



RECRUITING FOR THE SKILLED TRADES IN SHIPBUILDING AND REPAIR

CURRENT PRACTICE AND EMERGING TRENDS



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Current Practice and Emerging Trends

A report by the National Maritime Education Council. Funding provided by the National Shipbuilding Research Program (NSRP).



Established in 2012, the **National Maritime Education Council (NMEC)** is a multi-regional, industry-driven, member-based trade organization working to address workforce challenges facing the shipbuilding and ship repair industry. Its mission is to lead the maritime industry in the development, promotion, and implementation of a national maritime workforce development system that includes standardized craft training processes and portable credentials.



The mission of the **National Shipbuilding Research Program (NSRP)** is to reduce the total ownership cost and improve the capabilities of both United States Government and U. S.- flag commercial ships.

The Program accomplishes this mission by providing a collaborative framework to manage, focus, develop, and share research and development and leverage best practices in shipbuilding and ship repair.

+ INTRODUCTION

AN OVERVIEW

An effective recruiting process is critical for saving time and money when it comes to identifying, attracting engaging, recruiting, and retaining talent and, more importantly, for recruiting the right candidates for the job. Yet, the ability to attract the best talent in an increasingly competitive job market presents a number of challenges for recruiters and HR professionals—record-low unemployment, economic expansion, the lack of technically skilled workers, an aging workforce, to name a few. Compounding these challenges are the negative perceptions that plague the industry and the skilled trades.

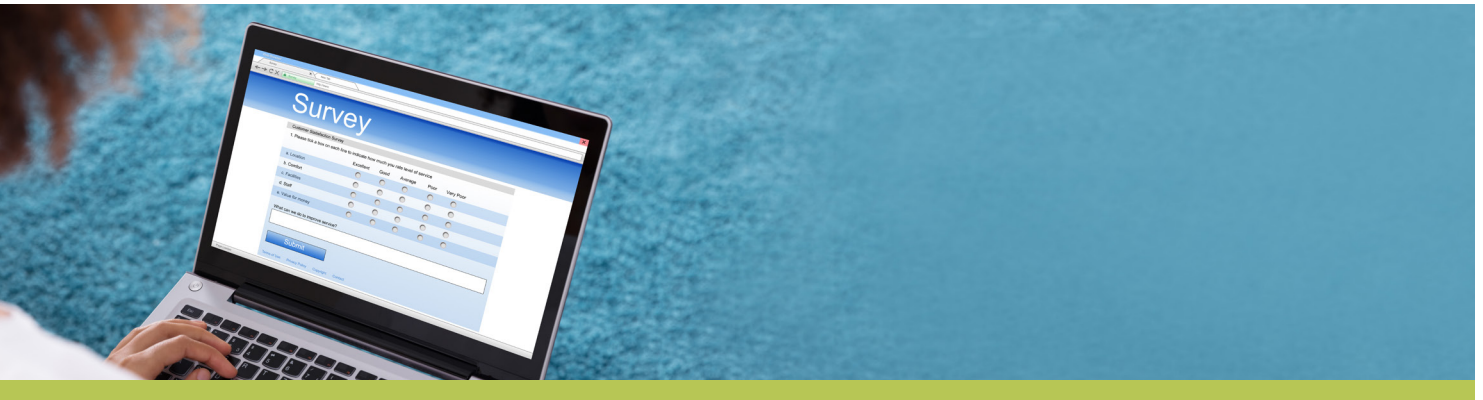
As part of the *Build Your Future (BYF) Shipbuilding* initiative--a Workforce Development Panel project funded by NSRP--the National Maritime Education Council (NMEC) conducted a survey to gather data related to recruiting practice in today's shipyards as they related to skilled craft (trade) workers. This report examines current recruiting practice in the industry and offers the latest research and trends related to the recruitment and retention of skilled trade workers and the workforce in general. The goal of the report is to inform future practice by improving efficien-

cies, reducing costs associated with the recruiting process, and enhancing the candidate experience, which has been proven to improve outcomes related to talent acquisition, retention, and development.

+ SURVEY METHODOLOGY

AN OVERVIEW

In the next five years 72% of those responding to NMEC's 2019 Recruiting survey anticipated an increase of 10% over their current workforce. The remaining 28% anticipated growth from 4%-9%. However, finding workers who have the education, experience, skills, and certifications needed to be successful on the job is becoming increasingly difficult. According to the Society of Human Resource Managers, "Because a high quality workforce is the most important determinant of business success, these challenges have a direct influence on an organization's competitiveness both today and in the future."¹



Focusing primarily on talent acquisition, NMEC surveyed shipyard human resource managers from shipyards across the country using an online survey tool to gain a better understanding of current practice. The anonymous, online survey was open from November 5, 2019 to December 2, 2019. Shipyards from across the country were invited to participate through NMEC, NSRP's Workforce Development Panel, the BYF Collaboration Team, and various industry trade associations.

The study sought to explore the following topics:

- Driving factors behind shortages among skilled trade workers
- Recruitment strategies utilized

- Metrics used to assess recruitment strategies
- Sources of candidates
- Methods of communication

In addition to recruiting practice, employee retention and development practice as it related to the trades was also explored. Once data were collected and examined, a comparative analysis of the data; examination of similar industry sectors as it related to recruiting skilled trade workers; and exploration of current trends in the areas of recruitment, retention, and development was conducted in an effort to establish benchmarks for future study and to inform future practice.

+ SKILLED TRADES

NEEDS OVERVIEW

The need for skilled trade workers is expected to increase over the next five years according to survey respondents. In fact, 72% of those responding to the survey anticipated an increase of 10% over their current workforce. The remaining 28% predicted growth from 4% to 9%. None of those surveyed expected a reduction in their current workforce over the next five years.

Survey respondents anticipated an increase of 10% over their current skilled trade workforce.

Drivers of Labor Shortages

As indicated in Chart 1, the lack of technically skilled workers ranked as the number one factor responsible for shortages in the skilled trades followed by poor industry image, and a rapid increase in backlogs. Other factors

driving shortages cited by respondents and in no particular order related to the inability to pass drug tests, attendance, industry competition, fluctuating workloads resulting in layoffs, record low unemployment, and the push towards four-year degrees.

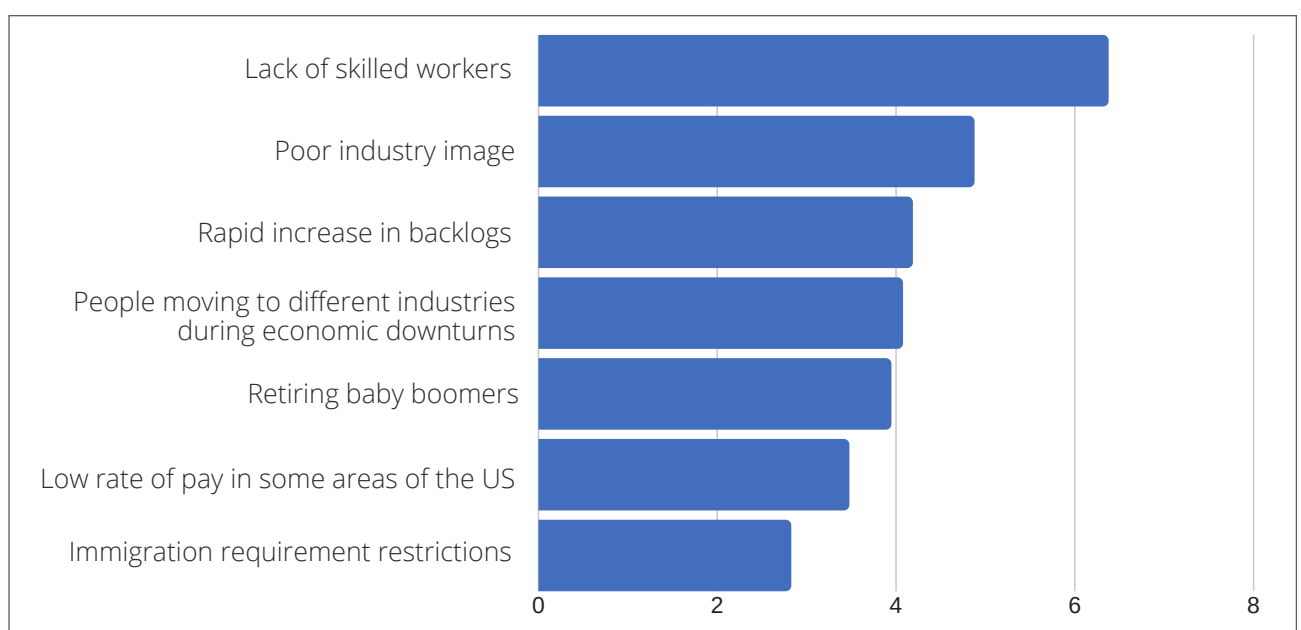


Chart 1. Driving factors behind skilled trade shortages ranked from most to least impactful.

Key Findings

- Welders, shipfitters, electricians, and pipefitters ranked as the top craft areas where workers were in short supply.
- The lack of technically skilled workers ranked as the number one driver of labor shortages. Poor industry image ranked second.

Feeling the Pinch for Skilled Labor

Shipyards are feeling the pinch when it comes to skilled labor. The top craft areas where workers are in short supply included welders, shipfitters, electricians and pipefitters. Welders and shipfitters were cited equally as the number one craft area where they were experiencing shortages. Equally ranked in third were electricians and pipefitters.

Pain Felt Across Industry Sectors

Across industry sectors, skilled trade jobs consistently rank hardest to fill. In fact, in a recent study by *Deloitte and The Manufacturing Institute*, executives rated skilled trades shortages as very high and expected the difficulty in terms of filling positions to increase significantly.²

A number of factors contribute to the shrinking skilled labor pool. Consistent themes across industry sectors included the lack of skilled workers, industry image, an aging workforce, the four-year college agenda, and fewer young people interested in skilled trade careers. Research suggests that this lack of enthusiasm for the skilled trades among young people could be attributed to misconceptions related to earning potential, pay gaps, and advancement opportunities.³

“The perception is that it’s harder to find people. The reality is that it’s easier than ever to find people. It’s just harder to engage them—especially when that talent has 100 other companies coming after them.”⁴

John Vlastelica
Managing Director at Recruiting
Toolbox
Future of Recruiting, LinkedIn

+ RECRUITING PRACTICE

STRATEGIES TO GET THE BEST-FIT CANDIDATE

Most shipyards responding to the survey utilized a structured recruiting strategy to identify talent pools, attract candidates, and get the best-fit talent. Fifty percent of those responding reported that the strategy varied based on the job being filled. The other half either relied on a formal, written strategy or a combination of cultural habit and written strategy. Of those responding, none fully outsourced their recruiting processes.

Being change ready to adapt to technology employed systems was not a strategy utilized by most shipyards.

Recruitment Strategies

Shipyards use a number of strategies in their recruitment processes (see Chart 2). Hiring the best-suited talent, developing a clear employer brand and rehiring ex-employees were the

top three strategies reported by respondents. However, being change ready to adapt to technology employed systems was not a strategy utilized by most shipyards.

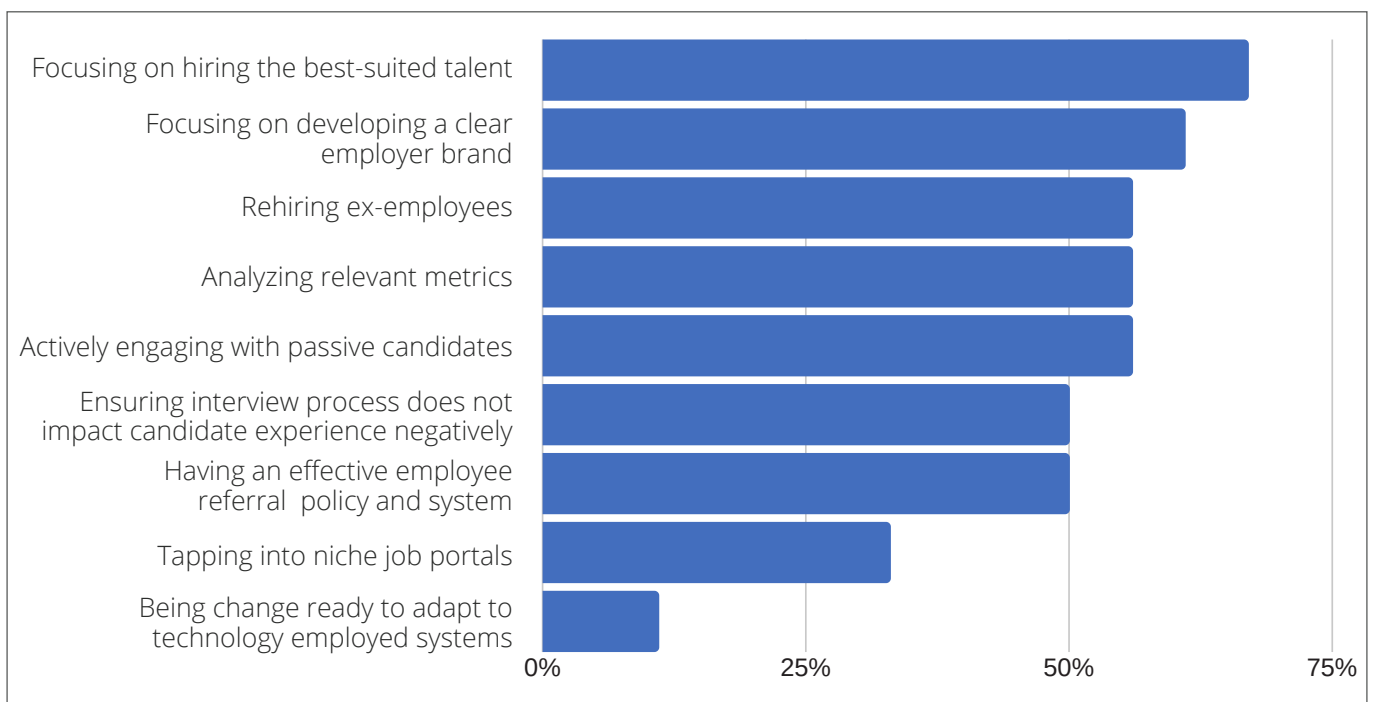


Chart 2. Shipyard recruiting strategies ranked from most to least frequently utilized.

Key Findings

- Employer branding was not a recruitment strategy utilized by 39% of survey participants.
- Only of respondents ensured the interview process was one that did not impact the candidate experience negatively or utilized an employee referral system.
- Being change ready to adapt to technology employed systems was not a strategy utilized by 89% of respondents.



In addition to these strategies, other successful strategies cited by respondents included

- On-the-job training programs
- A developed network to tap into for new employee candidates
- Jointly funded partnerships with state community colleges and Job Corps
- Growing your own through community colleges and high school adult education programs

Importance of Employer Branding

Employer branding is among the top recruiting trends for 2020. Why is this important? According to research conducted by LinkedIn, 75% of job seekers investigate a company's reputation and employer brand before applying for a job.⁵ Moreover, 69% of job seekers would reject a job offer from a company with a bad reputation even if they were unemployed at the time the offer was made.⁶

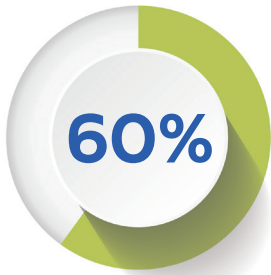
- Candidates and employers alike cited poor work-life balance and excessive turnover as the most critical factors affecting employer brand.
- Both groups cited compensation and career advancement opportunities as positive factors.⁶



Percentage of job seekers who investigate a company's reputation and employer brand before applying for a job.



Percentage of job seekers who would reject a job offer from a company with a bad reputation even if they were unemployed.



Percentage of job seekers who reported a negative candidate experience with the employers they engage.



Percentage of job seekers who reported sharing their negative candidate experiences online.



Percentage of job seekers who reported avoiding certain companies after reading negative online reviews.

Candidate Experience Matters

1. The hiring process mainly involves four stages--sourcing, screening, selection, and onboarding. The impressions and reactions of job seekers at each stage of this process are referred to as the candidate experience.⁷ The candidate experience is becoming increasingly important. In fact, the lines between candidate experience and employee experience are beginning to blur as far as job seekers are concerned. Why is this important? Consider these statistics:

- 60 percent of job seekers report a negative candidate experience with the employers they engage.
 - 72 percent of job seekers report sharing their negative candidate experiences online.
2. 55 percent of job seekers report avoiding certain companies after reading negative online reviews.⁸
 3. In a CareerBuilder survey, 78 percent of job seekers surveyed felt that the "overall candidate experience they receive is an indicator as to how a company values its people."⁹

However, there appears to be a disconnect between employer and job seeker perceptions they relate to the candidate experience. In that same survey, 82 percent of hiring managers view the candidate experience as very or extremely important. However, 49% treat candidates with "the same level of respect and accountability as current employees."⁹

Improving the Candidate Experience

First and foremost, treating candidates with respect goes a long way in promoting a positive candidate experience. The Society of Human Resource Management (SHRM) recommends four additional strategies to improve the candidate experience:¹⁰

1. **Market the company.** A survey by the Talent Board, revealed that company values and employee testimonials were the two most valuable types of marketing content for candidates.

Share company values on the company website, career page, or across social media networks, Compile employee testimonials in video format and post on the company website and career page and show them at job fairs.



"Employee referrals have excellent conversion rates from interview to hire, as well as typically longer tenure with the organization. Recruiting teams are very aware of the benefits of leveraging employee referral programs to cost-effectively recruit, speed the time to hire and secure top talent to fill hard-to-fill positions."¹²

Amber Hyatt
Vice President of Product Marketing
SkillRoad

2. **Educate candidates.** Educational videos is another way to engage candidates and enhance the candidate experience. Use videos to not only promote job opportunities, but also to help candidates understand the hiring process. Video has been shown to increase response rates among the skilled trades.
3. **Respond to candidates.** Closing the loop with each candidate, whether the acknowledgment is positive or negative, is important. In one study, 30% of candidates had not received a response from employers after two months from the date they applied.
4. **Make the company "shareable."** According to the Pew Research Center, 82% of Americans own a smartphone. For younger Americans (18- to 29-year olds), smart phone ownership increases to 96%. Among this age group, 58% use their smart phone to get online. That percentage declines slightly for the 30- to 49-year olds. Still, 47% report using a smartphone to go online.¹¹

Don't Discount Referrals

Employee referrals consistently rank as a top source for hires. A well structured referral program has been shown to outperform other recruiting strategies. The statistics below support this fact:¹³

- **Better retention.** 45% of employees hired through referrals stay 4+ years.

- **Reduced time to hire.** Time to fill dropped from an average of 45-60 days to 30-45 days as a result of referrals.
- **Higher applicant conversion rates.** Referrals are 4 times more likely to be hired than candidates from other sourcing channels.

Most importantly, according to a LinkedIn survey, employee referrals are the top sources of quality hires.¹⁴

Employee Referral Program - Best Practices

Already have an employee referral program? Kick it into high gear with the following best practices:¹⁵

- Define Your Objectives
- Select a Standardized and Easy Process
- Build Awareness through Ongoing Communication
- Incentivize Employees
- Measure Performance
- Share Success Stories
- Follow-up

+ CANDIDATE SOURCES

EFFECTIVE CHANNELS FOR FINDING TALENT

Respondents were asked to rank the best sources for finding candidates. The study revealed that the company website was the best source followed by employee referrals, staffing/temp agencies, direct applications, and internal hires. Social media ranked six out of ten. Job boards, whether free or paid, ranked at the bottom of the list. Print ads were the least effective source cited.

The company website ranked at the top of the list for finding candidates. Print ads ranked last.

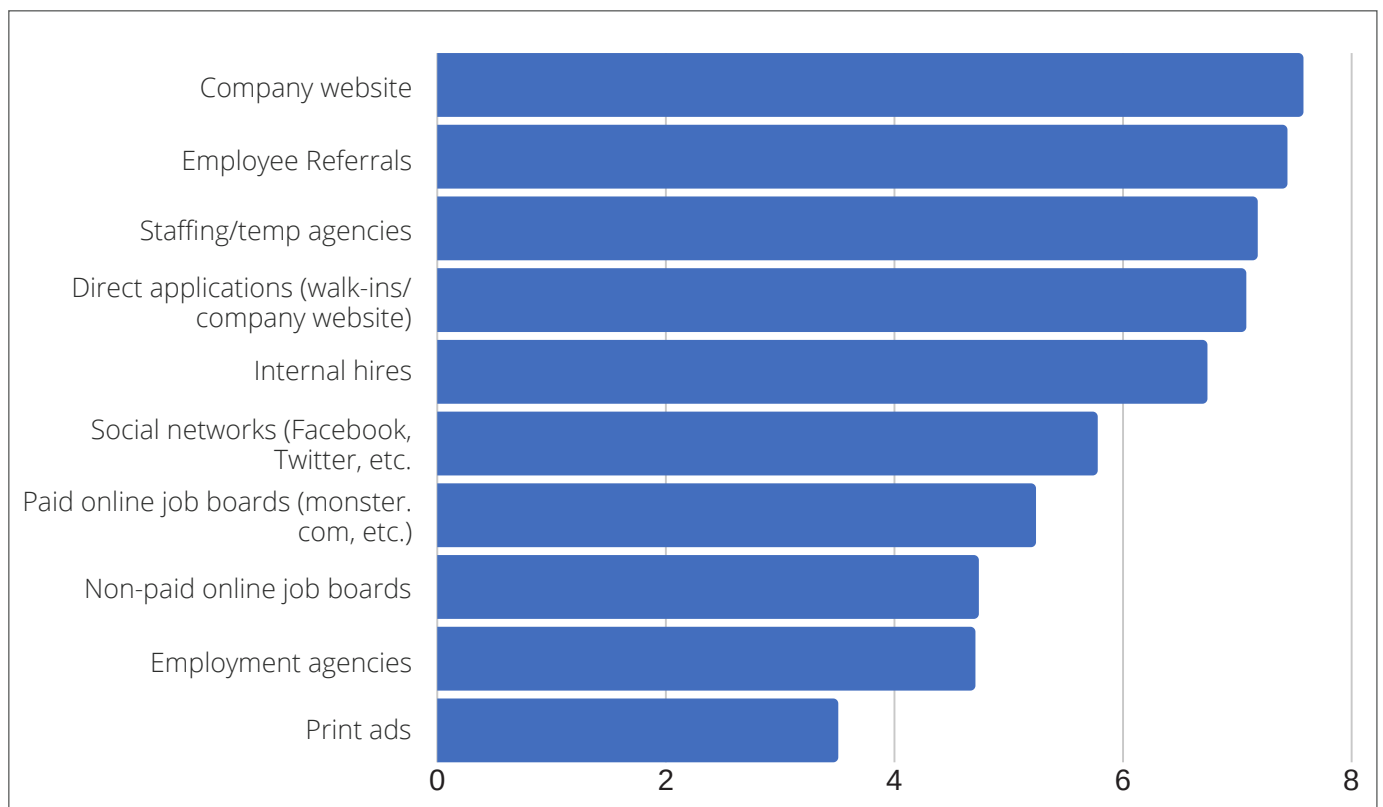


Chart 4. Best sources of finding talent.

Key Findings

- The company website was ranked as the best source of candidates followed by employee referrals, staffing/temp agencies, direct applications, and internal hires.
- Social media ranked sixth of tenth in terms of finding candidates.
- Other talent channels included high schools, trade schools, community organizations, career fairs, targeted veteran recruiting, rehires, unions and the state employment office.
- Job boards and print ads rounded out the list, with print ads ranked as the least used source.



Social Media Can't be Ignored

In a recent survey by The Creative Group,¹⁶ 94% of respondents reported that their company used social media as a recruitment tool. Social media allows companies to promote the company brand--important because it 59% of job seekers utilize social media to research companies to learn more about a company. It also provides a platform to regularly connect with job seekers. However, the top reason that companies reported using social media in a study by SHRM was to recruit passive candidates--those individuals who are not actively looking for work.¹⁷

Reach Out to Those Who Aren't Looking

Seventy-eight percent of employees are not actively look-

ing for a job. However, if the right opportunity presented itself, they would be open to moving if.¹⁸ With a historically low unemployment rate and a talent shortage, a passive candidate recruiting strategy can be an excellent addition to the recruitment toolbox.¹⁸

When building a passive recruiting strategy and testing effective sourcing channels consider:

- Partnering with trade associations
- Incorporating a military hiring strategy
- Hosting hiring events in the evening and on weekends for those who work during the day
- Communicating the employer value proposition through videos, photos, and testimonials
- Educating the future talent pipeline

+ ROLE OF THE CAREERS PAGE

A VALUABLE RECRUITING TOOL

Half of those responding considered their careers page as important part of their recruiting strategy. Thirty-one percent viewed their careers site as somewhat important. The remaining respondents either did not consider the careers web page on their website to be important to their recruiting strategy or did not have a site at all.

Nineteen percent of respondents either did not consider the careers web page on their website to be an important part of their recruitment strategy or did not have one at all.

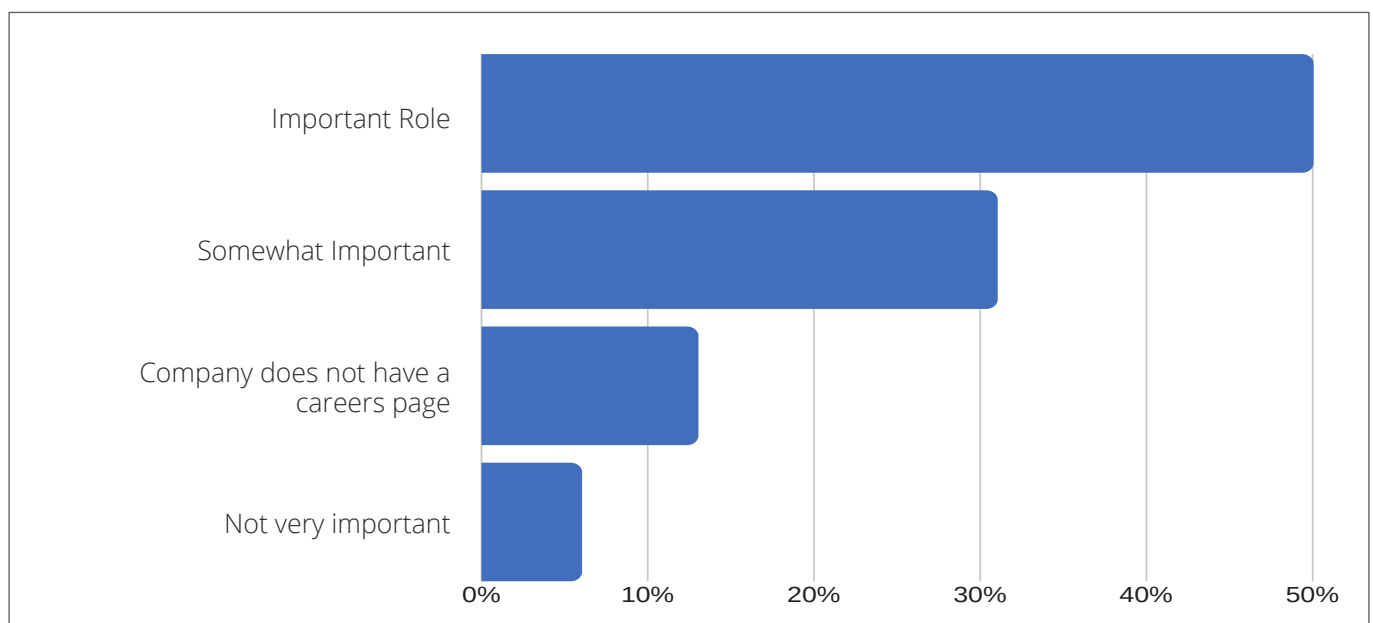


Chart 5. Role of the careers page in the recruiting program.

Key Findings

- Fifty percent of those responding considered the company careers page to be an important part of their recruitment strategy.
- The company careers page was cited as somewhat important by 31% of survey participants.
- Six percent did not consider the careers web page to be very important to the recruitment strategy.
- Thirteen percent reported not having a careers page.



The Company Website/ Careers Page is Tops

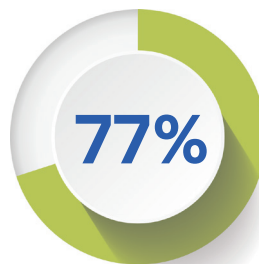
The company website and career page consistently tops the list as a low cost and effective recruitment strategy. While statistics vary, Gallup's *State of the American Workplace Report*, 77% of job seekers visit company websites to look for jobs.¹⁹

The Value of the Careers Page

Candidate leads originating from a company careers

page:

1. "Have a cost-per-hire that is 70% less than leads generated from a third-party job board.
2. Are 60% more likely to be a graded "meets or exceeds expectations" in a performance review than candidates coming from a third-party job board.
3. Experience twelve-month turnover of nearly 50% less than candidates hired from a third-party job board."²⁰



Percentage of job seekers who visit the company website to look for a job.



Percentage of decrease in cost per hire over leads generated from a third party job board.

+ CAREER WEB PAGES

FEATURES THAT DRIVE ENGAGEMENT

Elements related to the company (i.e., description, application, benefits, locations, benefits, application form) were often featured on career websites. Videos and search engine optimization (SEO) were utilized less frequently by respondents (36%). Over 70% of respondents' sites did not feature employee testimonials, social integration, or mobile optimization.

Only 29 percent of career web pages featured employee testimonials, social integration, or mobile optimization.

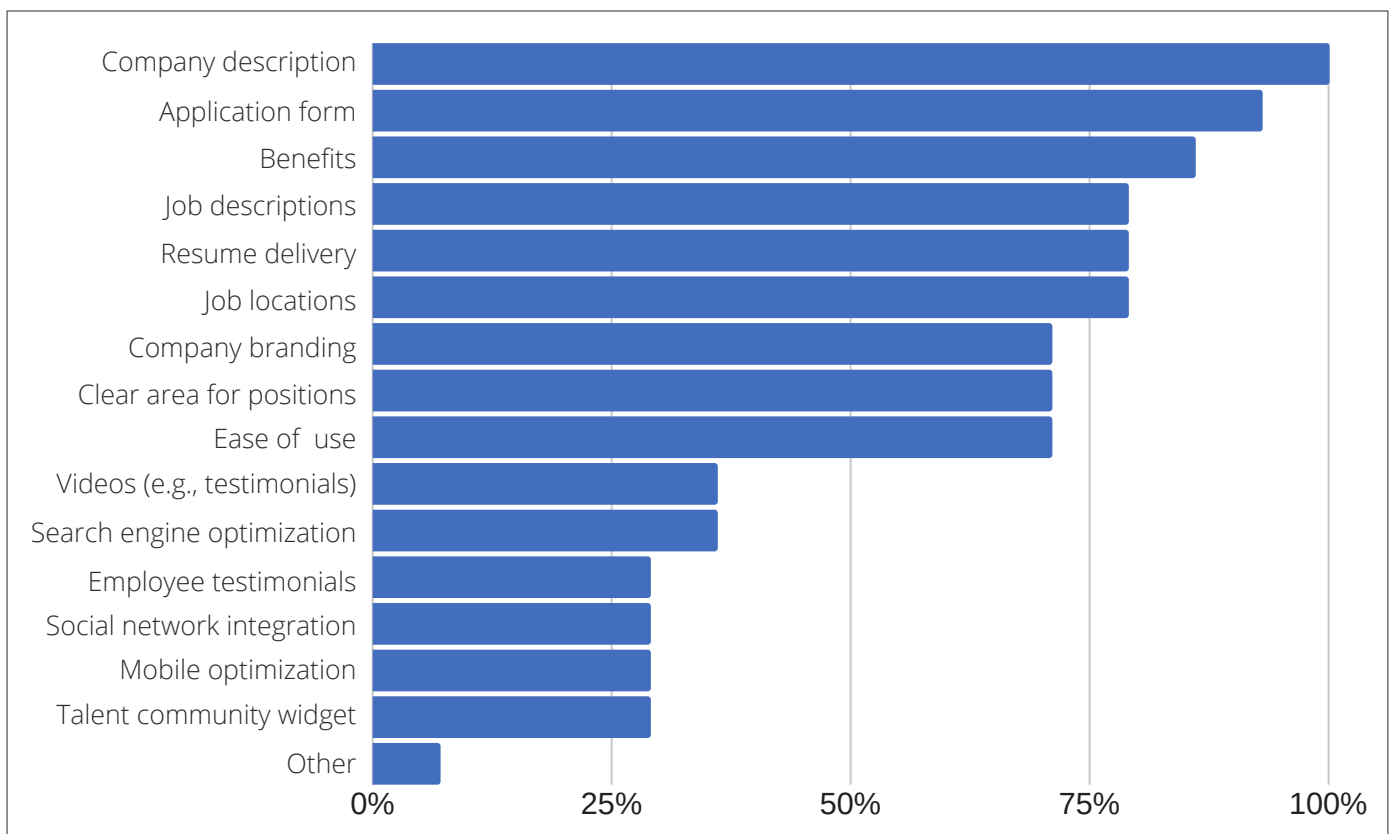


Chart 6. Elements and features utilized on career web pages.

Key Findings

- The top three features included on career web pages were company description, application form, and benefits. Job descriptions, employer branding, and having a clear area for job postings were additional features utilized by 79% of respondents.
- Thirty-six percent of respondents' career web pages did not feature video testimonials or SEO.
- Employee testimonials, social integration, and mobile optimization were utilized on 29% of sites.



Today's job seekers are researchers. Many will visit your site before they apply.

A strong employer brand and employee value proposition will let job seekers know why they want to work for a company.

Features that Drive Action

Below are nine crucial elements that will convert job seekers to applicants:²¹

1. Employee Value Proposition
2. Mission, core values and culture
3. Authentic photos and video
4. Employee testimonials
5. Links to social media and company news
6. Employee benefits
7. Candidate personas (targeted content for different job types)

8. Job postings

9. Call to action - Apply now button

Mobile Friendly is Key

Given the increasing reliance on mobile devices, mobile-friendly career sites and application processes are an expectation of 66 percent of working Americans, including 82 percent of millennials.²²

Nine out of ten job seekers conduct their search from their mobile devices and 70% of job seekers want to apply to jobs directly from their phones.

The Job Application: Keep it Short

A survey by CareerBuilder found that 20% of job seekers will commit less than 10 minutes to a job application (two to three pages on a mobile device).²³

+ SOCIAL MEDIA'S IMPACT

ON SOURCING CANDIDATES

Shipyards who used social networking as a primary source for finding candidates reported that Facebook had the greatest impact on their search for candidates, followed by Yelp and LinkedIn. Twitter and YouTube had the least impact. None of the respondents reported using Pinterest.

Facebook was the most impactful social media platform used by survey respondents.

All of the respondents who reported a reduced reliance on other methods of recruiting in favor of online and/or social networking recruiting had replaced print ads. A third of respondents

reported replacing employee referrals, staffing/temp agencies, and employment agencies in favor of online and/or social networking recruiting.

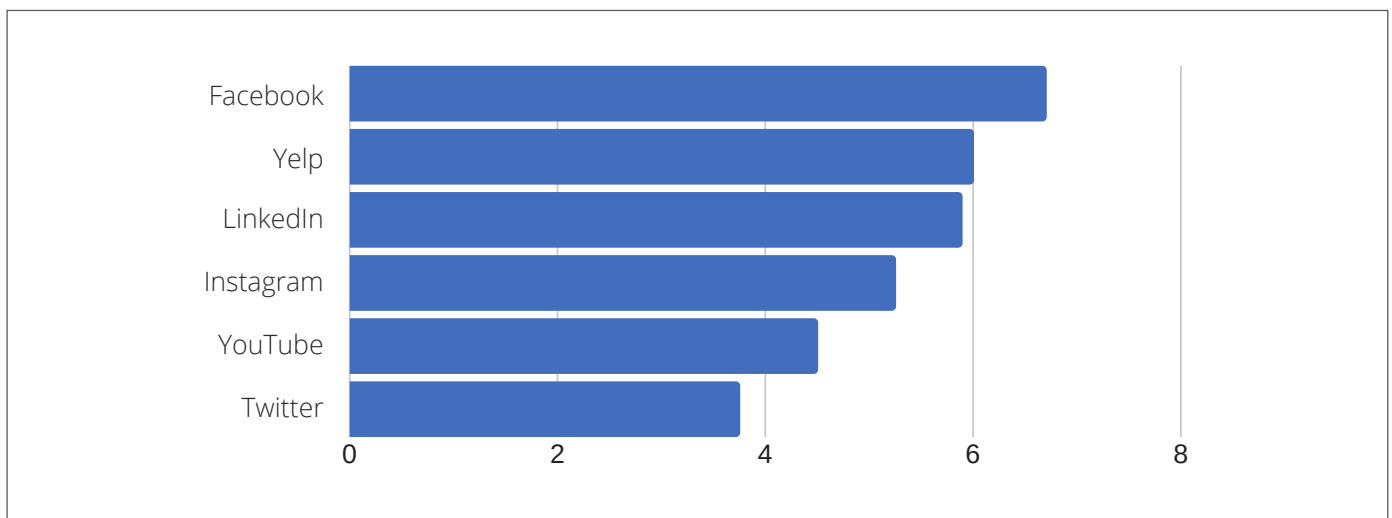


Chart 7. Primary sources for finding candidates among shipyards utilizing social media.

Key Findings

- Facebook was cited as having the greatest impact on companies' search for candidates followed by Yelp and LinkedIn.
- Pinterest was not used to search for candidates.
- Print ads were no longer utilized by those responding to the survey.



Percentage of millennials who found their last job on a social media site.



Find Candidates Where They Are

Although the company website is important, today's job seekers are on social media, particularly the 18-34 age group. In fact, one study found that 73% of millennials found their last job on a social media site.²⁴

Diversity is Key

The key to a successful social media recruiting strategy is diversity. Keep in mind that different sites appeal to different audiences. For example, Pinterest is a platform used primarily by women and could be a good source for recruiting female candidates. Twitter, on the other hand, is favored by 18-34 year olds.²⁴

Facebook

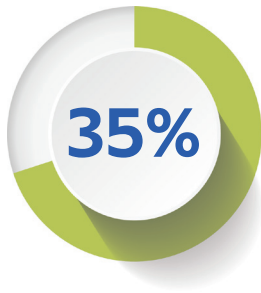
With over 2 billion users and

its broad appeal, regardless of age, gender, and education, Facebook is consistently rated as a top social media site for sourcing candidates. A study by the Pew Research Center found that 69% of adults in the U.S. use the platform. Usage patterns is another benefit of using the platform for recruiting since 74% reported visiting the site daily (see Table 1).²⁵

The Right Content for Job Seekers

The ideal content ratio for job posts on Facebook should be 25% and posted directly to your wall.²⁶ The remaining 75% of posts should focus on relevant topics. Below are ideas for content:

Company Insights. Post workplace photos, recent event videos, company



Increase of application rate when job postings include video.

updates and random candid photos from the day. Anything that will give job seekers a taste of the company culture.

Employee features. Feature employee successes and include a photo along with a testimonial. Spotlight reviews of the company's work environment.

Internally generated content. Share company articles and engage the audience by asking for opinions and reactions.

Industry relevant content. Share industry-related news.

Job seeker related content.

Include job-seeker tips, inspirational quotes, or engaging by asking the audience about their first job.²⁶

Use Video

Cisco is projecting that by 2021 video will account for 82% of all internet traffic. A CareerBuilder survey found that employers realized a 35% greater application rate when job postings included video. The same study found that views increased 12% for job postings with video.²⁶

Use of Different Online Platforms by Demographic Groups

	YouTube	Facebook	Instagram	Pinterest	LinkedIn	Twitter
U.S. Adults	73%	69%	37%	28%	27%	22%
Ages						
18-29	91%	79%	67%	34%	28%	38%
30-49	87%	79%	47%	35%	37%	26%
50-64	70%	68%	23%	27%	24%	17%
Education		27%	61%			
High School or Less	64%	61%	33%	19%	9%	13%
Some College	79%	75%	37%	32%	26%	24%
College+	80%	74%	43%	38%	51%	32%
Gender						
Male	78%	63%	31%	15%	24%	21%
Female	68%	75%	43%	42%	24%	19%
Daily Site Visits	51%	74%	63%	*	*	42%

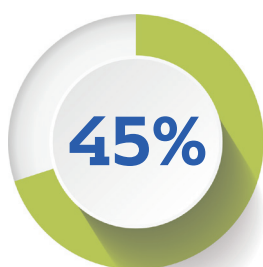
Table 1. Pew Research Report. Share of U.S. Adults Using Social Media, Including Facebook, Mostly Unchanged Since 2018.



Percentage of job seekers would be willing to change their perceptions of an employer if the employer responded to a negative review.



Percentage of job seekers considered insight into an employer's reputation important when considering a job opportunity.



Percentage of respondents who reported that online company reviews was second only to salary as the most important factors influencing their decision to accept a job offer.



Top Social Media Apps for Job Searches

According to *The Modern Job Search Report*, LinkedIn, Facebook, and Glassdoor were the top social media apps respondents used for job searches.²⁷

Your Online Presence and Reputation Matter

Transparency is an expectation among today's job seekers. One study found that 70% of job seekers would immediately distrust a company if they could not find information about the company's employer reputation online.²⁸

"Your online reputation can be your strongest asset or your biggest liability," according to digital branding and online reputation management expert Ryan Erskine.²⁹ Whether its Facebook, Glassdoor, Google, or another platform, employers are being reviewed

daily. Those reviews and ratings influence job seekers' attitudes toward potential employers and ultimately their career decisions. In fact, one survey found that 95% of job seekers considered insight into an employer's reputation important when considering a job opportunity. In another study 45% of respondents reported that online company reviews was second only to salary as the most important factors influencing their decision to accept a job offer.²⁸

Respond to Bad Reviews

The worst mistake a company can make when they receive a bad review is to ignore it. Instead, use the review as an opportunity to engage. Seventy percent of job seekers would be willing to change their perceptions of an employer if the employer responded to a negative review.

+ CANDIDATE COMMUNICATION

SOURCES OF QUALITY CANDIDATES

Phone, email, and text messaging were ranked as the top three communication tools frequently used by respondents. Social networks and traditional mail were the least used tools used to communicate with candidates.

Phone ranked as the number one tool frequently used to communicate with candidates.

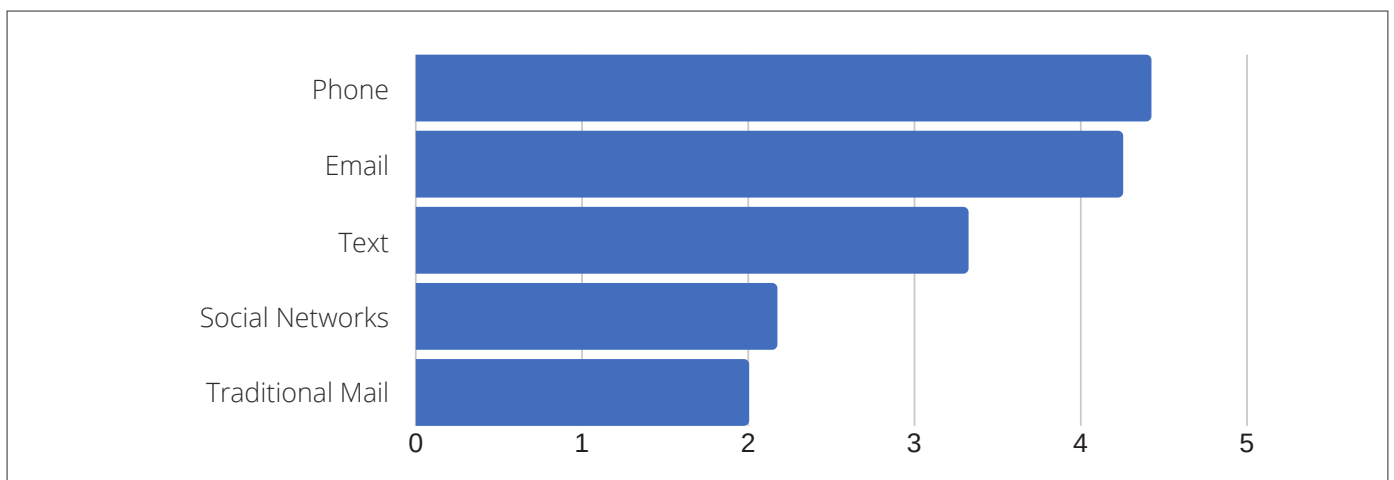


Chart 7. Ranked communication tools used to communicate with candidates.

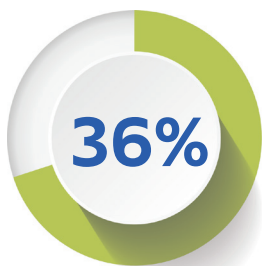


Key Finding

- The top three communication tools utilized by survey participants were phone, email, and text messaging.



Percentage of Job seekers who preferred a **personalized email** following submission of their application.



Percentage who preferred a **phone call** to acknowledge receipt of application.



Percentage who preferred a **text** to acknowledge receipt of application.

Feedback Offers Competitive Advantage

Communication during the hiring process can significantly influence the candidate experience. A negative experience can have broader implications in terms of the company's reputation.³⁰

The Application Process: Lack of Communication is Top Frustration

In a CareerBuilder survey, two of the top five frustrations job seekers reported related to the lack of communication during the application process. "Employers leaving me in the dark about where I stand as a candidate" ranked number one. "Employers not acknowledging receipt of my application" ranked fourth.³¹ Moreover, job seekers were clear on the type

acknowledgment they would like to receive once their application is submitted:

- 76% personalized email
- 36% phone call
- 18% text message

Communication Throughout the Hiring Process is Expected

Regardless of age, 82% of candidates expect a clear timeline related to the hiring process and updates during the process.³¹

Every Moment Counts

Fifty-one percent of candidates continue to job hunt, even after the offer is made and they are in the background check stage of the process. The likelihood of moving on increases, the longer the process takes. For background checks, 63% would wait two weeks at most.³¹

+ ASSESSMENT METRICS

MEASURING THE EFFECTIVENESS OF RECRUITMENT STRATEGIES AND PROCESSES

The top three metrics used by respondents to assess the effectiveness of recruitment strategies and processes were new employee retention rate, time to fill, and source of hire. Although 30 percent of those responding relied on candidate satisfaction with the recruitment process, it along with cost per hire, were the least used metrics among respondents.

Candidate experience was the least-used metric to assess the effectiveness of recruiting strategies.

Quality of Hire Metrics

One hundred percent of respondents used retention to inform the quality of hire metric. Production level comparisons of new hires vs.

standard were used by 42% of respondents. A third used hiring management satisfaction and performance rate comparisons between new hires vs. standard metrics.

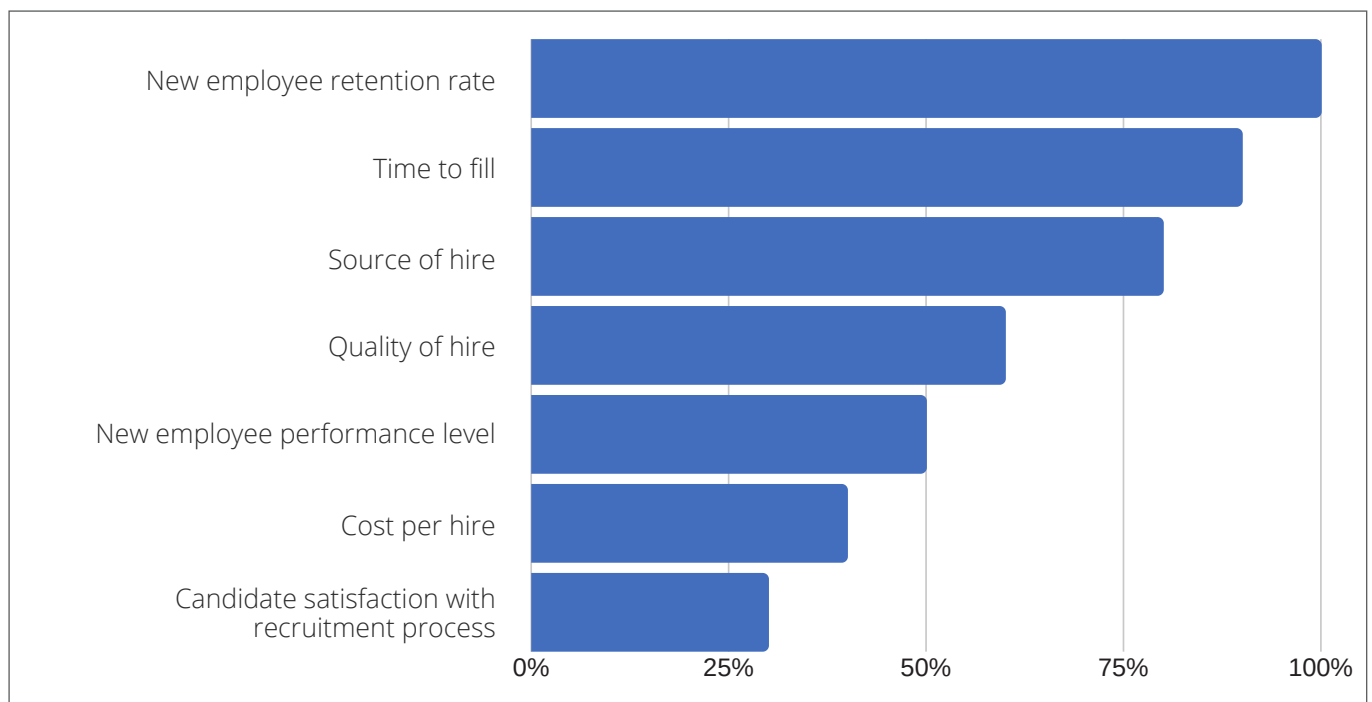


Chart 8. Metrics used when assessing recruitment strategies and processes.

Key Findings

- The top three metrics utilized by respondents included the new employees retention rate, time to fill, and source of hire.
- Candidate satisfaction was the least-used metric in assessing the effectiveness of recruitment strategies.



Percentage who recruiting professionals who cited quality of hire as a very useful metric for the future.

"The fastest hire isn't the best hire, and the cheapest hire isn't the best hire. It's all about the result--the business impact."⁴

Ross Baron, Head of Recruiting for Western Europe at TikTok

Assessment Metrics - Think Strategic

According to LinkedIn, strategic, results-based metrics—"those that measure the business outcomes of your team's efforts" rather than tactical metrics—time to hire, candidates per hire, or offer acceptance rate—are better indicators of recruiting activities on the business impact.⁴ LinkedIn's research revealed significant gaps between commonly used metrics and those considered to be very useful in the next five years. For example, 88% of recruiting professionals cited quality of hire as a metric that would be very useful in the future, but only 48% of those responding were actually using the metric. The metric with the largest gap was candidate experience. Seventy percent of respondents identified it

as being very useful over the next five years, but only 27% reported measuring it.

For future recruiting practice, the two strategic, results-based metrics that were considered most impactful were quality of hire and sourcing channel effectiveness. Candidate experience was expected to be used frequently in the future.

Metrics to Calculate Quality of Hire

The quality of hire metric is one that can't be calculated for several months after the hire. While there is no single measurement to arrive at this calculation, the most effective inputs recommended by recruiting professionals as reported by LinkedIn were employment retention, employee engagement at 6-12 months, and performance ratings.⁴

+ TIME TO FILL/COST PER HIRE

SOURCES OF QUALITY CANDIDATES

A third of respondents reported an average time to fill for the skilled trades was 1-15 days. For 25% of respondents, the metric increased to 16-30 days; 36% reported a time to fill of 31-60 days. Less than 10% reported that the time to fill took more than 60 days. Direct applications (i.e., walk-ins or web site submissions) ranked first in providing the shortest time to hire. Job boards, whether paid or unpaid, were the least efficient.

Less than 10% of those responding reported that it took more than 60 days to fill a position.

Cost Per Hire

The average cost per hire was valued at less than \$500 by 38% of respondents; an additional 38% placed the value between \$501 and \$2,500. Fifteen percent valued the cost per hire at \$2,500 and \$5,000; 8% placed the value at more than \$5,000.

Cost Effective Sources

Over half of respondents cited direct applications (submitted by walk-in or through the company website) as the most cost-effective source for finding candidates. Employee referrals and social networks were cited equally as being cost effective sources.

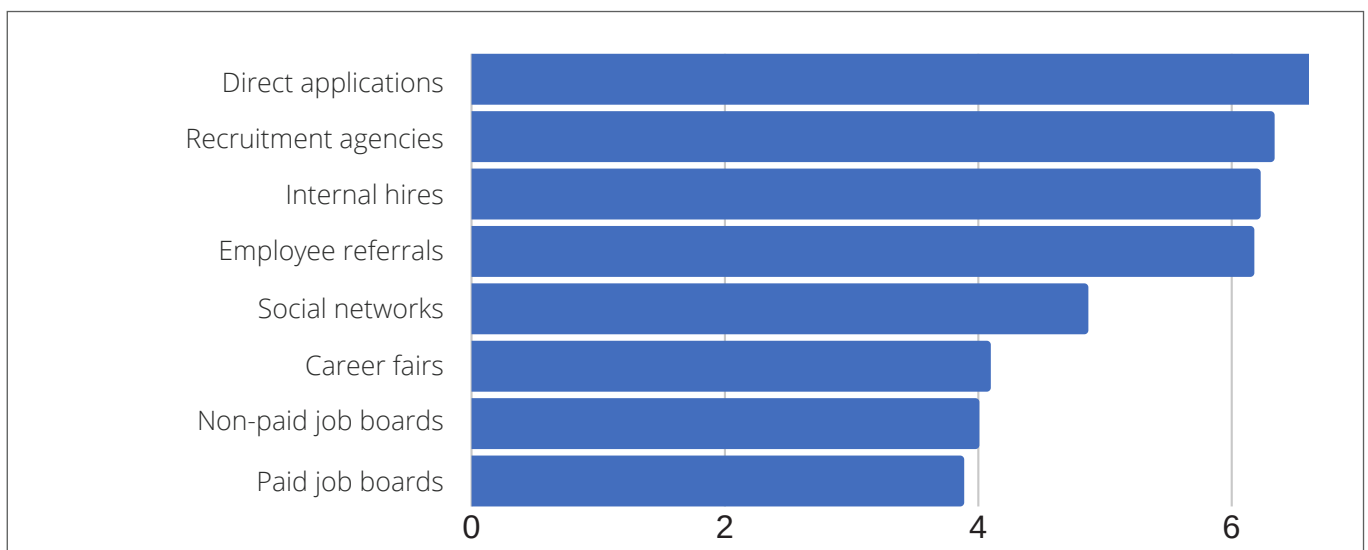


Chart 9. Candidate channels ranked in terms of the shortest time to hire.

Key Findings

- More than half of respondents reported the average time to hire to be no more than 30 days.
- Direct applications ranked as the source providing the shortest time to hire followed by recruitment agencies, internal hires, employee referrals, and social networks.
- Paid and non-paid job boards ranked last.
- Other sources utilized by respondents that decreased the time to hire included pre-hire training programs, targeted veteran recruiting, technical/vocational school recruiting, and rehires.



Reduce Time to Fill with Continuous Engagement

SHRM estimates that the average cost per hire at \$4,425 and the time to fill at 36 days. When it comes to recruiting, a candidate-centric model has been shown to reduce the time to fill. Below are solutions to challenges that impact time to fill:³²

1. Make a good first impression. Assess the company's career website/page.

- Make sure applying for a job is simple and mobile optimized
- Establish a strong brand on social media
- Highlight the Employee Value Proposition (EVP)
- Include employee testimonials

2. Build a Talent Pipeline and Keep Candidates Warm.

- Utilize an employee referrals program
- Keep passive candidates engaged through social media and email campaigns
- Keep active candidates warm with personalized messages after a recruiting event

3. Streamline the Candidate Journey to Speed up the Hiring Process.

- Eliminate bottlenecks
- Accept mobile applications (keep it simple)
- Create an onboarding portal

4. Support Clear Communication and Transparency

- Automate communication workflow so that everyone on the hiring team is in the loop as to the candidate status.

+ APPLICANT TRACKING SYSTEMS

SOURCES OF QUALITY CANDIDATES

Applicant tracking systems (ATS) were utilized by 58% of respondents. Forty-three percent of those utilizing an ATS reported that the system greatly improved the speed at which candidates were hired. Twenty-nine percent saw a slightly increased speed and another 29% saw no impact.

Fifty-eight percent of respondents reported using an ATS.

Effect on Quality of Hire

The majority of respondents (67%) saw no impact in quality of hires as a result of using an ATS. The number of respondents who reported

that the ATS greatly improved or slightly increased the quality of hire was equally split at 17%.

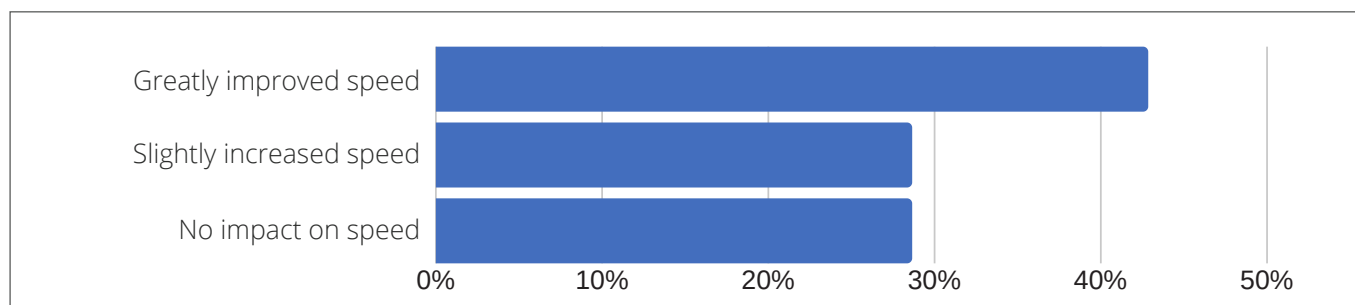


Chart 10. Impact of ATS on speed at which candidates were hired.

Key Findings

- 58% of respondents utilized an ATS
- 43% reported that the ATS greatly improved the speed at which candidates were hired.
- 67% reported no impact on the quality of hires as a result of using an ATS, although 33 percent reported that the ATS slightly increased or greatly improved the quality of hires.



Applicant Tracking Systems Save Time and Money

Applicant tracking systems are growing in popularity. Today 75% of recruiters use this software. Of those, 94% reported that it positively impacted the hiring process.³³

When used effectively, an ATS has been shown to improve cost-per hire metrics by automating routing tasks and reducing the time and money spent on recruiting.³⁴

Leverage the ATS to Improve the Candidate Experience

The ATS has the capacity to give candidates an enhanced experience by using tools that an ATS provides and taking the steps outlined below:³⁵

1. Provide a simple, mobile-friendly application process.
2. Accelerate the recruitment process
3. Follow-up and maintain continuous engagement



Percentage of recruiters who reported that the ATS positive impacts the hiring process.



Percentage of recruiters who reported using an ATS.

+ RETENTION/TALENT DEVELOPMENT

UTILIZED STRATEGIES

Hiring the right person from the start was the number one strategy cited by respondents to promote employee retention and talent development followed by offering competitive salary and benefit packages. The use of a talent management system was considered to be the least important strategy to promote retention and development.

Hiring the right person for the job was the number one strategy for retention and talent development.

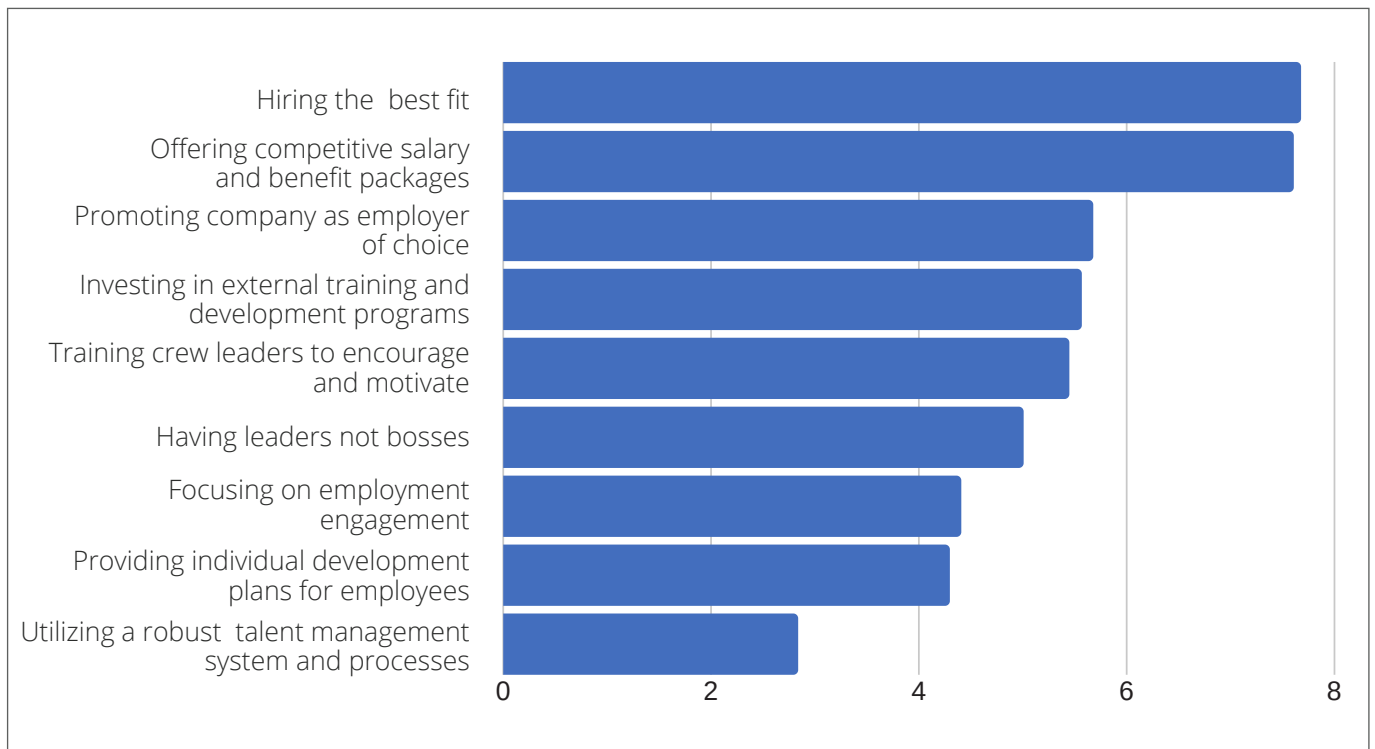


Chart 10. Employee retention and talent development for skilled trades rank ranked in order of importance.

Key Findings

- The top three strategies for retention and talent development were hiring the best fit, offering competitive salary and benefit packages, and promoting the company as the employer of choice.
- Supervisor training ranked fifth.
- Focus on employee engagement and providing individual development plans for employees ranked 8th and 9th, respectively.
- Utilizing a talent management system and processes was the least used strategy.
- In-house training programs was another strategy cited by employers to promote retention and development.



Closing the Skills Gap through Employee Engagement

According to Gallup's *State of the American Workforce*, only a third of employees in the U.S. are engaged at work. That is, they are "involved in, enthusiastic about, and committed to their work and workplace."¹⁹ Yet, the business impacts of an engaged workforce are clear.

Highly engaged business units saw improvements in:

- Absenteeism (41%)
- Lower Turnover (24%) in high-turnover organizations
- Fewer safety Incidents (70%)
- Fewer quality incidents (40%)
- Higher productivity (17%)
- Higher profitability (21%)

According to the researchers, "engaged employees produce better business outcomes than other employees--across industry, company size, and nation-

ality, and in good economic times and bad."¹⁹

Groom Leaders Not Managers

"From diversity and inclusion to productivity and retention, the manager plays a singular role in the life of an employee."³⁶ Analysis by Gallup revealed that, 70% of the variance in team engagement is impacted by the effectiveness of the manager.

Provide Career Development

Only 36% of employees feel that their employer provide them with a clear career path. Yet, 60% of employers think they're getting it right.³⁷

The focus of an employee's career development plan should relate to professional growth and learning, a process that starts with identifying strengths and competencies as well as skill gaps and considers career path options—from lateral moves to shifts in responsibilities to promotions.³⁸

+ GROWING THE PIPELINE

TO MEET WORKFORCE NEEDS

Community college partnerships and sponsoring apprenticeship/training programs were strategies used by all survey respondents. Eighty-three percent of respondents reported partnering with local high schools and working through consortia/trade associations. Two thirds reported working with local workforce investment boards while 58% cited the promotion of mentoring programs and support for engineering schools.

Community college partnerships and apprenticeships were strategies used by all respondents for growing the talent pipeline.

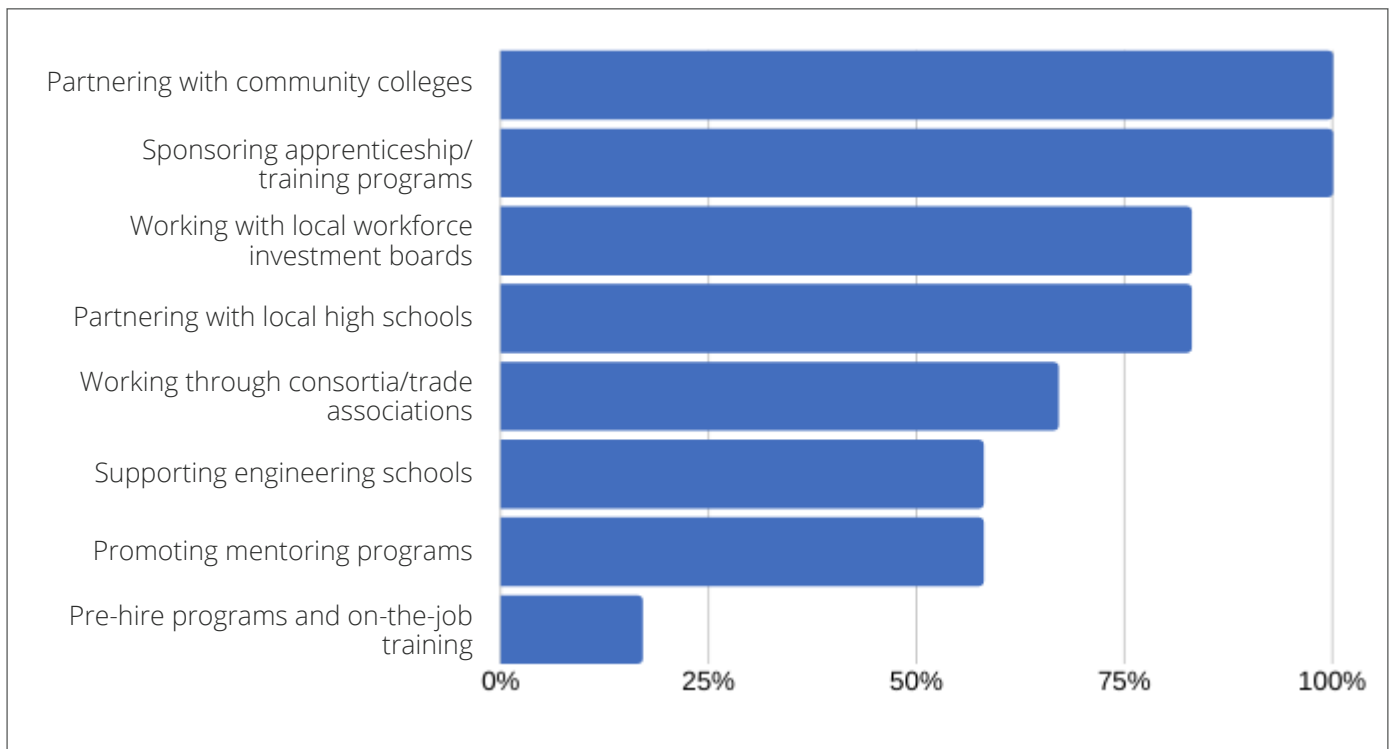


Chart 11. Activities utilized by respondents to grow the talent pipeline to meet future workforce needs.

Key Findings

- Community college partnerships and apprenticeships were strategies utilized by all respondents.
- High schools and trade associations were utilized by 83% of survey participants.
- Local workforce investment boards were utilized by 67%.
- Mentoring program and support for engineering schools were cited as strategies by 58% of companies responding to the survey.
- Other strategies included pre-hire training programs and on-the-job training.



Overcoming the Skills Gap

According to the Pew Research Center, 10,000 people per day will reach the average retirement age of 65 by 2030. The fact that the skilled trades are consistently ranked among the hardest jobs to fill will require tapping into underrepresented populations and generating awareness among the next generation workers.

Women

According to the Institute for Women's Policy, Women represent just 3.4% of the skilled trades construction workforce and just 10% of those participating in apprenticeship programs.³⁹ This despite the fact that women now outnumber men in the U.S. workforce.⁴⁰

Transitioning Veterans

Veterans bring to the table soft skills employers are looking for--reliability, punctuality,

work ethic as well as the technical skills that align well with the skilled trades. Because many veterans are taking advantage of GI Bill benefits, connecting with local school VA career counselors is one way to tap into the veteran pipeline as well as community organizations such as the VA and American Legion.⁴¹

Educating the Future Generation and Under Represented Groups

BYF Shipbuilding (shipbuilding.byf.org), a project funded by NSRP, is a national image enhancement and career exploration site for high school students and job seekers, including veterans and women. The platform includes an interactive career path, trading cards highlight production crafts, and downloadable resources such as posters, flyers, brochures, and trading cards.

+ SUMMARY

CURRENT AND EMERGING TRENDS

The findings of this survey revealed that the lack of technically skilled workers and poor industry image were key factors driving the skilled trade shortage. This challenge is not unique to the shipbuilding industry. With record low unemployment and an increasingly competitive job market compounded by the growing number of retiring workers exiting the workforce each day and other factors, talent acquisition managers will have to build upon the recruiting strategies that have proven successful in the past and explore new and innovative ways to attract talent to the skilled trades.

Shipyards reported that the employer brand was an important part of their recruiting strategy. The employer brand and online reputation as well as the employee value proposition (EVP) will become increasingly important as today's candidates search for jobs where they are valued and that offer opportunities for growth. Focusing on the candidate experience—one that keeps the candidate engaged throughout the hiring process and works to minimize the frustrations often associated with the application process—is a key strategy that can improve a number of key recruiting metrics,

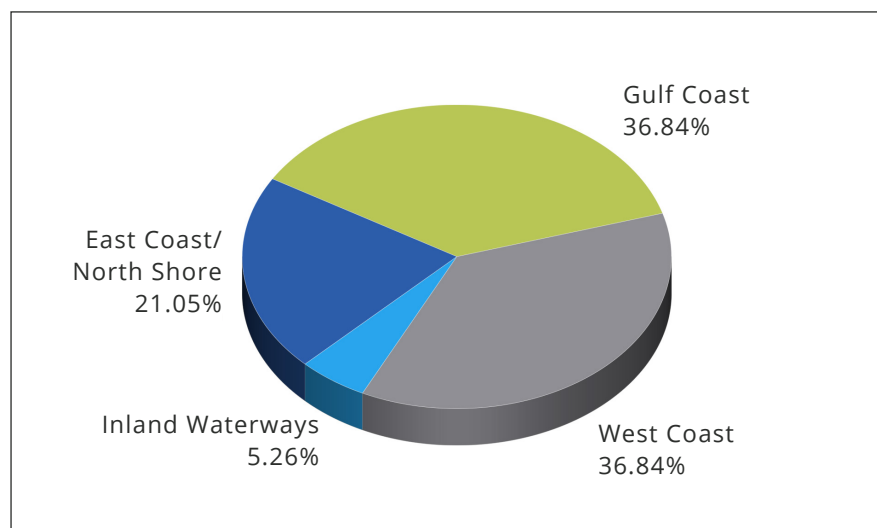
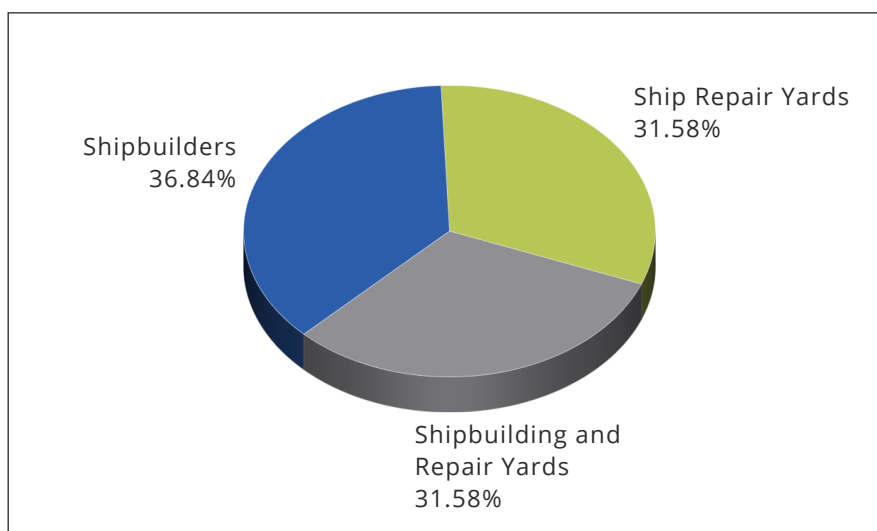
The career webpage was the top channel used for candidate sourcing, which aligned with current trends. A review of company sites is recommended to ensure that features that drive action are incorporated into the site and given the increasing reliance on cell phones, that the site is mobile friendly.

Survey findings revealed that social media is an underutilized recruiting strategy. With strategic diversification and the right content, social media channels can offer recruiters a broader candidate reach—including passive candidates as well as underrepresented groups. Applicant tracking systems, another underutilized tool, can save time and money and increase engagement when used effectively by automating routine tasks associated with the recruiting and hiring process.

The candidate journey does not end when the job is accepted; employers should consider adopting practices that keep employees engaged by grooming managers to lead their teams effectively while providing career paths and meaningful learning opportunities to realize real business impacts.

+ SHIPYARD DEMOGRAPHICS

SURVEY PARTICIPANTS



+ CITATIONS

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RECRUITING FOR THE SKILLED TRADES IN SHIPBUILDING AND REPAIR
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