

THE RIGHT SKILLS FOR THE RIGHT JOB

WHAT EMPLOYERS DON'T KNOW ABOUT JOB SKILLS COULD COST THEM—**BIG TIME.**

SKILLS GAPS

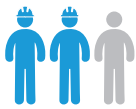
are the rift between the skills needed for a job and those possessed by the individual hired to do that job.

Skill shortages affect:

- ▶ Productivity
- ▶ Turnover
- ▶ Training costs
- ▶ Diminished career paths
- ▶ US unemployment/underemployment rates

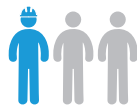
Those gaps are **money-wasting, time-wasting BARRIERS** to effective hiring and training.

SKILLS GAPS BY INDUSTRY



MANUFACTURING

Less than **2/3** of highly educated US examinees met skill levels required by manufacturers in high-level jobs



ENERGY

Less than **1/3** of US examinees with a middle level of education met graphical literacy skills required by employers



CONSTRUCTION

Only **half** of US examinees with a low level of education met or exceeded math and reading skills required by employers

Source: A Better Measure of Skills Gaps, ACT, 2011

45%

of small businesses report an **inability** to find qualified applicants to fill **job openings**

CEOS REPORT SHORTAGES IN:



NURSING



CONSTRUCTION



ENERGY



TECHNOLOGY



INSURANCE



WEB DEVELOPMENT



COMPUTER NETWORKING



EQUIPMENT OPERATION



AUTOMOTIVE



TRANSPORTATION

Source: Bloomberg.com

ECONOMIC COST of
US UNFILLED JOBS
\$160
BILLION per year
Source: indeed.com

64%
of employers think
skills gaps will result in
less investment in US
companies
Source: Adecco

75%
of businesses use
job profiling—analyzing the
basic work skills (reading, math,
graphic literacy, etc.) needed
to perform job tasks—in
their recruiting and hiring
practices.

JOB PROFILING

Job profiling is the process of breaking down job tasks into the skills needed to perform them. **Here's how it works:**

- 1** A focus group of subject matter experts (current employees, leaders/managers) creates a list of tasks
- 2** The group uses task analysis to rate each task by importance and time spent
- 3** Skill analysis links each task to skills and skill levels
- 4** Skill benchmarks are defined for each job, creating a job profile

Once the job profile is created, businesses can use skill assessments to measure job applicants against the defined skill benchmarks, recognizing applicants with the **right skill for the right job.**

Source: Society for Human Resource Management and ACT

CASE STUDIES

PHIFER INC. (AL)

needed to develop a talent pipeline to fill entry-level to senior-level jobs. Using job profiling and assessments:

\$2 Million reduction in training costs

- 25% reduction in training time
- Turnover reduction from 14% to 7%
- Orientation time and testing dropped by 33%

SUBARU OF INDIANA AUTOMOTIVE

filled 1,100 new jobs (out of 22,300 applications) in record time using job profiling and assessment:

▼ **25%** reduction in turnover

LEXINGTON COUNTY 911

COMMUNICATIONS CENTER (SC)

had a 30% turnover in dispatchers, costing \$7,000 to train each operator for 6 to 12 months. After using job profiling and assessment to close skills gaps:

▼ **50%** reduction in turnover and training costs

GLEN RAVEN CUSTOM FABRICS (SC)

transformed its hiring practices to focus on employee fit. Using job profiling and assessments:

▼ **98%** training success rate

- 300 positions filled

Source: ACT

See how companies and communities have implemented ACT WorkKeys solutions to close the skills gap and build a productive workforce. Learn more at act.org/workforcesuccess

ACT[®]

© 2022 by ACT, Inc. All rights reserved.

MR026459