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Hiring Managers Report a Lack of Job Candidates with the Right Skills

Most college-educated job seekers are failing to demonstrate they have the right combination of skills and traits for the positions available, according to the results of a survey of hiring managers conducted by The Career Advisory Board of DeVry University.

The survey, which was conducted in October 2014, asked 524 hiring managers responsible for screening post-college-level applicants and making hiring decisions about any gaps they have observed between the skills candidates present and the skills employers are looking for, as well as about the criteria they use in selecting successful candidates to fill available positions.

The hiring managers polled said they are seeking to hire employees who meet as many of their criteria as possible, but only 7% reported that nearly all or most job seekers have the combination of skills and traits their company needs.

The respondents identified basic written communication ability as one of the most desirable skills for entry- and mid-level employees, but reported that it was one of the least common skill sets displayed by job candidates. The hiring managers surveyed said they view a candidate's ability to demonstrate results in a similar position as the most important factor in filling a job, followed by a candidate's willingness to learn and grow in a position. The findings also indicated that hiring managers see problem-solving skills as a differentiator, and that they have a favorable view of job seekers who can showcase how they will use their knowledge and experience to make an immediate contribution to the organization's bottom line.

In addition, the survey showed that integrity, a strong work ethic, accountability, self-motivation, and strong basic interpersonal ability are the most critical attributes for entry-level candidates. By contrast, hard

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skills in technology, decision-making, presentation, and risk-taking were not seen as essential for an entry-level position.

The results further indicated that 87% of hiring managers are at least somewhat likely to consider micro-credentials, or specialized certificates awarded by reputable educational or business institutions, as proof of skill mastery.

Despite the trend toward globalization and the use of big data to identify ideal candidates, the survey found that hiring managers tend to favor candidates who are already based in the local area: 75% said they are not willing to relocate candidates from other geographic areas. The survey also showed that one-quarter of hiring managers are even more likely to hire from within their organization than they were last year. Researchers noted that at many companies, internal candidates are being given priority consideration over external candidates, with successful junior-level employees being purposefully trained and groomed for internal promotions.

New 401(k) Plan Participants More Likely to Invest in Target-Date Funds

As a result of changes in 401(k) plan design, there was a significant increase in the use of balanced funds, including target-date funds, by recently hired 401(k) plan participants between 1998 and 2013, a newly updated annual report by the Employee Benefit Research Institute (EBRI) and the Investment Company Institute (ICI) concluded.

The study, "401(k) Plan Asset Allocation, Account Balances and Loan Activity in 2013," was based on data from the EBRI/ICI database of employer-sponsored 401(k) plans, which includes statistical information on 26.4 million 401(k) plan participants in 72,676 plans with $1.912 trillion in assets. The analysis showed that nearly two-thirds of recently hired 401(k) plan participants (with two or fewer years of tenure) were invested in balanced funds at year-end 2013, up from less than one-third of recently hired participants at year-end 1998. The findings also indicated that among the recent hires who were investing in balanced funds, more than three-quarters had invested more than 90% of their 401(k) account in balanced funds at year-end 2013.

Researchers observed that target-date funds have played a large part in the increased role of balance funds. The analysis showed that recently hired 401(k) plan participants had 41% of their 401(k) plan assets invested in balanced funds at year-end 2013, with 32% invested in target-date funds. Across all of the 401(k) plan participants in the database at year-end 2013, target-date funds represented 15% of plan assets, and 41% of all plan participants held target-date funds.

The findings further indicated that at year-end 2013, 66% of 401(k) plan participants' accounts were invested in equities—through equity funds, the equity portion of target-date funds, the equity portion of non-target-date balanced funds, and company stock—and that 90% of 401(k) plan participants held at least some equities in their account.

The study's authors noted that although equity funds represented the largest share of 401(k) plan assets, target-date funds are becoming increasingly important vehicles for investing in equities. The analysis showed that younger 401(k) plan participants had higher allocations to equities than older participants, with equities making up more than three-quarters of 401(k) assets among participants in their twenties or thirties. By contrast, participants in their sixties were found to have had a little more than half of their 401(k) assets invested in equities.

The study also showed that 401(k) loan activity has held steady in recent years. At year-end 2013, 21% of all 401(k) participants who were eligible for loans had loans outstanding against their 401(k) accounts. Researchers noted that this share was unchanged from the previous four years (2009–2012), but was slightly higher than the levels seen prior to the financial crisis (2006–2008).

The analysis further indicated that at year-end 2013, the average 401(k) participant account balance was $72,383 and the median account balance was $18,433, with 39.3% of participants having account balances of less than $10,000, and 19.6% of participants having account balances greater than $100,000.

Researchers pointed out that, on average, 401(k) account balances increased with participant age and tenure; and that age, tenure, salary, contribution behavior, rollovers from other plans, asset allocation, withdrawals, loan activity, and employer contribution rates affect an individual's account balance at any point in time. For example, the average account balance among 401(k) plan participants in their sixties with more than 30 years of tenure was shown to be nearly $250,000 at year-end 2013.

Onsite Medical Clinics Can Boost Worker Productivity

Employers are finding that providing workers with access to onsite or near-site medical clinics is a successful strategy for controlling health care costs, improving employee health, promoting engagement in worksite programs, reducing absenteeism, and ultimately increasing productivity, the findings of a study by the National Association of Worksite Health Clinics (NAWHC) and PwC US indicate.

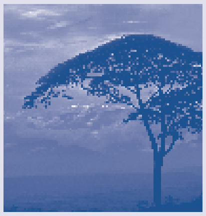
Based on the results of a recent survey of 255 employer sponsors of onsite clinics and other industry research, the study found that the greatest return on investment in onsite clinics was among employers with worker populations who have high levels of usage of emergency rooms for non-emergency conditions and of lost time from unscheduled medical issues; as well as populations who have low levels of usage of existing primary care, preventive screenings, or condition management programs and services.

The survey showed that a majority of employers of all sizes are finding that the financial objectives for their onsite clinics are being met: 64% reported a reduction in medical care costs, almost 70% said the amount of time lost by employees leaving work to see outside medical providers had been reduced, and 63% reported reduced use of the emergency room by employees. The results also indicated that employers offering clinics are reporting enhanced integration of health management services, higher employee engagement in health management programs, and increased effectiveness of health promotion efforts.

According to the survey, the top services offered at employer clinics are acute care, emergency or first aid care, preventive care, and wellness. The survey also found that 30% of onsite clinics now provide primary care services, and that this share is expected to grow in the future. In addition, the findings suggested that telemedicine is an emerging trend among users of onsite clinics, especially in the areas of acute care, wellness, and behavioral health.

More than 35% of the employers polled reported that they self-manage their clinics and do not contract with a vendor or provider to operate the facility or hire providers. While most of the respondents said they contract with third-party vendors to manage their clinics, researchers noted that an increasing number of employers are finding partners among local physician groups and hospitals. The employer clinics are mainly staffed by nurse practitioners, registered nurses, and physician assistants.

Researchers observed, however, that some sponsors of onsite clinics appear



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to be uncertain about how the services these clinics provide interact with the requirements of the Affordable Care Act (ACA) and other aspects of their broader health care plan. More than one-third of the employers surveyed said they do not consider their onsite clinics to be part of their benefit plan, and many sponsors admitted they are uncertain about how to value a clinic for the purposes of the ACA's excise tax computations.

The results further revealed that, among the lessons sponsors have learned in developing clinics are the need to promote a clinic's confidentiality and privacy, to have providers who relate to and understand the workplace and its culture, to offer services for free or at lower prices than outside services, to use vendors with state-of-the art ROI tools, to ensure that clinic activities are integrated with all wellness programs and vendors, and to offer easy access to the clinic.

CEOs Report Seeking Sustainable Business Growth

While acknowledging that a range of geopolitical and economic risks are creating uncertainty in the global business environment, most CEOs report that they are focused on achieving high-quality, sustainable business growth through capacity building and the development of strong cultures of innovation, engagement, and accountability within their organization, according to the results of a recent survey conducted by the Conference Board.

The survey of 943 CEOs, presidents, and chairmen from across the globe found that business leaders are coping with a number of challenges, particularly fundamental changes in customer behavior, the emergence of new competitors globally, and a slowdown in emerging market growth. The survey indicated, however, that executives are seeking to counter these headwinds with investments in effective leadership and quality talent, and are generally optimistic about future profits.

The findings further suggested that business leaders are less likely to engage in cost-related defensive strategies, and are more likely to make growth-oriented, aggressive investments of time and money in intangibles such as business process redesign, improving workforce and leadership skills, and building more dynamic relationships with customers. The business leaders surveyed said they see themselves playing a very hands-on role by personally engaging with key customers and clients, as well as with government regulators.

When asked to name their most critical long-term challenges to drive business growth, the top five responses of the leaders surveyed were human capital, innovation, customer relationships, operational excellence, and sustainability.

The respondents were also asked to identify the emerging "hot button" issues—or short-term issues that require immediate attention—they expect to deal with in 2015. The survey found that cybersecurity was among the top hot button issues named, especially by U.S. respondents, who cited cybersecurity as the second most critical hot button after changes in customer behavior.

With the exception of respondents in Europe, who reported being particularly concerned about global political/economic risk and regional volatility, the results indicated that most of the respondents see organizational agility and flexibility as the most critical competency, and place less emphasis on geopolitical risk.

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