

## **EMPLOYER SATISFACTION WITH HIGHER EDUCATION IN ILLINOIS**

**Submitted for:** Information.

**Summary:** This item presents the findings of a survey conducted in the fall of 2005 to assess the satisfaction of Illinois business and industry with higher education in the state. Three primary issues were addressed by the survey: workforce preparedness, training and on-going education, and responsiveness of the Illinois higher education community to employer needs. Overall, the survey results suggest that while most employers are generally satisfied with Illinois higher education, there are areas that can be improved.

**Action Requested:** None.



STATE OF ILLINOIS  
BOARD OF HIGHER EDUCATION

**EMPLOYER SATISFACTION WITH HIGHER EDUCATION IN ILLINOIS**

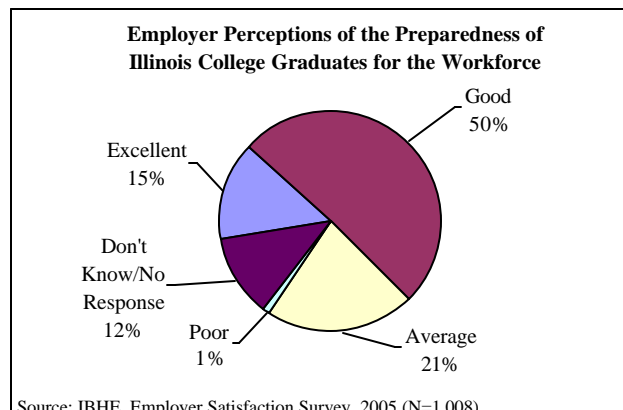
**Highlights**

In the fall of 2005, the Illinois Board of Higher Education contracted with the Public Opinion Laboratory at Northern Illinois University to assess the satisfaction of Illinois employers with higher education in the state. The survey was modeled after a similar survey conducted in 1998 to allow comparisons over time. Three primary concerns were addressed by the survey: workforce preparedness, training and on-going education, and responsiveness of the Illinois higher education community to employer needs.

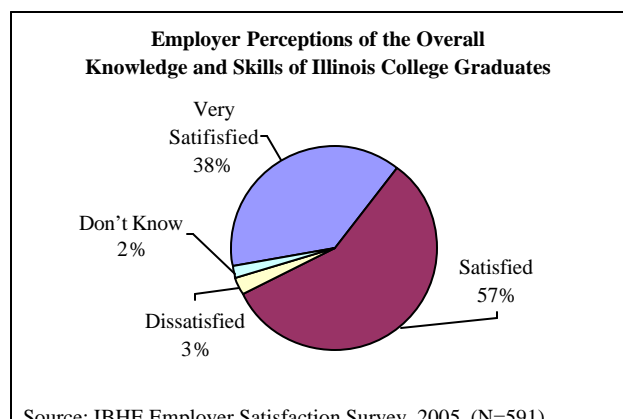
*Is the Illinois business community satisfied with the overall preparedness of Illinois college graduates in terms of their readiness for the workforce? Are there skill deficiencies that need to be addressed?*

- Overall, employers voiced strong satisfaction with Illinois college graduates. As shown in Figure 1, 65 percent of the 1,008 employers surveyed in 2005 indicated that Illinois' higher education institutions are doing an excellent or good job in preparing graduates for the workforce. However, employer perception of preparedness overall has declined slightly since 1998.
- Employers suggested that colleges and universities could improve workforce preparation by offering more internship programs and teaching "real world" skills.
- Of the 1,008 employers surveyed in 2005, 591 had hired Illinois college graduates within the past three years. As illustrated in Figure 2, 95 percent responded that they were either very satisfied or satisfied with their overall knowledge and skills.

**Figure 1**

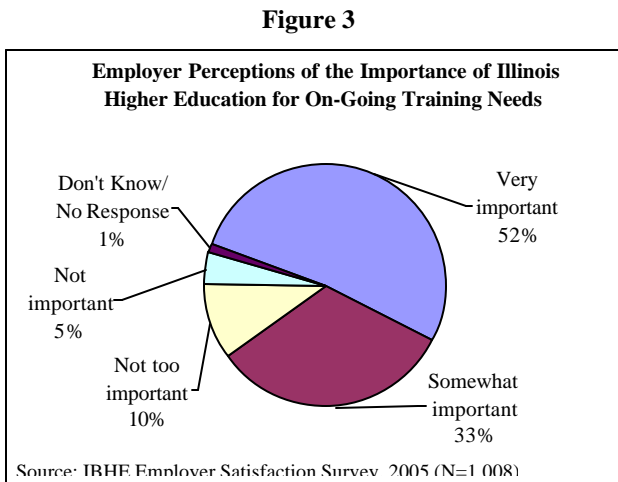


**Figure 2**



***Are Illinois' colleges and universities meeting the on-going education and training needs of the Illinois business community?***

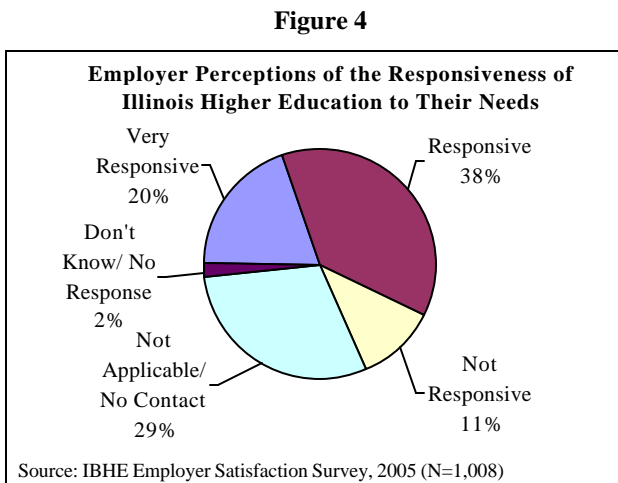
- Overall, employers responded favorably regarding the role of higher education in filling on-going education and training needs for Illinois business and industry. As illustrated in Figure 3, 85 percent of the employers surveyed in 2005 responded that higher education is either very important or somewhat important in filling this need.



- Two key concerns emerged from employer responses regarding on-going education and training. First, 15 percent of all employers surveyed indicated that higher education is either not important or not too important for on-going education and training. Second, there is a noticeable decline in the percent of employers overall who view higher education as very important for filling on-going education and training needs, with ratings of almost 65 percent in 1998 as compared to 52 percent in 2005.
- In-house training has become the predominant training source for all employer groups surveyed. Overall, higher education institutions ranked 5<sup>th</sup> (community colleges) and 7<sup>th</sup> (four-year colleges and universities) out of 9 possible training sources.

***Does the Illinois business community view Illinois' colleges and universities as responsive to their needs? What activities are businesses currently pursuing with Illinois higher education institutions?***

- As shown in Figure 4, 58 percent of employers surveyed in 2005 indicated that higher education is either very responsive or responsive to meeting their needs. However, an area of potential concern is the response from 29 percent of employers that this question was not applicable because there was no contact with colleges and universities.



- Employers reported several associations with colleges and universities within the past year, including company-paid tuition benefits, internships, and recruitment.

## Introduction

On February 4, 2003, the Illinois Board of Higher Education (IBHE) adopted the final recommendations to establish performance indicators to assess progress of *The Illinois Commitment*.<sup>1</sup> These recommendations included the need for a performance indicator that would measure the effectiveness of higher education in helping Illinois sustain strong economic growth through its teaching, service, and research activities (Policy Area One). Therefore, “*Satisfaction of Illinois business and industry with Illinois higher education*” was adopted as a statewide performance indicator to examine the effectiveness of Illinois higher education in addressing the three primary issues: workforce preparedness, training and on-going education, and responsiveness of the Illinois higher education community to employer needs. Board staff suggested that a statewide survey should be conducted periodically, with a recommendation of every three years.

In response to the statewide performance indicator, the Illinois Board of Higher Education contracted with the Public Opinion Laboratory at Northern Illinois University in the fall of 2005 to assess the satisfaction of Illinois employers with higher education in the state. A brief overview of the survey findings was included in the *2005 Statewide Performance Report* presented to the Board in December 2005. This report provides a more comprehensive examination of the 2005 survey results and comparisons to a similar survey conducted in 1998.

## Methodology

The survey instrument and methodology are linked closely to a similar survey conducted by the IBHE in 1998 during the development of *The Illinois Commitment*. Maintaining a set of core questions and response categories is necessary to allow comparisons over time. Nevertheless, a few minor modifications were made to the survey instrument to meet the specific needs of the statewide performance indicator.

For the 2005 survey, a stratified sampling design was utilized to assure sufficient representation of private sector employers from across the state. The sample was derived from a list of firms kept by Dun and Bradstreet. Firms were stratified by location (Cook County; the metropolitan area<sup>2</sup>; and downstate), employment size (25 to 99 employees; 100 to 249 employees; and 250 employees or more); and industry (manufacturing; non-manufacturing production and business services; and trade financial, and personal services).

A total of 28,595 firms were obtained from Dun and Bradstreet from which the sample could be drawn. Firms were selected disproportionately into the sample to achieve responses from a broader range of companies throughout the state than would have been obtained had a purely proportionate random sample been selected. Initially, 10,687 firms were selected into the sample frame. Ultimately, 4,616 were randomly selected and contacted to participate in the survey. A total of 1,008 telephone interviews were completed.

Completed responses were fairly evenly distributed among the major stratification categories, supporting the original sample design. Table 1 shows the distribution of completed interviews by

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<sup>1</sup> IBHE. (2003, February 4). *Establishing Performance Indicators to Assess Progress Toward Meeting the Goals of The Illinois Commitment: Final Recommendations*.  
(<http://www.ibhe.org/Board/agendas/2003/February/Item%206%20Report.pdf>)

<sup>2</sup> Metropolitan area: DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties

the three categories of location, size, and type of industry. The 1998 survey utilized a similar stratification sampling design with 1,000 employers interviewed.

**Table 1**

<b>Distribution of Completed Interviews by Category</b>		
<b>Category</b>	<b>Number of Completes</b>	<b>Percent of Completes</b>
<b>Location</b>		
Cook County	390	38.7
Metropolitan counties	257	25.5
Downstate	361	35.8
<b>Size (Number of Employees)</b>		
25-99	276	27.4
100-249	398	39.5
250+	334	33.1
<b>Type of Industry<sup>3</sup></b>		
Manufacturing	267	26.5
Non-manufacturing production & business services firms	335	33.2
Trade, financial, & personal services firms	406	40.3

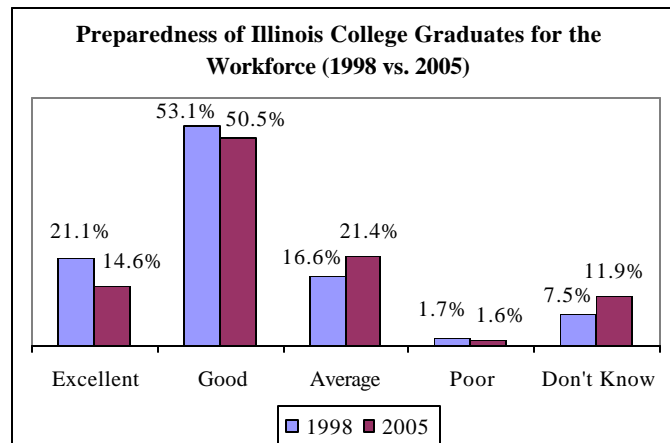
A copy of the 2005 survey instrument is provided in Appendix A.

### Workforce Preparedness

*Is the Illinois business community satisfied with the overall preparedness of Illinois college graduates in terms of their readiness for the workforce?*

Overall, the Illinois business community expressed satisfaction with the preparedness of Illinois college graduates for the workforce. As shown in Figure 5, the level of preparedness has slightly decreased from 1998 to 2005. Nevertheless, 2005 survey results revealed that over 65 percent of the 1,008 employers surveyed indicated graduate preparation was either excellent or good. The level of satisfaction did not vary by type, location, or size of the company.

**Figure 5**



<sup>3</sup> Industry categories were defined by S.I.C. codes as follows: Manufacturing (S.I.C. 20-39); non-manufacturing production and business services (S.I.C. 01-17, 40-49, 73, 81, 86, and 87); trade, financials, and personal services (S.I.C. 50-59, 60-67, 70, 72, 75, 76, 78-80, 83, 84, 88 and 89). See Appendix B for S.I.C. classifications.

***Are there skill deficiencies that need to be addressed?***

Of the 1,008 employers surveyed in 2005, 591 had hired Illinois college and university graduates within the past three years. As shown in Figure 6, this group of employers responded very positively about the overall knowledge and skills of their recently hired Illinois college graduates. From 1998 to 2005, employers indicating either very satisfied or satisfied increased from 86 percent to 95 percent.

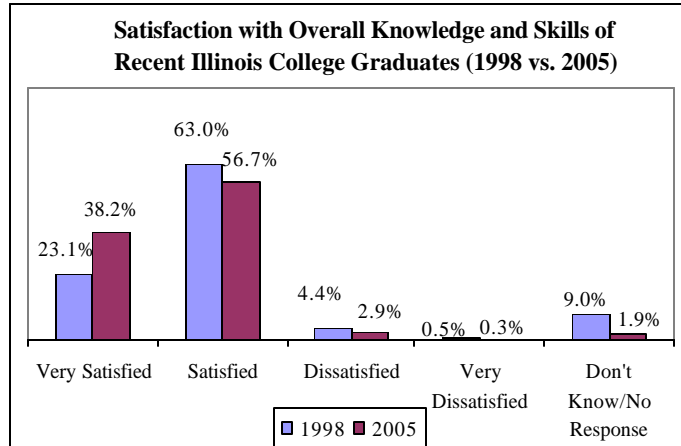
In 1998, the degree of satisfaction generally did not vary by industry, location, or size of company.

However, in 2005 44 percent of employers in non-manufacturing firms indicated they were very satisfied with the overall knowledge and skills of recent graduates as compared to 32 percent of the trade, financial, and personal services firms.

In order to further assess employers' satisfaction with their recently hired college graduates, the 2005 survey asked each of the 591 employers to rate their level of satisfaction with specific skills these graduates brought to the workplace. Figure 7 depicts the employer responses for the 9 skill areas specified in the survey.

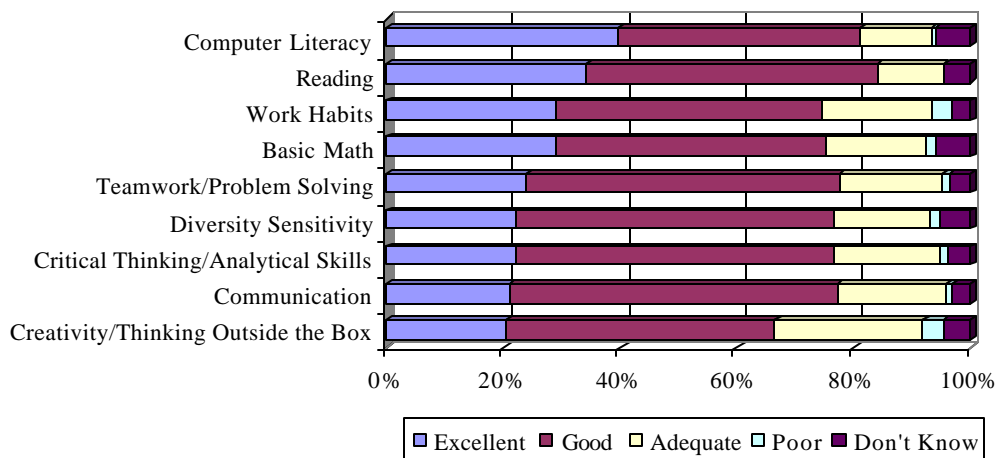
Over 75 percent of the employers reported that the skills of recently hired college graduates proved to be excellent or good in 8 of the 9 skill areas, with "creativity/thinking outside of the box" the one exception. Employers surveyed in 1998 also indicated that "creativity/thinking outside the box" skills were less than satisfactory. Overall, the existence of "poor" ratings, plus the observed tendency of employers to respond that skills are good or adequate suggest that there is room for improvement in the skills preparation of college graduates.

**Figure 6**



**Figure 7**

**Rate Skills of Recent College Graduates (2005)**



In addition, employer responses regarding the skills of recent college graduates varied substantially by the business' location (Figure 8) and type (Figure 9). For example, downstate companies consistently rated skills lower than the employers from Cook County and the metropolitan counties.

Figure 8

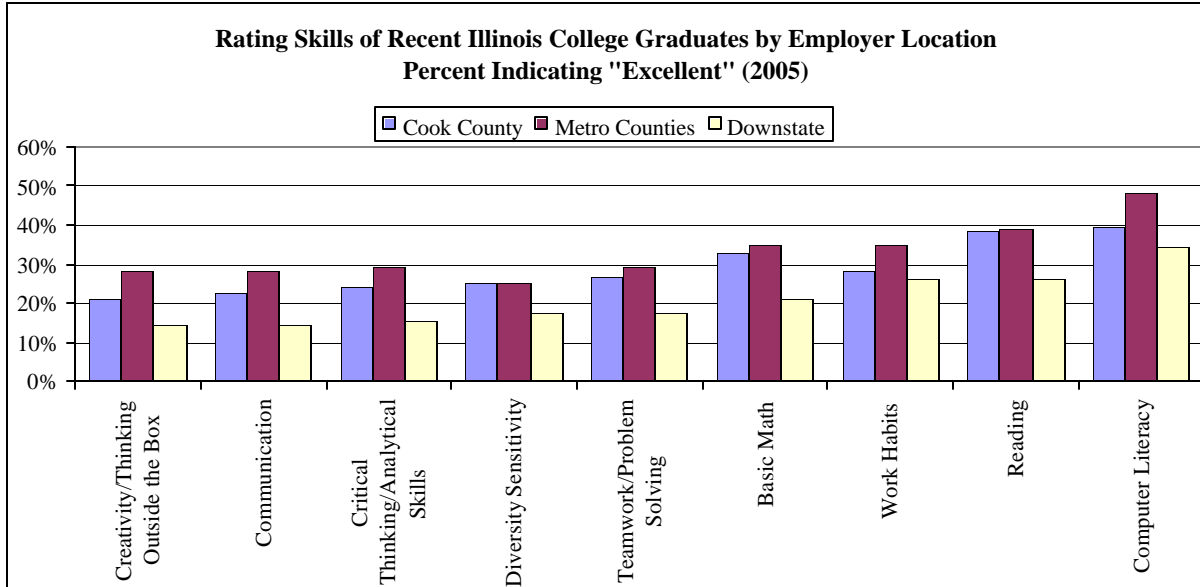
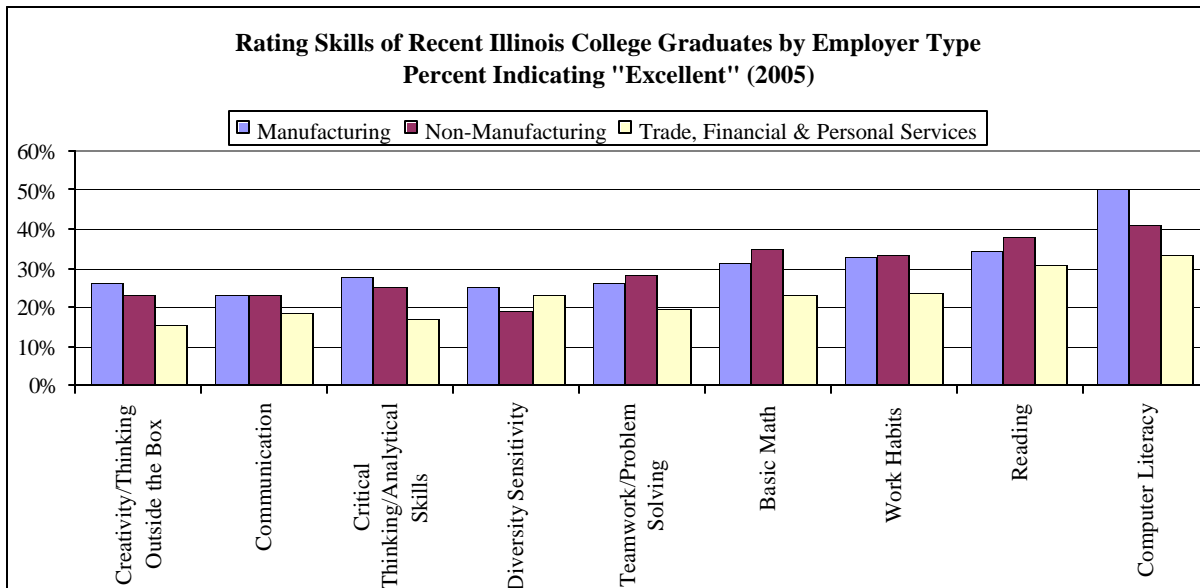


Figure 9



## Training and On-Going Education

### *Are Illinois' colleges and universities meeting the on-going education and training needs of the Illinois business community?*

Employers were asked to indicate the importance of Illinois higher education for their employees' on-going education and training needs. Overall, employers responded positively in 2005. However, when compared to the 1998 survey results, there is a noticeable decline in the importance of higher education in filling the employer's on-going education and training needs.

Responses by employer location and type were relatively consistent. However, almost 23 percent of smaller businesses (25 to 99 employees) indicated that higher education is either "not too important" or "not important at all" for their on-going education needs, as compared to mid-sized employers (13 percent) and large companies (9 percent).

Employers were also asked to indicate what sources of training they currently utilize to meet their training needs. As shown in Figure 11, in-house trainers have become the predominant training source for Illinois businesses, while the use of Illinois higher education institutions has declined since 1998.

Figure 10

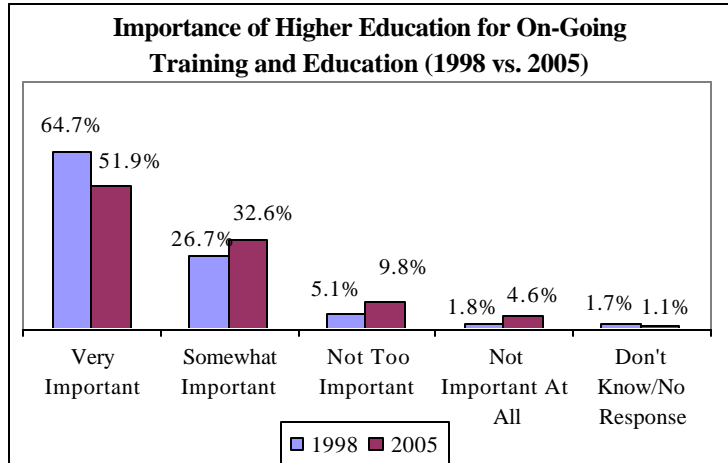


Figure 11

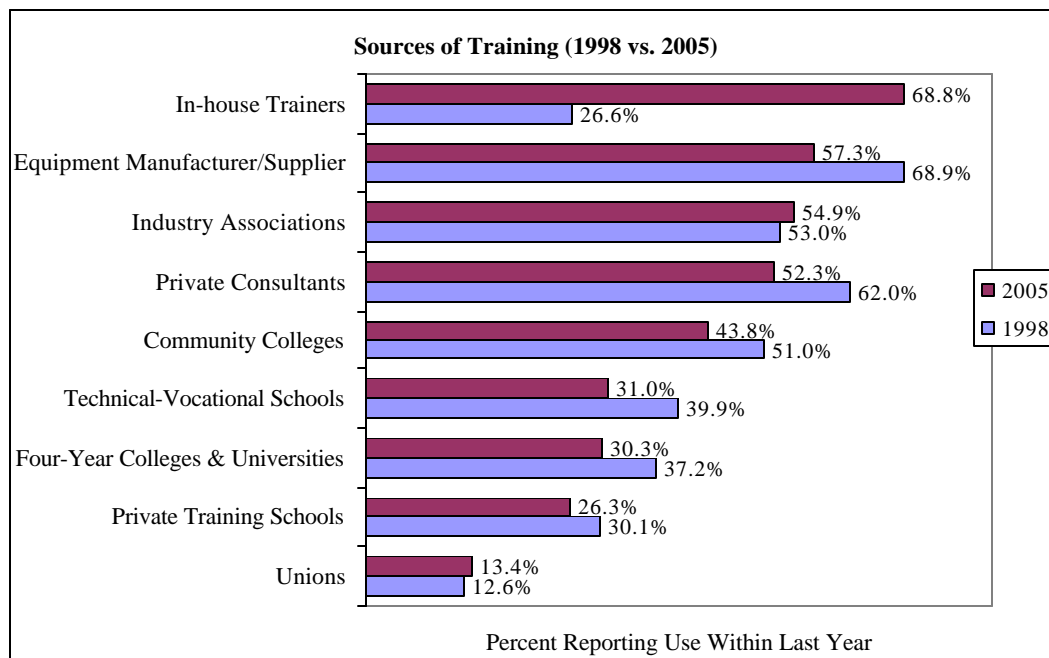


Table 2 depicts the three most frequently utilized employer training sources by location, size, and type of company. As shown, only downstate companies reported utilizing higher education institutions – community colleges – frequently for training purposes.

**Table 2**

<b>Most Frequently Used Training Sources by Illinois Employers within the Last Year</b>		
<b>Location</b>		
<b>Cook County</b>	<b>Metro Counties</b>	<b>Downstate</b>
1. In-House Training (67%)	1. In-House Training (67%)	1. In-House Training (72%)
2. Equipment Supplier (53%)	2. Industry Association (60%)	2. Equipment Supplier (62%)
3. Industry Association (51%)	3. Equipment Supplier (59%)	3. <b>Community Colleges (56%)</b>
<b>Size</b>		
<b>Small (25-99)</b>	<b>Medium (100-249)</b>	<b>Large (250+)</b>
1. In-House Training (55%)	1. In-House Training (67%)	1. In-House Training (82%)
2. Equipment Supplier (53%)	2. Equipment Supplier (59%)	2. Private Consultants (61%)
3. Industry Association (47%)	3. Industry Association (56%)	3. Industry Association (61%)
<b>Type</b>		
<b>Manufacturing</b>	<b>Non-Manufacturing Production &amp; Business Services</b>	<b>Trade, Financial, Personal Services</b>
1. In-House Training (70%)	1. In-House Training (66%)	1. In-House Training (70%)
2. Equipment Supplier (70%)	2. Industry Association (54%)	2. Equipment Supplier (57%)
3. Private Consultants (58%)	3. Private Consultants (49%)	3. Industry Association (57%)

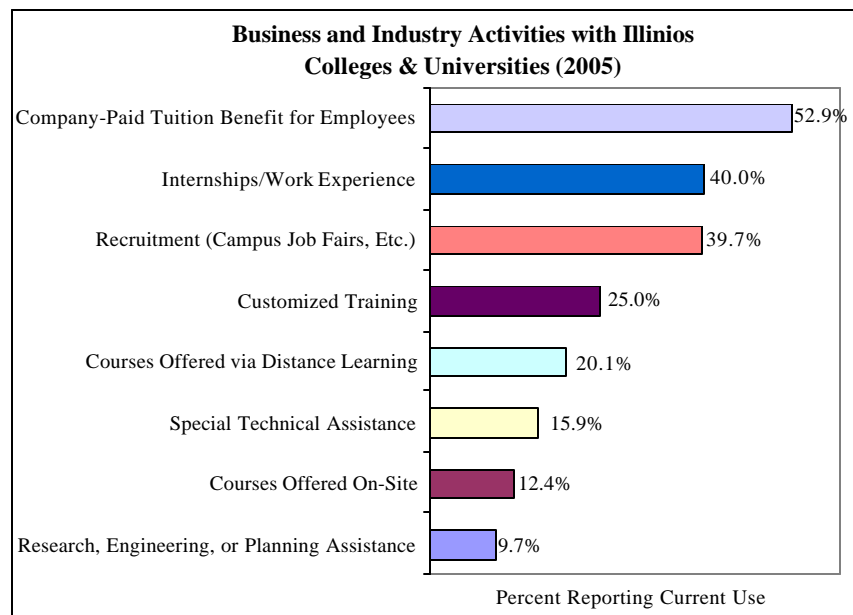
Companies that didn't utilize higher education institutions were asked to explain why they had not utilized colleges or universities for on-going education or training. Nearly 10 percent indicated there wasn't a need, while 6 percent indicated it wasn't applicable to their company. Another 6 percent indicated higher education doesn't have what they need, primarily because college and university offerings are too general.

### Responsiveness

#### *What activities are companies currently pursuing with Illinois colleges and universities?*

The 1998 survey found that 42 percent of the 1,000 employers surveyed were pursuing at least one activity with colleges and universities. In 2005 this question was expanded to determine what types of activities companies are pursuing with colleges and universities. As shown in Figure 12, company-paid tuition benefits, internships, and recruitment are the most reported associations with Illinois higher education institutions.

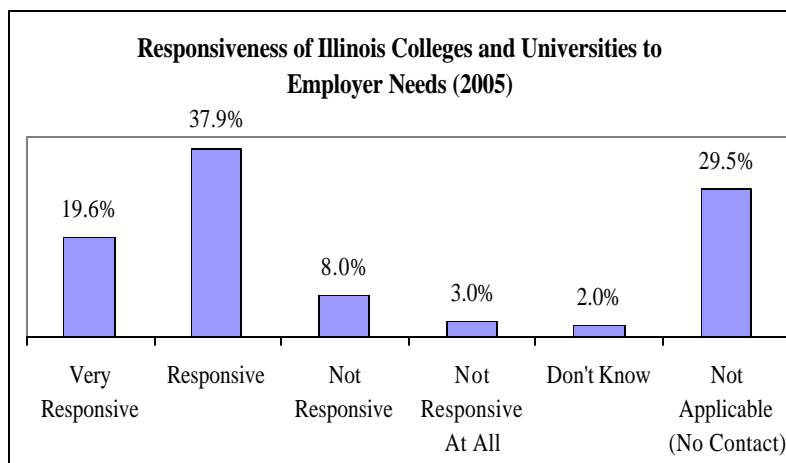
**Figure 12**



***Does the Illinois business community view Illinois' colleges and universities as responsive to their needs?***

Employers were asked if colleges and universities had been responsive to the company's needs during their associations. In 1998, 69 percent of the employers responded with a "yes" to this question. In 2005, employers were provided a scale of responses to more accurately determine responsiveness of the Illinois higher education community in meeting employer needs (see Figure 13). Employers who

**Figure 13**



indicated higher education has not been responsive reported that colleges and universities don't meet their needs and generally aren't helpful when contacted.

Overall, employer responses in 2005 did not vary by employer location or type. However, large employers (250 or more employees) indicated colleges and universities were more responsive than did the smaller companies. Specifically, 26 percent of the large companies indicated colleges and universities have been very responsive, as compared to 12 percent of the small employers (25 to 99 employees).

**Conclusion: Opportunities for Improvement**

***What more could Illinois higher education do to assist your company?***

Of the 1,008 employers surveyed in 2005, 302 provided suggestions as to what more Illinois higher education could do to assist business and industry. As can be expected with open-ended survey questions, the responses were varied. However, the most frequently mentioned opportunities for improvement include:

- Offer specific types of courses/programs;
- Greater effort to ensure companies are aware of what services are available to them;
- Try to give programs more of a "real world" focus;
- Improve recruiting practices, such as more focused jobs fairs, more job postings, making sure businesses are aware of student skills;
- Communicate more with businesses about what they need and how the college or university can help them; and
- Provide more internship opportunities.

Overall, the responses from the employers surveyed were positive. However, there is much room for improvement, especially with regard to on-going education and training and marketing their services to companies. An on-going dialogue between higher education and employers is vital to ensure Illinois' colleges and universities are meeting the current and future needs of Illinois business and industry.

## APPENDIX A

### Employer Satisfaction with Higher Education in Illinois, 2005

A Survey Conducted by the  
Public Opinion Laboratory at Northern Illinois University  
for the Illinois Board of Higher Education

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Hello, my name is \_\_\_\_\_ and I am calling for the Illinois Board of Higher Education.

The Board is calling selected employers in the state to do a brief survey about their satisfaction with higher education in Illinois. A letter about this project was sent to the head of your human resources office.

Before we begin let me assure you that all of your answers are confidential. We will only be reporting summary responses of all people participating in the study. May I continue?

- Q1: My first question is: approximately what percentage of your employees are graduates of an Illinois community college?
- Q2: And approximately what percentage of your employees are graduates of an Illinois 4-year college or university?
- Q3: Have you hired recent graduates of Illinois colleges or universities in the last three years? (If yes, proceed to the Q4; If no, skip to Q6.)
- Q4: I am going to read a list of skills. Please rate the recent graduates from Illinois colleges or universities your company has hired in the last three years as either excellent, good, adequate, poor or very poor on each one.
- Team work/problem solving
  - Critical thinking/analytical skills
  - Creativity/Thinking outside the box
  - Work habits (e.g., honesty, punctuality, reliability)
  - Diversity sensitivity
  - Reading
  - Basic Math
  - Communication skills
  - Computer literacy
- Q5: How satisfied or dissatisfied are you with the overall knowledge and skills of your recently hired Illinois college graduates? (very satisfied, satisfied, dissatisfied, or very dissatisfied)
- Q6: How important do you think higher education in Illinois is for your employees' "on-going" education and training needs? (very important, somewhat important, not too important, or not important at all)

Q7: I am going to read a list of sources companies may use for training purposes. For each one, please tell me whether your company has used it in the past year.

- In-house, company trainers
- Equipment manufacturer or suppliers
- Private consultants
- Industry associations
- Technical or vocational institutions (secondary level)
- Community colleges
- Four-year colleges and universities
- Private training schools
- Unions

Q8: If your company has not used any higher education institutions in the past year for training purposes. Could you please tell me why you have not used any of these institutions?

Q9: Next, I'm going to read a list of activities companies sometimes engage in with colleges and universities. Please tell me whether your company is currently involved in any of these activities with one or more colleges or universities in Illinois?

- Internships or work experience opportunities
- Having courses offered by the college or university at your site
- Courses offered through distance learning
- Customized training specific for your company
- Special technical assistance in training (e.g., curriculum development, test development)
- Research, engineering, or planning assistance
- Recruitment through campus job fairs or other special events
- Company-paid tuition benefits for employees
- Some other activity (specify)

Q10: In your associations with Illinois colleges and universities in recent years, how responsive would you say they have been to your company's needs? (very responsive, responsive, not responsive or not responsive at all)

Q11: If not responsive... Why do you believe they have not been more responsive to your company's needs?

Q12: What more could Illinois higher education do to assist your company?

Q13: Overall, how would you rate the job Illinois colleges and universities are doing in preparing their graduates for the workplace? (excellent, good, average, poor, or very poor)

Thank you for your participation in this survey.

If you have any additional comments, suggestions, or improvements the Board could make to improve the quality of graduates of Illinois higher education institutions please tell me now.

I appreciate your time and information. Thank you and have a good day.

## APPENDIX B

### Standard Industrial Classification (S.I.C.) Division Structure U.S. Department of Labor, Occupational Safety and Health Administration

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#### Division A: Agriculture, Forestry, and Fishing

- Major Group 01: Agricultural Production Crops
- Major Group 02: Agriculture production livestock and animal specialties
- Major Group 07: Agricultural Services
- Major Group 08: Forestry
- Major Group 09: Fishing, hunting, and trapping

#### Division B: Mining

- Major Group 10: Metal Mining
- Major Group 12: Coal Mining
- Major Group 13: Oil And Gas Extraction
- Major Group 14: Mining And Quarrying Of Nonmetallic Minerals, Except Fuels

#### Division C: Construction

- Major Group 15: Building Construction General Contractors And Operative Builders
- Major Group 16: Heavy Construction Other Than Building Construction Contractors
- Major Group 17: Construction Special Trade Contractors

#### Division D: Manufacturing

- Major Group 20: Food and Kindred Products
- Major Group 21: Tobacco Products
- Major Group 22: Textile Mill Products
- Major Group 23: Apparel/Other Finished Products Made From Fabrics and Similar Materials
- Major Group 24: Lumber and Wood Products, Except Furniture
- Major Group 25: Furniture and Fixtures
- Major Group 26: Paper and Allied Products
- Major Group 27: Printing, Publishing, and Allied Industries
- Major Group 28: Chemicals and Allied Products
- Major Group 29: Petroleum Refining and Related Industries
- Major Group 30: Rubber and Miscellaneous Plastics Products
- Major Group 31: Leather and Leather Products
- Major Group 32: Stone, Clay, Glass, and Concrete Products
- Major Group 33: Primary Metal Industries
- Major Group 34: Fabricated Metal Products, Except Machinery and Transportation Equipment
- Major Group 35: Industrial and Commercial Machinery and Computer Equipment
- Major Group 36: Electronic and Other Electrical Equipment and Components
- Major Group 37: Transportation Equipment
- Major Group 38: Measuring, Analyzing, and Controlling Instruments; Photographic, Medical and Optical Goods; Watches and Clocks
- Major Group 39: Miscellaneous Manufacturing Industries

#### Division E: Transportation, Communications, Electric, Gas, And Sanitary Services

- Major Group 40: Railroad Transportation
- Major Group 41: Local/Suburban Transit and Interurban Highway Passenger Transportation
- Major Group 42: Motor Freight Transportation and Warehousing

Major Group 43: United States Postal Service  
Major Group 44: Water Transportation  
Major Group 45: Transportation by Air  
Major Group 46: Pipelines, Except Natural Gas  
Major Group 47: Transportation Services  
Major Group 48: Communications  
Major Group 49: Electric, Gas, And Sanitary Services

Division F: Wholesale Trade

Major Group 50: Wholesale Trade-durable Goods  
Major Group 51: Wholesale Trade-non-durable Goods

Division G: Retail Trade

Major Group 52: Building Materials, Hardware, Garden Supply, And Mobile Home Dealers  
Major Group 53: General Merchandise Stores  
Major Group 54: Food Stores  
Major Group 55: Automotive Dealers and Gasoline Service Stations  
Major Group 56: Apparel and Accessory Stores  
Major Group 57: Home Furniture, Furnishings, and Equipment Stores  
Major Group 58: Eating and Drinking Places  
Major Group 59: Miscellaneous Retail

Division H: Finance, Insurance, and Real Estate

Major Group 60: Depository Institutions  
Major Group 61: Non-depository Credit Institutions  
Major Group 62: Security and Commodity Brokers, Dealers, Exchanges, and Services  
Major Group 63: Insurance Carriers  
Major Group 64: Insurance Agents, Brokers, and Service  
Major Group 65: Real Estate  
Major Group 67: Holding and Other Investment Offices

Division I: Services

Major Group 70: Hotels, Rooming Houses, Camps, and Other Lodging Places  
Major Group 72: Personal Services  
Major Group 73: Business Services  
Major Group 75: Automotive Repair, Services, and Parking  
Major Group 76: Miscellaneous Repair Services  
Major Group 78: Motion Pictures  
Major Group 79: Amusement and Recreation Services  
Major Group 80: Health Services  
Major Group 81: Legal Services  
Major Group 82: Educational Services  
Major Group 83: Social Services  
Major Group 84: Museums, Art Galleries, and Botanical and Zoological Gardens  
Major Group 86: Membership Organizations  
Major Group 87: Engineering, Accounting, Research, Management, and Related Services  
Major Group 88: Private Households  
Major Group 89: Miscellaneous Services