

Where Are the Workers?: Understanding the Post-COVID Labor Shortage

Authors:

Anita Brown-Graham, Jess Dorrance,
Carolyn Fryberger, Cynthia Liston,
Mark Gabriel Little

Contributors:

Olivia Allison, Christina Labows,
Gisella Lie, Karla Zeline Matthews-Brown,
Luke Pullo, Maddie Roberts,
Mark Simon

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Overview

The onset of the COVID-19 pandemic in March 2020 turned the labor market upside down. Job losses shot up and many businesses, especially small ones, saw significant drops in revenue. As we continue to assess the ongoing impacts and adjustments brought on by COVID, data suggest that there has been a relatively quick and strong recovery in North Carolina when it comes to job growth. In fact, recent data from the US Chamber of Commerce show that North Carolina has more jobs than workers - 61 workers available for every 100 job openings.

To better understand the challenges, changes, and opportunities that COVID-19 created for the workforce, nclIMPACT Initiative and NCGrowth partnered to conduct a series of focus groups with workers, employers, and workforce support providers throughout North Carolina to dig beneath the numbers and hear individual perspectives. Because young workers aged 16-24 suffered the highest rates of unemployment compared to other age groups, the research focused on these workers in particular. Otherwise, the research sought to maximize variation across the employers and employment support providers to gain a diversity of perspectives and to illuminate cross-cutting

themes and/or areas of potential divergence depending on employment sector and geographic location across the state.

Focus Group Methodology

From January to March of 2023 the research team hosted 21 60-minute focus group sessions with over 130 employers, employment support providers, and young adults. Conversations took place in communities located in each of North Carolina's eight prosperity zones. The research team worked closely with local partners to recruit participants to these discussions. While each focus group explored similar themes, questions varied slightly depending on the focus group population.

Columbus County Focus Group Summary

- Nine employers representing education, healthcare, manufacturing, trades, media, and other business owners;
- Five workforce support providers from local/regional workforce boards, WIOA providers, and economic development organizations; and
- Six young adults ranging in ages from 19 to 24 all of whom were working or in school

Employers

Impact of COVID-19

Participants acknowledged that COVID-19 regulations made it difficult to recruit and hire employees.

One employer lamented,

“we were working towards increasing exposure for the trades industry. We were able to go into the high schools and do expos and things like that and get the information out there. But then COVID happened, and we have not been able to go back into the schools.”

While employers acknowledged there were some challenges related to mental health and soft skills that existed pre-pandemic, they noted these challenges drastically worsened as a result of the COVID-19 pandemic.

One participant reasoned that,

“since COVID, it has only gotten drastically worse. It’s gotten drastically worse because of COVID. Because now, I find that it is easier to walk away than to deal with the conflict and why should I deal with the conflict. So, isolation has become a haven”

Participants recognized they need to adapt to the changing workplace environment.

Some employers reflected on this sentiment, and according to one employer,

“a few times in our society at the end of World War II, at the end of World War I, there’s been times where you have manpower shortages, and this goes all the way back to the 1300s when you had the Black Plague. Usually, employers are in positions of power. That dynamic has reversed these days, and employers need to realize that the employees are in demand, and they need to adapt to them. We need to make some kind of seismic shifts in our philosophy in order to accommodate that.”

The same employer also commented,

“it seems to me that there’s a lot of inertia on the part of companies that think they can go back to the same old way of doing business, and it’s still something that the managers, corporate leaders really have to realize that there’s been a little bit of a change in the dynamic here.”

Skills of employees

Many of the participants in the focus group acknowledged that soft skills, work ethic, motivation and attitude for the job are just as important, if not more so, than technical skills as a prerequisite for hiring employees. Employers questioned whether soft skills, motivation, and attitude were not emphasized in school or job training centers.

According to one employer,

“these are things that they need to be taught. You mentioned before, people coming into an interview not appropriately dressed or not showing up at all, and these are things that kids need to be taught from a younger age, I think. The technical abilities, I think most of our organizations can teach them on entry level positions.”

Another employer stated,

“and the school that I went to, they taught you how to carry yourself. They taught you about work ethic. So I’m not sure that maybe that’s not being covered in the schools. Those that are not going to school, I’m not sure where they’re getting the trainings from too.”

Employers cited examples of hiring employees based on a strong attitude for hard work rather than solely on technical ability.

When describing the hiring of one employee, one employer stated,

“in our nonclinical areas, we’ve developed the mentality of hire for attitude, train for skill. Having the additional something that says they went through a soft skill training program would not elevate them any higher than someone that just has this great personality as a great fit. We had a young lady who came in and interviewed for a lower position. We ended up hiring her for a position based on her attitude and her willingness and her enthusiasm during the interview. We basically had a job that had just been posted and said, ‘You’re going to be a great fit for this.’ So she interviewed for a \$12 an hour job. We hired her for a \$17 an hour job.”

Supporting Employees and Solutions and Opportunities

Employers believed that there is an expectation that they could be doing more to support the well-being of their employees, such as in the realm of childcare.

An employer acknowledged,

“family-friendly workplaces are things that are growing and terminology that’s growing. We’ve got a lot of families or a lot of employees who now are caregiving for parents, aging parents,

or they’ve got children that they can’t get daycare for or a lot of different scenarios for these families. So, what are employers willing to do for them?”

Participants stressed the importance of job training and retraining to improve the labor pool. Employees felt that for some potential employees, training programs targeting technical skills or soft skills were not enough but should rather focus on life skills.

One employer stated,

“one of the things that we’ve found from a community-based organization that helps with workforce development, it’s more than just soft skills. Whereas if we’ve got people that have challenges or barriers and things like that, the soft skills training won’t address [that]. So we taught things like conflict resolution. We taught things like how to manage a checkbook. And we case managed them through to a place where they had somebody to turn to that they knew that was in their corner.”

To improve motivation and aptitude, participants felt that workforce training should be engaging and integrated with a career pathway in place.

An employer stated,

“People want to work. So to build in, okay, this is your training plan along with you being able to be hired to get some money in pocket so you can go to school. And that might look like you’re going to start here then be promoted here once you accomplish this goal. And when they start winning and having a success and being part of and they see where they’re going, they’re more apt to show up to work even though they had a bad day.”

Another employer stated,

“one of the things we’re doing in the workforce board is developing certified career pathways. ... But if people get in and they see where I am in an entry level position and you can start to see a development, again, if you do this, you will go here. If you do this, you will proceed along that line.”

Additionally, employers acknowledged that there are training needs beyond new hires, for upper level management, that also contributes to employee retention.

One employer stated,

“Managers have to be taught how to manage people.”

Workforce Support Providers

Impact of COVID-19

Workforce support providers claimed that there are fewer people engaging in the workforce than before the pandemic.

One support provider said,

“Prior to COVID, we had 900 job seekers coming in a week. We would send job seekers from our county to the other four counties. Post-COVID. We have about 150, maybe 200 a week coming in.”

Support providers shared their belief that many workers took the opportunity to reevaluate their personal circumstances rather than immediately reenter the workforce, and postulated that instead of returning to the workforce, some former employees had decided to pursue entrepreneurship.

A participant acknowledged,

“just in Columbus County during COVID, small business/ entrepreneurship almost doubled, just during COVID. People losing their jobs are going into business for themselves...”

Employer support providers also believed that as a result of COVID-19, some individuals gave up on looking for work.

Employee Challenges

Participants agreed that employees face challenges related to childcare, housing, and transportation.

It was stated,

“when we talk about the rural Columbus, Bladen County side of things, those [are] gigantic barriers: housing, transportation, daycare. Two Headstarts shut down in Bladen and Columbus County within like a six-month, almost a year period...so they had to transport their kids 30-something miles this way, 40-something miles that way.”

The Changing Work Landscape

Participants identified a cultural mismatch between mature supervisors and younger workers.

One participant claimed,

“we are seeing a struggle with the more mature supervisors that came from a different generation and the young workers, that they’re not even the same people. They don’t speak the same language. The older group, it’s a job. That’s why you show up and you work. It’s like your mom: ‘Because I told you so.’ And the young group, it’s far more about me and how do you make me happy and how do you make me comfortable?”

Different from any other point in history, participants noted that employees are more concerned about the position's benefits rather than merely participating in the workforce.

Describing this shift, a participant said,

"one of the things when we meet with these employers is we talk to them about the benefits that they are presenting. It's not always about the wages, but it can be those other benefits that go along with that and try to help employers reshape some of the thought patterns because the workforce is not the same as it was, and maybe it's not just COVID, but COVID definitely sped up that process."

For more information about the project and complete study findings and recommendations visit the Where are the Workers project website:

<https://ncimpact.sog.unc.edu/2022/01/where-are-the-workers/>