June 15, 2015

Adele Gagliardi  
Administrator  
Office of Policy Development and Research  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Room N–5641  
Washington, DC 20210


Dear Administrator Gagliardi:

The Society for Human Resource Management (the “Society” or “SHRM”) and the Council for Global Immigration (“CFGI”) appreciate the opportunity to submit comments on rules implementing the Workforce Innovation and Opportunity Act (“WIOA”). WIOA reforms the public workforce system and provides an important tool to create critical connections between employers and job-seekers at the local level.

Founded in 1948, SHRM is the world’s largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates.

CFGI, founded in 1972 as the American Council on International Personnel, is a strategic affiliate of SHRM. It is a nonprofit trade association comprised of leading multinational corporations, universities, and research institutions committed to advancing the employment-based immigration of high-skilled professionals. CFGI bridges the public and private sectors to promote sensible, forward-thinking policies that foster innovation and global talent mobility.

SHRM and CFGI supported WIOA as it moved through Congress. Signed into law by President Obama on July 22, 2014, we agree with WIOA’s goal of improving job and career options for our nation’s workers through an integrated system that links the skills of job-seekers to the needs of business. We appreciate the opportunity to provide input as the Department of
Labor (DOL) and the Department of Education develop final regulations to implement a workforce development system that better meets the needs of employers. SHRM and CFGI believe successful partnerships between employers and local intermediaries (such as one-stops) to address skill needs are most likely to succeed if the partnership is demand-driven and focused on the needs of employers in the local community.

SHRM has extensively surveyed our members on their experiences with employee recruitment and the impact of the skills gap on hiring. We have also reached out to members about their experiences with the public workforce system. In this comment, we will outline those research findings, discuss the public workforce system’s interaction with businesses and organizations in the local community and outline recommendations for improving engagement with employers.

According to SHRM Research, employers and HR professionals continue to confront persistent gaps between the skills of the existing labor pool and the skills sought by employers to fill specific positions. One out of two organizations (50 percent) reported difficulty recruiting for full-time regular positions over the past year. One-half of those organizations (50 percent) cited lack of work experience, lack of the right technical skills or competition from other employers as a primary reason for difficulty in hiring qualified candidates (2014). Certain positions have been identified as more difficult to fill than others, including high-skilled jobs, as well as middle-skilled jobs.

According to a 2014 SHRM research report focused on financial health and hiring, HR professionals report increasing difficulty recruiting a wide variety of candidates for their job openings, with particular challenges in recruiting for STEM (Science, Technology, Engineering and Math) field jobs. According to SHRM’s Economic Conditions Survey Series nearly three out of four respondents (72 percent) had difficulty recruiting for open positions in engineering. A majority also had difficulty filling many other STEM jobs including IT/computer specialists, scientists and high-skilled technicians.¹ Nearly two-thirds (65 percent) struggled to recruit managers and executives, and more than half (54 percent) said they had difficulty finding qualified sales managers. Lack of technical skills, competition from other employers and lack of work experience are key reasons HR professionals are having difficulty filling jobs. Three out of five HR professionals (60 percent) in the manufacturing industry said they were having overall recruiting difficulty for their full-time openings. More than half of health-care/social assistance respondents and HR professionals in the high-tech industry reported the same difficulty.

Solving the skills gaps will take a multipronged approach by HR professionals and employers at large. One strategy for addressing the skills gap is to widen recruitment efforts to identify talent from segments of the workforce that may be underutilized, including veterans, individuals with disabilities, and the long-term unemployed. To this end, SHRM partnered with the Administration on its initiative to address the issue of long-term unemployment by helping to identify voluntary effective practices for hiring and recruiting job seekers with employment gaps. SHRM also serves as an Alliance partner with the Department of Labor Office of Disability

Employment Policy to encourage HR professionals to hire from this talent pool and to offer resources on accommodation. Furthermore, in an effort to focus employer attention on a critical talent group, SHRM works closely with the Department of Defense Employer Support of the Guard and Reserve (ESGR). Through this partnership, we seek to help HR professionals source military talent, including veterans and members of the Guard and Reserve who seek to transition to the private sector, as well as how to retain them in the workplace. Most recently, SHRM has partnered with Easter Seals Dixon Center on a pilot project in Southern California which is focused on linking SHRM members with qualified job-seeking former members of the military. To learn more, visit www.shrm.org/workforcereadiness.

While these partnerships have been helpful to SHRM members in addressing talent management needs, more must be done to increase engagement between HR professionals and the public workforce development system. SHRM member experiences with the system vary widely by region and industry with some reporting active engagement while others lack familiarity with the resources and services. WIOA presents an important opportunity to strengthen engagement for all employers.

Challenges with Current System

While WIOA creates new opportunities for a business-driven system, the current program has not always been viewed as a dual-customer system that effectively responds to the needs of employers. While the current system often produces a multitude of applicants, too few are actually qualified for the available positions. The need to improve applicant screening is one of the top challenges our members face when using the current system. According to HR professionals, applicants sometimes do not show up for their interviews and ignore instructions for the application process, leading to frustration for employers. Effectively pre-screening candidates for the positions might ensure that applicants are truly interested in the opportunity and would improve the relationship and reliability of the system in the eyes of employers.

SHRM surveyed its members who interact with the public workforce development system to develop recommendations outlined in our comments. Of SHRM members who interact with the public workforce development system, they were most likely to utilize the system to post job openings and to host local job fairs. Members were less likely to utilize the individualized training accounts to meet training and education needs of their organization and many were unaware that training services existed in their communities.

Recommendations

WIOA provides a critical opportunity for improved promotion of available services and outreach to local businesses. Many employers view the public workforce system as serving individual job seekers and are unaware of the various resources and services available to employers. SHRM encourages the DOL to improve the “marketing” of one-stop services to employers, especially the wide variety of training services available to employers. This is important because recent SHRM research suggests a downturn in company investments in many
forms of job training. Smaller employers and employers in regionally disconnected areas, in particular, could benefit from partnering with the local one-stop to assist with training needs.

(1) One-Stop Business Services

To facilitate connections with employers, DOL should encourage a single point of contact for employers at each one-stop. Some regions in the country have established a designated business liaison but clearly identifying a staff person for this function could benefit all one-stops. Our members report that it is unclear who an employer should be working with in the system. One of our members said a liaison should “understand employer needs... and the system shouldn’t try to fit the needs of business into a government program, but instead should focus on fitting government programs to meet the needs of employers.”

(2) Networking with Employer Groups

The one-stop staff should also inventory the community to identify local business groups and employer associations in order to make connections. For example, SHRM has more than 575 affiliated chapters within the United States and nearly every chapter has a designated “Workforce Readiness Advocate.” We urge the one-stop delivery system to reach out to local SHRM chapters and request opportunities to present at chapter meetings and meet employers “where they are.” Furthermore, invitations could be extended to invite SHRM members to train one-stop staff on how to coordinate with employers. We support DOL disseminating additional resources to the one-stop system about this kind of effective outreach with business.

In fact, SHRM’s partnership with ESGR, mentioned earlier, makes a useful case study for connecting with employer groups at the local level that could be adapted for use by local one-stops.

Early in our partnership with ESGR, SHRM challenged all of our state councils and chapters to sign the ESGR Statement of Support. The response was tremendous and served as a way to educate SHRM chapters and state councils about ESGR and its services for employers as well as develop excitement for working together. At the national association level, SHRM developed and made available a toolkit designed to help HR professionals recruit, hire and retain veterans, guard, reservists, and military spouses in the workplace. Once this linkage was established between SHRM members and ESGR and its mission, local ESGR volunteers regularly attended local SHRM chapter meetings, developed relationships and served as a resource for employers with hiring needs. ESGR also regularly exhibits at both national SHRM conferences and at state SHRM conferences. We encourage the Department to consider this type of partnership when examining effective business outreach strategies for helping employers better understand the services of the one-stop system.

(3) Help Connect Employers to Services Based on Identified Employer Needs

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We appreciate proposed regulation 678.435 enumerating a variety of business services available through the one-stop delivery system. Employers benefit from demand-driven services from the local one-stop to address their talent management needs. Employers are seeking assistance with training, including greater access to on-the-job training, without administratively burdensome requirements, and access to incumbent worker training. When asked about training, SHRM members reported that they would benefit greatly if their local one-stop better understood the industry training needs in the local economy and effectively partnered with industry. One-stops should already be acting as mediators to connect employers with local education and training providers. However, many SHRM members do not report receiving this service and would find it valuable.

Conclusion

SHRM and CFGI support the goals of WIOA to address the needs of employers and employees and appreciates the opportunity to provide our thoughts on how to develop a robust system. Given employer interest in the WIOA, we commend the Departments for issuing regulations designed to strengthen the system for both employers and job-seekers. We aim to keep our members aware of the latest resources that help them get more involved in building workforce readiness in their communities. We would welcome the opportunity to work with DOL to educate SHRM members on the services available through the WIOA to meet their talent management needs and how to best avail themselves of those services. Please contact us if you have questions or would like further information.

Sincerely,

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