaction Level with Primary Training Provider

Most employers (71.4%) were either very satisfied or somewhat satisfied with the training obtained from their primary training provider. Figure 23 provides the full range of responses regarding the satisfaction level of employers with their primary training provider.



**Figure 23. Satisfaction Level with Primary Training Provider (n=507)**



**Figure 24. Employers Offering a Tuition Reimbursement Program (n=508)**

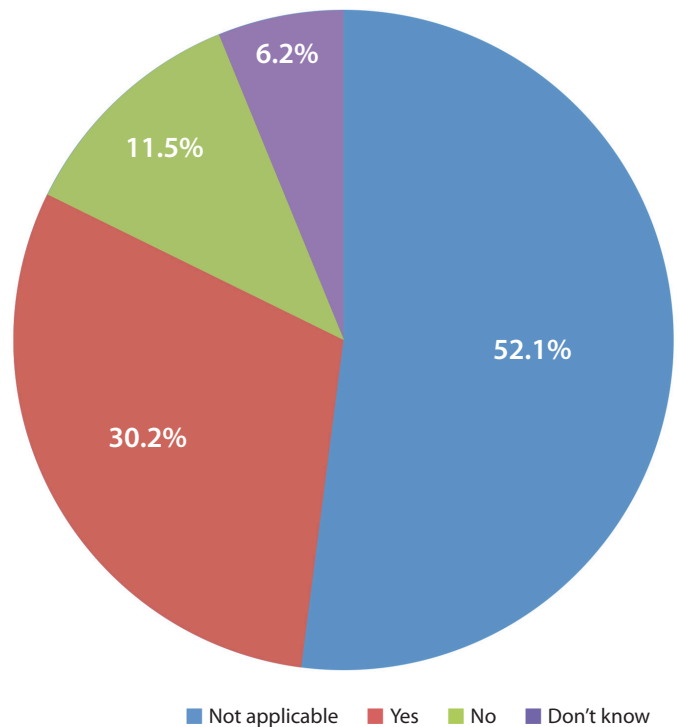
### 6.13 Employee Tuition Reimbursement

Slightly over half of employers (55.3%) did not provide a tuition reimbursement program for employees to gain further training; however, just over one-third of employers (37.6%) did offer tuition reimbursement. Figure 24 provides the full breadth of responses how many employers provide tuition reimbursement to their employees.

Some employer (30.2%) restricted such reimbursements to job-related training. For those employers which offer a tuition reimbursement program, Figure 25 shows the percentage of employers who restrict tuition reimbursement to only job-related training.

### 6.14 Computer Use by Non-Supervisory Employees

Most employers have some use of computers by non-supervisory employees. Almost half (43.6%) of employers indicated that all (100%) of their non-supervisory employees use computers in their jobs. Only 17.4% indicated



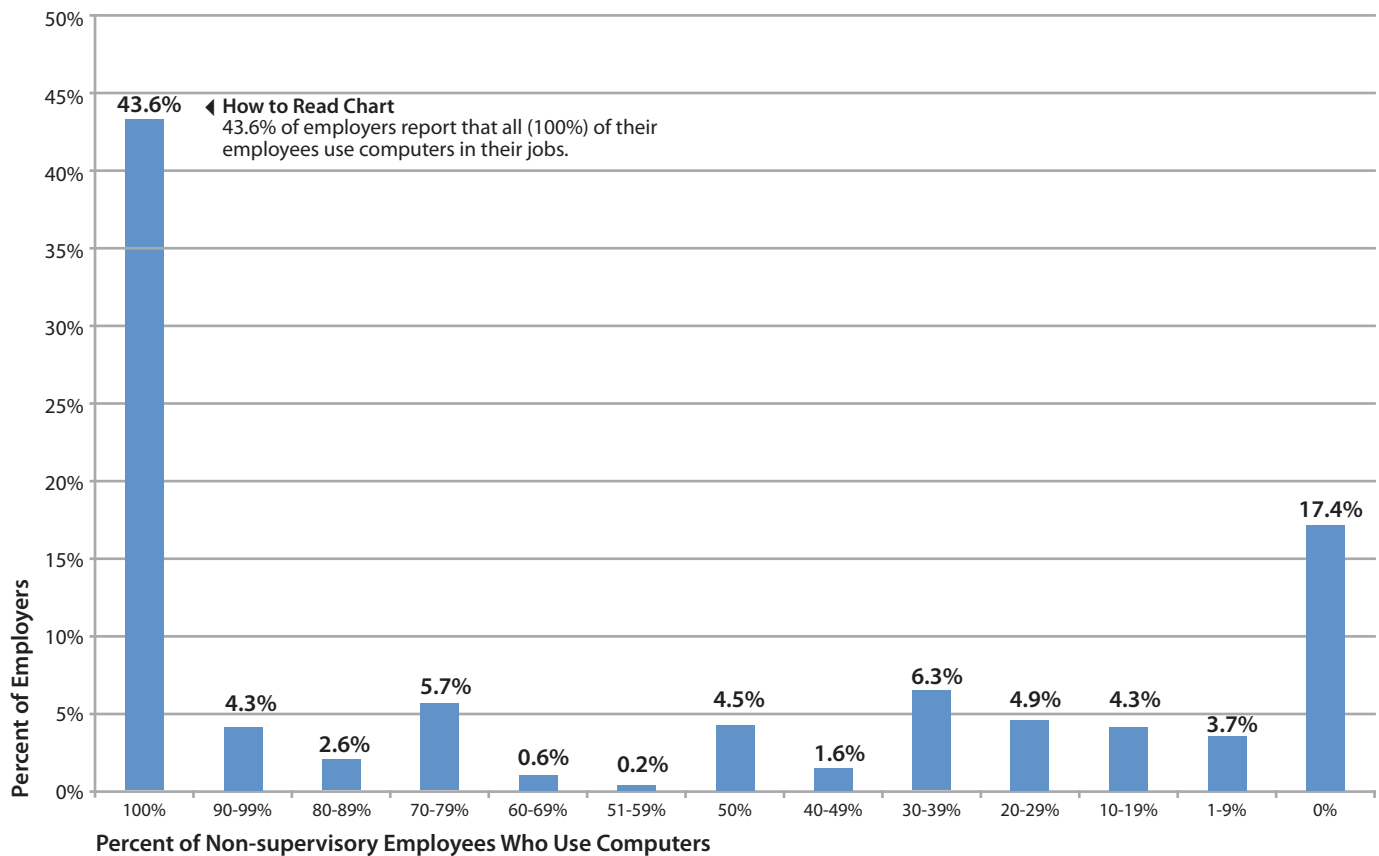
**Figure 25. Employers Which Restricted Tuition Reimbursement to Job-Related Training (n=503)**

that none of their non-supervisory employees use computers in their jobs.

## 7.0 Findings and Recommendations

This is the first NM Employer Survey to be conducted by NMDWS in cooperation with the Employability Partnership of New Mexico Advisory Council. In an effort to adopt industry best-practices, it was patterned after the Washington State Employer Survey administered by the Washington State Workforce Training and Education Coordinating Board.

This Employer Survey provides a sound statistical sampling of NM employers in the areas of general business information and recent hiring activities; training provided to employees and level of satisfaction with the workforce; and qualifications, education, skills and training of job applicants. Overall DI staff attempted contact of over 2000 NM employers from a total population of 104,000



**Figure 26. Percent of Non-Supervisory Staff Who Use Computers (n=507)**

NM businesses; however, DI staff was only able to secure interviews with 504 employers—a 25% response rate. With a survey sampling of 504 employers, DI surveying was sufficient to obtain a better than 95% confidence interval with an error of  $\pm 5\%$  for the findings assuming maximum variability in the population ( $p=0.5$ ).

### 7.1 Employer Survey Findings

There are a number of noteworthy findings from this employer survey which are highlighted under the questionnaire topic of exploration:

#### EMPLOYER GENERAL BUSINESS AND RECENT HIRING ACTIVITIES

Most employers surveyed (59.7%) indicated English as the primary language used to conduct their businesses; whereas, about 40%

said both English and Spanish are used in their businesses and less than 1% indicated Spanish as the primary business language. Other languages used in NM businesses were Native American language and Sign Language.

Most employers surveyed (81.7%) have hired workers in the past 3 years and approximately 75% of employers stated having no difficulty finding applicants with the required education level for a job. Almost half of all employers surveyed (47.3%) reported having difficulty finding qualified applicants, while 35.9% reported they experienced no difficulty finding qualified applicants. As a result of difficulty finding qualified applicants, 22.7% of employers settled for hiring a less qualified applicant, 23.9% increased recruiting efforts, and 12.3% simply left the job unfilled.



## QUALIFICATIONS AND READINESS OF JOB APPLICANTS

For the 47.3% of employers which had difficulty finding qualified job applicants, the primary impacts on the organization were a reduction in the firm's product or service quality (20.6%) and a reduction in the firm's production output or sales (20.4%). Difficulty finding qualified job applicants inspired 14.9% of employers to provide more training to current employees while another 14.9% indicated these difficulties caused them to increase the overtime of their employees.

The skill categories listed most frequently by employers (more than 45%) as lacking in job applicants were:

- Occupation-specific skills (52.5%),
- Work habits (52.4%),
- Communication (46.9%), and
- Problem solving (46.3%).

Currently, on average 25% of employers said that they experienced some difficulty finding applicants with the necessary education level for the job with the education levels most frequently reported as difficult to find in job applicants were:

- Vocational diploma or certificate (29.7%),
- Baccalaureate (BA or BS) degree (27.1%), and
- Vocational associate's degree (25.1%).

## JOB-RELATED EDUCATION, SKILLS AND TRAINING

Most employers (an average 73.2%) reported that over the next five years, their need for formal training up through the master's degree level would stay the same. However, across education levels from a high school diploma or GED up through a master's degree, an average

21.7% of employers indicated that such education levels would need to increase in the next five years, especially in the areas of:

- Some college course work beyond high school (26.2%),
- A vocational diploma or certificate (28.3%), and
- Vocational associate's degree (23.1%).

According to NM employers, the top six skills which entry-level workers are lacking include:

- Taking responsibility for learning (43.9%),
- Solving problems and decision-making (41.6%),
- Resolving conflict and negotiating (40.7%),
- Listening actively (39.7%),
- Observing critically (39.2%) and
- Cooperating with others (36.6%).

A majority (68.4%) of employers provided classroom training, workshops, or seminars for employees over the past 3 years, while 28.4% did not. Over half (53.3%) of the employers surveyed indicated that a certificate would be required of their employees for their firm to reach the desired level of productivity and competence. Almost as many (48.6%) indicated that an industry recognized credential is needed.

## EMPLOYER-PROVIDED TRAINING OF EMPLOYEES

Most employers surveyed (73.9%) provide training to employees with the most preferred primary training provider being in-house staff (46.9%) and the next most popular group (33.7%) being industry, business, or professional organizations. Most employers (71.4%) were either very satisfied or somewhat satisfied with the training obtained from their primary training provider.

A majority (52.5%) of employers surveyed indicated that the percentage of employees who received training has stayed about the same; while 21.2% indicated that training has increased. Of those firms where training has increased, 17.2% pointed to a change in technology as the reason, followed closely (14.3%) by those indicating a need to improve the quality of output, then to promote the personal or career development of employees (13.9%). Most employers have some use of computers by non-supervisory employees, while almost half (43.6%) of employers indicated that all (100%) of their non-supervisory employees use computers in their jobs.

## **7.2 Recommended Gap Analyses and Survey Improvements**

A closer inspection of ancillary trends and conditions which impact the pool of employees in NM, such as workforce mobility and business classifications, would offer better context for the results obtained with the 2013 NM Employer Survey. Moreover, by improving the survey questions, investigating how well worker training aligns with employer needs, and improving worker social interaction skills, the NM business community and the workforce in general will both benefit. Therefore, a number of noteworthy recommendations for future efforts in gap analyses of workforce professional characteristics and job readiness and economic development issues and in employer survey improvements and data collection efforts should be considered:

### **WORKFORCE DEVELOPMENT ANALYSES**

**Training Study:** As this survey does not identify how well training specifically aligns with employer needs, embark on a study, teaming with Central New Mexico

Community College (CNM) and/or other institutions of learning in NM as well as industry trade groups, to investigate how well the graduating student skill sets align with employer needs.

**Worker Social/Interaction Skills:** One question in this study (see Entry Level Worker Skills, section 6.1) asked employers about difficulties with worker's abilities in non-education focused areas such as listening actively, observing critically, cooperating with others and interacting with customers. Additionally, several employers commented on difficulties with other worker characteristics, such as work ethic, attendance, and language issues. Exploring additional ways to foster positive social interaction skills, perhaps in the public schools, would be worthwhile.

**Work Force Mobility:** Outside the question pool, it was not uncommon to hear employers say that they needed to hire job applicants from outside NM, especially for higher skilled jobs. Investigating the quality of education in NM, as well as exploring how many university level graduates stay in NM would provide insights to benefit future employer surveys.

### **FURTHER DATA COLLECTION**

**Survey Sampling:** Administer the Employer Survey, reaching out to more employers, to encompass a larger sample size from each business size group in order to differentiate needs and activities based on business workforce size. According to current InfoUSA data, there are approximately 87,000 small (operating with less than ten employees) businesses, 16,000 medium (operating with more than 10, but less than 100 employees) businesses and 1200 large (operating with one hundred or more employees) businesses in New Mexico.

***Employees vs. Employers:*** Relative to the Survey Sampling statement above, the survey catered to employers with employees. By definition an employer has employees, yet this survey included businesses without employees. It was therefore inappropriate for any small business such as a sole proprietorship, or single member LLC. The exclusion of such single member businesses in future employer surveys would improve the accuracy of results.

***Working Population Needs Assessment:*** More closely characterizing the working population of NM would provide better context, and perhaps new insights, for the employer survey. As an example, it could be useful to capture factors such as urban population vs. rural population, and how this effects or motivates employers and workers. Additionally, including a few industry taxonomy questions, such as requesting the primary North American Industry Classification System (NAICS) codes used by each business would help organize results by business sector.

## FUTURE SURVEY STRUCTURAL IMPROVEMENTS

***Data:*** Several of the questions in this initial survey captured multiple layers of data. By ensuring each question focuses on only one data type, in a structured manner, would allow for more clear and concise results representation.

### ***Survey Mechanism and Data Analyses:***

These more complex, multi-faceted questions allowed the respondent to fill in their own answer; however, this resulted in challenging data collection and analysis. Instead, provide a selection of discrete answers of generalized related topics (e.g., radio buttons or check boxes) from which the respondent may choose. More structure in the questions would speed up the survey process and provide more readily quantifiable data; more structure would preserve the benefits of a telephone survey over merely directing employers to an online survey, while also limiting answers to a strict, uniform set. This will help reduce the time required for employer interviews and improve response rate.

# Appendix

## Survey Questions

1. What language(s) does your firm or organization use to conduct your business?

- ☐ English
- ☐ Spanish
- ☐ Both English and Spanish
- ☐ Other (please specify)

2. Has your firm or organization hired any new employees in the last three (3) years?

- ☐ Yes
- ☐ No
- ☐ Other (please specify)

3. Over the last three (3) years, did you have any difficulty finding qualified applicants for any of the jobs you were trying to fill?

- ☐ Not applicable
- ☐ Yes
- ☐ No

4. Of the following options, how did your firm or organization respond to the difficulty of finding qualified applicants?

- ☐ Not applicable
- ☐ Did not fill the job opening
- ☐ Hired a less qualified applicant
- ☐ Outsourced work or purchased services from another firm
- ☐ Increased overtime hours for current workers
- ☐ Increased recruiting efforts
- ☐ Increased wages to attract more applicants

5. How much difficulty have you experienced over the last three (3) years finding qualified applicants with the following different education levels? Did you find Some Difficulty or No Difficulty in finding someone with:

- ☐ A vocational diploma or certificate
- ☐ A vocational associate's degree
- ☐ An academic associate's (AA or AS) degree
- ☐ A baccalaureate (BA or BS) degree
- ☐ A master's (MA or MS) degree
- ☐ A doctoral (PhD) or professional degree
- ☐ Other (please specify)

6. In the last three years, how much difficulty has your firm or organization had finding employees with the following skills? Some difficulty or No difficulty?

Occupation specific skills

- ☐ Work habits
- ☐ Problem solving
- ☐ Communication
- ☐ Adaptability
- ☐ Customer service
- ☐ Accepts supervision
- ☐ Computer
- ☐ Team work
- ☐ Writing
- ☐ Math
- ☐ Reading
- ☐ Other (please specify)



7. Which of the following has resulted from your firm's or organization's difficulty finding qualified applicants?

- ☐ Not applicable
- ☐ It reduced your firm's product or service quality
- ☐ It reduced your firm's production output or sales
- ☐ Your firm was prevented from expanding its facilities
- ☐ Your firm was prevented from developing new products or services
- ☐ It caused your firm to move some operations out of New Mexico
- ☐ Other (please specify)

8. Over the last three (3) years, has your firm or organization experienced "Some difficulty" or "No difficulty" with entry-level workers demonstrating the following skills?

- ☐ Speaking so others can understand
- ☐ Listening actively
- ☐ Reading with understanding
- ☐ Observing critically
- ☐ Cooperating with others
- ☐ Resolving conflict and negotiating
- ☐ Using math to solve problems and to communicate
- ☐ Solving problems and making decisions
- ☐ Taking responsibility for learning
- ☐ Using information and communications technology
- ☐ Interacting well with customers
- ☐ Other (please specify)

9. In the next five (5) years, will your firm's or organization's need for each of the following levels of education increase, decrease or stay about the same?

- ☐ No high school diploma or GED
- ☐ A high school diploma or GED
- ☐ Some college course work beyond high school
- ☐ A vocational diploma or certificate
- ☐ A vocational associate's degree
- ☐ An academic associate's degree (AA or AS)
- ☐ A baccalaureate degree (BA or BS)
- ☐ A master's degree (MA or MS)

10. In the last three (3) years, have the skills required to adequately perform your firm's or organization's primary, front-line or support service jobs increased, decreased or stayed about the same?

- ☐ Increased
- ☐ Decreased
- ☐ Stayed about the same

11. Did your firm or organization provide or pay for any classroom training, workshops or seminars for any employees over the last three (3) years?

- ☐ Yes
- ☐ No
- ☐ Not sure

12. For each of these types of employees, approximately what percentage received classroom training, workshops or seminars over the last three (3) years?

DOES THIS QUESTION APPLY- YES OR NO?

- ☐ Professional occupations
- ☐ Marketing and Sales occupations
- ☐ Agricultural, forestry, fishing and related occupations
- ☐ Managerial and administrative occupations
- ☐ Technical and paraprofessional occupations
- ☐ Service occupations
- ☐ Production, construction, operation, maintenance and material handling occupations
- ☐ Clerical and administrative occupations

13. Approximately what percent of your current employees would you say need further education or training in order to reach the current level of productivity and competence that your company needs?

14. In order to reach the desired level of productivity and competence that your firm or organization needs, what level of training/education would be required?

- ☐ Certificate
- ☐ Industry-Recognized Credential
- ☐ Associate's Degree
- ☐ Bachelor's Degree
- ☐ Post-Graduate Degree
- ☐ Other (please specify)

15. In the last three (3) years, has the percentage of your employees who have received classroom training, workshops or seminars increased, decreased or stayed about the same?

- ☐ Not applicable
- ☐ Increased
- ☐ Decreased
- ☐ Stayed about the same

16. If you had an increase in trainings, which of the following are the reasons for the increase over the last three (3) years? Please click “Not applicable” if respondent offered no trainings.

- ☐ Not applicable
- ☐ To promote the personal or career development of employees
- ☐ Need to improve the quality of output
- ☐ To develop a more flexible and versatile workforce
- ☐ Changes in technology
- ☐ Need to improve worker productivity
- ☐ Changes in the organization of work
- ☐ To improve the morale of employees
- ☐ Changes in products or services you provide
- ☐ To keep up with competitors at home
- ☐ Legal requirements forced you to increase training
- ☐ To help employees develop more positive attitudes and work habits
- ☐ New hires did not have necessary skills
- ☐ To keep up with competition from foreign countries

17. Who do you utilize or have you utilized to meet your training or educational needs over the last three (3) years? (If respondent offered no trainings please click “not applicable”).

- ☐ Not applicable
- ☐ In-house staff
- ☐ Industry, business or professional organizations
- ☐ Private training businesses
- ☐ 4-year colleges or universities
- ☐ Community or technical colleges
- ☐ Private career schools or colleges

18. Which of those providers you selected in the previous question did you primarily utilize for your training and educational needs? (If respondent offered no trainings, please click “not applicable”)

- ☐ Not applicable
- ☐ In-house staff
- ☐ Industry, business or professional organizations
- ☐ Private training businesses
- ☐ 4-year colleges or universities
- ☐ Community or technical colleges
- ☐ Private career schools or colleges

19. How satisfied are you or were you with the training that you have obtained for your employees from that primary provider? Mostly dissatisfied, Somewhat dissatisfied, Somewhat satisfied or Very satisfied? (Please click “not applicable” if respondent offered no trainings).

- ☐ Not applicable
- ☐ Mostly dissatisfied
- ☐ Somewhat dissatisfied
- ☐ Somewhat satisfied
- ☐ Very satisfied

20. Did your firm or organization have a tuition reimbursement program for any employee during the past 3 years?

- ☐ Yes
- ☐ No
- ☐ Don't know

21. If you had a tuition reimbursement program, was it restricted to job-related training only?

- ☐ Not applicable
- ☐ Yes
- ☐ No
- ☐ Don't know



22. Did your firm or organization provide specific on-the-job training that was described in a written plan or agreement for any employees in the last 3 years?

- ☐ Yes
- ☐ No
- ☐ Don't know

23. Of the following types of employees, approximately what percentage of each received on-the-job training in the last 3 years?

DOES THIS QUESTION APPLY-YES OR NO?

- ☐ Managerial and administrative occupations
- ☐ Professional occupations
- ☐ Technical and paraprofessional occupations
- ☐ Marketing and Sales
- ☐ Clerical and administrative support occupations
- ☐ Service Occupations
- ☐ Production, construction, operation, maintenance and material-handling occupations
- ☐ Agricultural, forestry, fishing and related occupations

24. What percentages of your firm's or organization's current jobs require each of the following educational levels? The answers should total 100%. For example: 75% of your jobs require a GED and 25% require some college course work totaling 100%. Or another example: 100% of your jobs require a BA, etc.

- ☐ No high school diploma/GED
- ☐ A GED or high school diploma
- ☐ Some college course work
- ☐ A vocational diploma or certificate
- ☐ A vocational associates degree
- ☐ An academic associates degree (AA or AS)
- ☐ A baccalaureate (BA or BS) degree
- ☐ A masters (MA or MS) degree
- ☐ A doctoral (PhD) or professional degree

25. What percentage of your non-supervisory employees use computers in their jobs? After answering, please click “Next” to complete the survey. Thank you.

26. Enter name of firm or organization in space below

27. Enter city where firm or organization is located in space below

28. Size of this firm or organization

☐ Small (0-9 employees)

☐ Medium (10-99 employees)

☐ Large (Over 99 employees)





**Davis Innovations, Inc.**

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