

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

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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.

Wilson County Focus Group Summary

- Seven employers representing manufacturing, food service, healthcare, a non-profit organization, and included a representative from the local chamber of commerce;
- Eight workforce support providers including representation from K-12 education, community college, social services, workforce board, and the nonprofit sector; and
- Two young adults, one unemployed individual in their 30's, and two support providers working directly with youth.

Employers

"I think COVID-19 for us was, well for everyone, a test of resilience and sustainability. It really, I think, tested our systems."
- Wilson County Employer

Impact of COVID-19

While it was acknowledged that some labor shortages existed pre-pandemic, all of the employers consistently reported that the COVID-19 pandemic accelerated difficulties with hiring and retaining employees. Participants commented on unprecedented turnover in their industries of healthcare, manufacturing, and hospitality/food service.

As noted by one employer,

"I've been in my role for 28 years and have been doing in the same industry for 35 years. And in all of my time in this industry, this has been the worst from an employment standpoint."

Among the specific challenges that employers noted, a lack of job preparation, high turnover, and burnout were mentioned most frequently.

One employer noted,

"our turnover rate is not good because we're having to let go of people because they don't fit the bill, or because they're exiting the business because they find out it's too much work for them."

Another employee noted,

"I mean, be it what it may, we lost about 10% of our workforce because of the CMS regulation. I think the professionals that had existed in that environment, we were not able to supply masks because of all these backlogs and ordering, to now that we had available resources, they felt like they were being forced to do something they weren't necessarily willing to do."

Wilson County employers noted that in the current workforce environment, there is a tension between remote work and on-site work, which was not the case pre-pandemic.

As one employer acknowledged,

"you have, in one respect, workers who went remote who have now received a level of comfort and now being asked to return to the workplace. And so, there's a tension there because they have that level of comfort. Another tension is employers that have decided they need to be more efficient and effective by having their employees work remotely, and you have those workers who wish to be back in a workplace"

Skills of Employees

Many employers also expressed that, while credentials and/or certain technical skills were important, soft skills, such as integrity, verbal communication, interview skills, teamwork, interpersonal skills, a willingness to learn, and strong work ethic were equally critical.

As one employer acknowledged,

“For the employee side, I would say that, and this has not always been the case, your knowledge, skills and abilities are subordinate to your character. And most employers, I think, would take a flier on somebody who demonstrates high character, curiosity, commitment, and integrity, then they would because you have some credentials on paper.”

Another employer acknowledged,

“when we talk about soft skills and we do it a lot, we use that as an umbrella term many times it boils down to those two things, integrity and commitment.”

Related to this point, Wilson County employers noted that there is a growing mismatch between these employer expectations and the skills of prospective employees which seems to pre-date the pandemic.

One employer acknowledged,

“There seems to be just a deficit of both of those things, particularly what we’re looking at, not a typecast, but younger employees, the folks that fall into this opportunity category, integrity and commitment are not quite as prevalent as they have been with previous generations of employees.”

Another employer acknowledged this same sentiment,

“So for me it would just be that the lack of commitment from people now is a huge roadblock. The lack of people with soft skills and integrity is less than what we have ever seen in the past.”

Supporting Employees

All of the employers we spoke with were seeking ways to support the needs of employees. As noted by one employer,

“The things [employers] tolerate now, five years ago it would’ve been like, ‘You’re out of here. You’re just out of here.’ And now [employers] realize that coaching is bigger than it’s ever been because [employers] want to keep+ [employees].”

Among the options for how best to do this, employers mentioned integrating mental health services into their workplace and offering flexibility through hybrid work options, when possible. Otherwise, employers seemed uncertain about what else they could do to support their workers.

Workforce Support Providers

“You have to cultivate, if you don’t figure out how to cultivate your next workforce, you’ll never get them. You got to cultivate them.”
- Wilson County Employment Support Provider

Employee Challenges

Employment support providers spent significant time during the focus group conversation discussing challenges commonly faced by current and/or prospective employees including lack of internet access, lack of stability at home, mental health crises, lack of livable wages, and lack of childcare.

As noted by one employment support provider,

“If [an employee] is not safe and secure in [their] world, [they] don’t care about working.”

The Changing Work Landscape

Throughout the focus group discussion, employment support providers emphasized the importance of employers creating changes in the workplace that match the needs and wants of the incoming workforce.

As noted by one participant,

"[Employers] are going to have to think differently about how [they're] going to make careers, what they're looking for, appealing to this new wave of people...I'm just telling [employers], you cannot just post something up and here's your job board and think [employees] are going to come to it."

Another participant stated,

"you're going to have to cultivate the younger generation. You're going to have to figure out a different way to recruit them."

Employment support providers recognized that, in order to appeal to a younger workforce, employers needed to update job descriptions, job postings, recruitment methods, and potentially offer additional types of supports to workers, like mental health services.

Preparing and Supporting Workers

A reoccurring theme for supporting employees was providing incentives, such as financial aid for continued education or a small stipend for skill-building program participation. However, support providers acknowledged that few places in Wilson County were offering (or were able to offer) these types of benefits/supports.

Employment support providers agreed that better preparing young adults for the workforce was critical and that this preparation needed to start earlier, often in middle school.

Young Adults

"But just connect, that's the only thing you have do is connect." - Wilson County Young Adult

Feeling Seen and Recognized

Young adult participants in Wilson County discussed the importance of feeling supported while working.

One youth shared that employers should,

"try to get and understand somebody, try to know somebody. Look at things in their perspective because you never know what's going on in their head. You never know what they're going through. It takes some people a little bit of time, or a couple days, maybe a week, a month, to readjust and get back right on track."

Overall, youth participants emphasized that while earning a livable wage and working in a safe environment is important, they feel most supported in the workplace when they can connect with their supervisors and fellow employees.

Barriers and Pressures

Young adults shared challenges that prevent them from pursuing employment or education opportunities, including issues with parents being willing to support documentation needs. When youth participants were asked if they had considered attending the local community college, one shared,

"The only thing that really stopped me was my mom's FAFSA information. I only needed one part or one thing. She didn't want to share that information"

One person mentioned the pressures that can come from peers who engage in illegal activity. The participant shared,

"I may have a friend that probably be into the streets and making thousands and thousands of dollars a week, and I'm working at McDonald's...making \$12 an hour."

The honest and thoughtful responses from participants indicated they were aware of existing barriers and willing to work hard to try to navigate them.

One participant acknowledged,

"My first goal is, it's like this, everybody, you have to conqueror yourself. It's a feeling that you like, "Okay what if I can't do this?" You can. You just got to defeat that feeling."

Impact of COVID-19

The youth in Wilson County reminded us about the impacts of educational disruptions and the potential lack of preparation to progress to the next grade level.

One youth participant shared,

"If you're not computer savvy, if you don't have anyone to help you...and the school just passed you to move on. If I was behind already two grades, what you think I'm not behind now if you promoted me?"

Another participant shared,

"But the dropout rate, it increased. I don't know if they doubled but it has increased. Because we was talking to someone today, that the child is 17 in the ninth grade."

Finally, youth participants noted how the pandemic shaped their perception of the future. One participant felt that COVID-19 was harder on youth, stating that it felt like the future was still full of uncertainty and fear.

One participant expressed this sentiment,

"you realize COVID is here, you realize you're young but you have but so much time while you're young. If you lose a job, how long will it take to find another job? But if you stay at the job, what would happen? You never know what would happen. You could hurt yourself, lose motivation. Some people got rent to pay, some people have a car note, some people have kids. It's different things I mean with COVID, it hasn't been good. It's harder on the youth."

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/>