

2025

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# EMPLOYER SURVEY

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South Dakota Department of Labor and Regulation

# EXECUTIVE SUMMARY

South Dakota employers are navigating a challenging workforce environment marked by persistent hiring difficulties and skill gaps. Businesses report that finding qualified candidates or even filling open positions remains their greatest obstacle. These challenges underscore the need for strategic workforce development to sustain economic growth across the state.

Despite these hurdles, South Dakota continues to offer a strong business climate and a high quality of life that attracts both employers and workers. The state's diverse industries, from construction and retail to healthcare and technology, contribute to a resilient economy. This foundation positions South Dakota as a leader in creating opportunities for both businesses and employees.

To better understand employer needs, the South Dakota Department of Labor and Regulation conducted a survey to gather actionable insights. The goal was to identify hiring trends, training requirements, and workforce challenges directly from businesses, and nearly 600 responded. This feedback enables the Department to design programs and services that align with employer priorities to help strengthen the state's labor market.

The Department is committed to using these findings to support employers in overcoming workforce barriers and building best practices. By addressing skill shortages and promoting training initiatives, South Dakota aims to support a prepared and adaptable workforce. These efforts will help maintain the state's reputation as a great place to live, work, and grow.

*Survey data was collected between Nov. 12 and Dec. 19, 2025*

# SURVEY HIGHLIGHTS

**Nearly 3 out of 4 (72%)** of employers do not require a post-secondary education for entry-level positions, and only 11% required entry-level certifications prior to hiring.

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**Work ethic, reliability, critical thinking, and communication skills** were reported as the skills most often lacking from new employees (**49%**), compared to only **7%** citing technical skills related to the job.

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Customer service and communication skills account for **24%** of the specialized training needed for current employees, and **21%** of the skills employers are seeking most.

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Across many industries, the most common job titles needed in the next three years include **customer service, construction, managers, drivers, accounting/bookkeeping, and sales.**

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**84%** reported their greatest workforce challenge is either **finding candidates with the required skills** or **simply filling open positions.** Only **12%** reported retaining or training existing staff to be the greatest challenge.

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**Part-time positions, college internships, and job shadowing** rank at the top (**46%**) of work-based learning opportunities that businesses offer or would like to offer in the future.

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With low unemployment and high workforce participation rates, employers recognize the need to engage untapped labor pools. These efforts include **33%** offering roles suitable for **English Language Learners,** **34%** providing positions for **youth,** and **40%** willing to employ individuals with prior **justice involvement.**

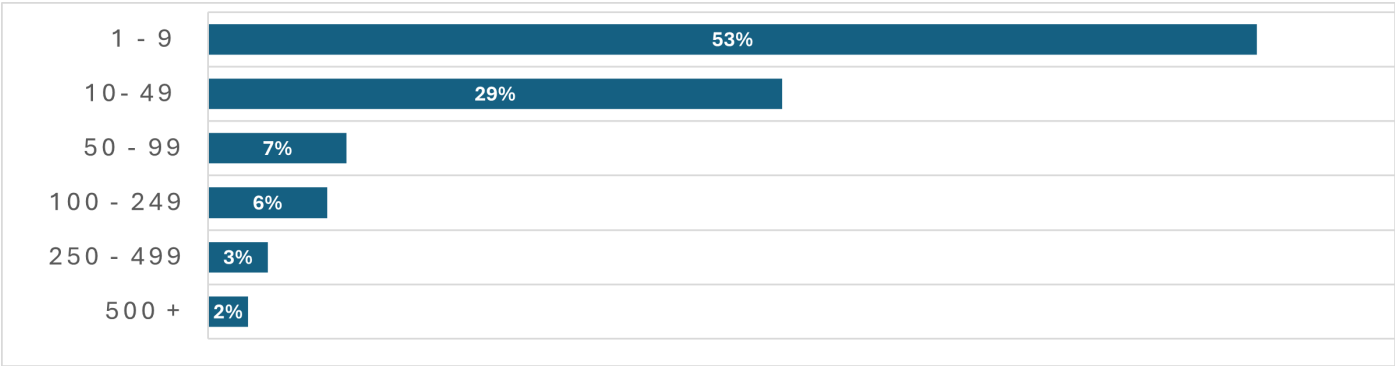
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# BUSINESS DEMOGRAPHICS

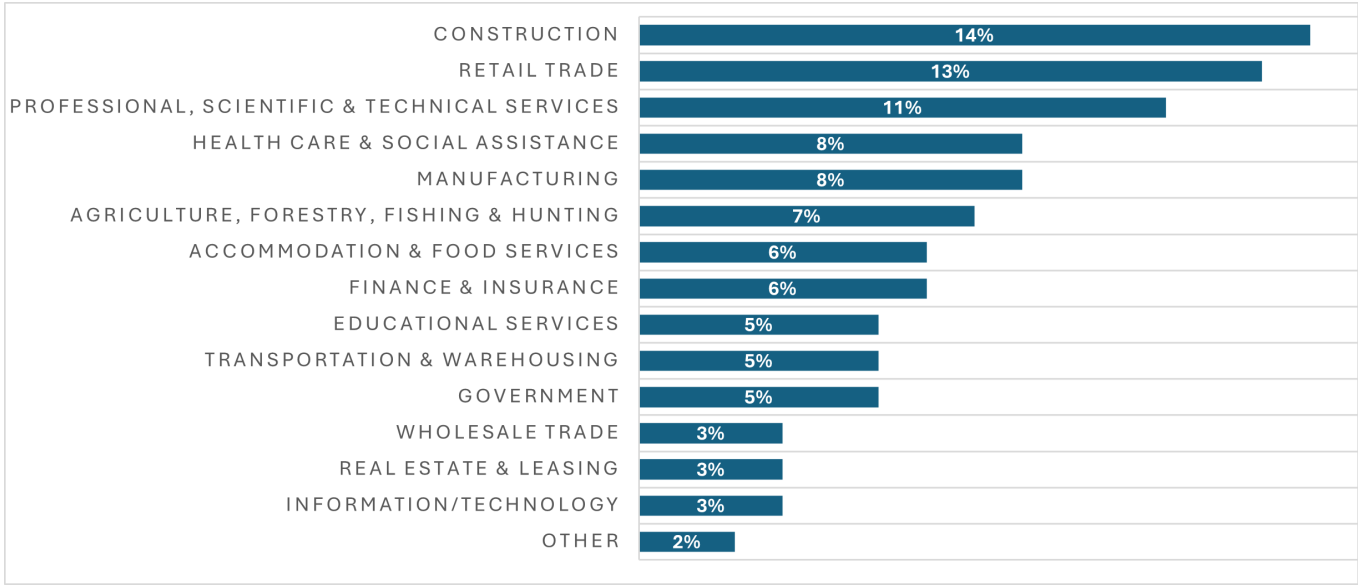
The survey captured responses from businesses of varying sizes, with over half employing fewer than 10 workers and nearly 30% reporting between 10 and 49 employees. Construction, retail trade, and professional services emerged as the most represented industries, collectively accounting for a significant portion of the state’s workforce. This demographic snapshot highlights the predominance of small businesses and the diversity of sectors contributing to South Dakota’s economy.

## SURVEY QUESTIONS

*How many employees does your business currently employ in South Dakota?*



*What is your business’s primary industry?*

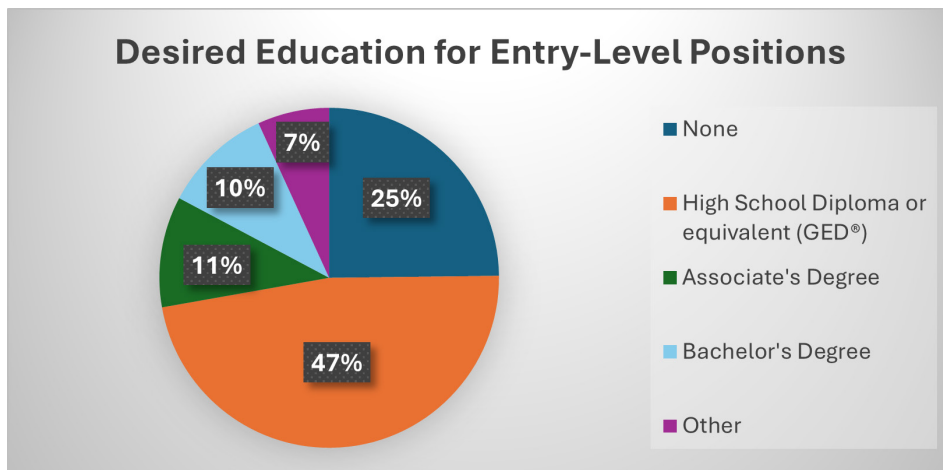


# HIRING AND CERTIFICATION NEEDS

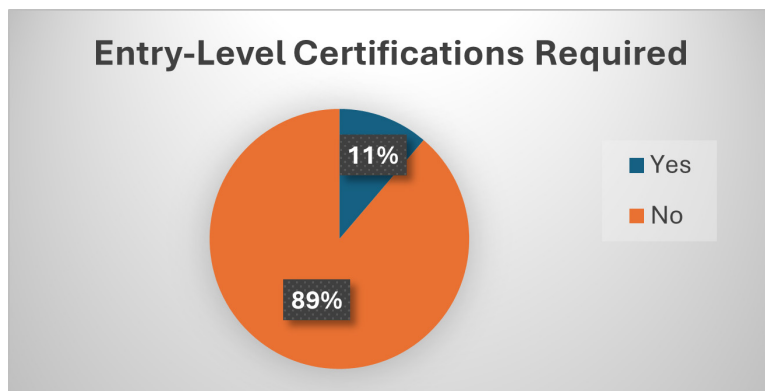
Employers primarily seek candidates with a high school diploma or equivalent, while 72% do not require postsecondary degrees for entry-level roles. Only 11% of businesses mandate industry certifications, most commonly in areas such as commercial driving, healthcare, insurance, and education. These findings underscore the importance of foundational education and targeted credentials for specialized positions.

## SURVEY QUESTIONS

*When hiring for entry-level positions, what level of education do you seek?*



*Does your business require industry certifications for entry-level positions?*

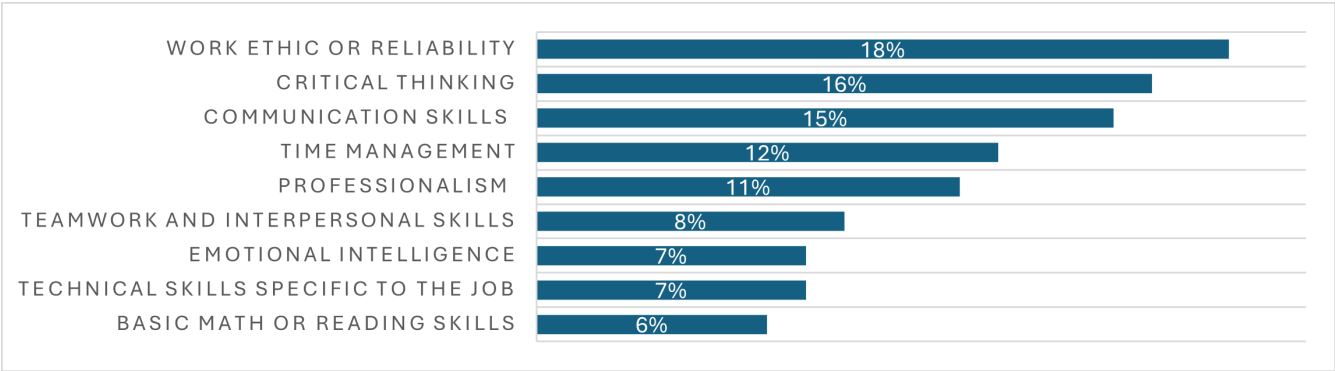


# EMPLOYEE TRAINING & DEVELOPMENT

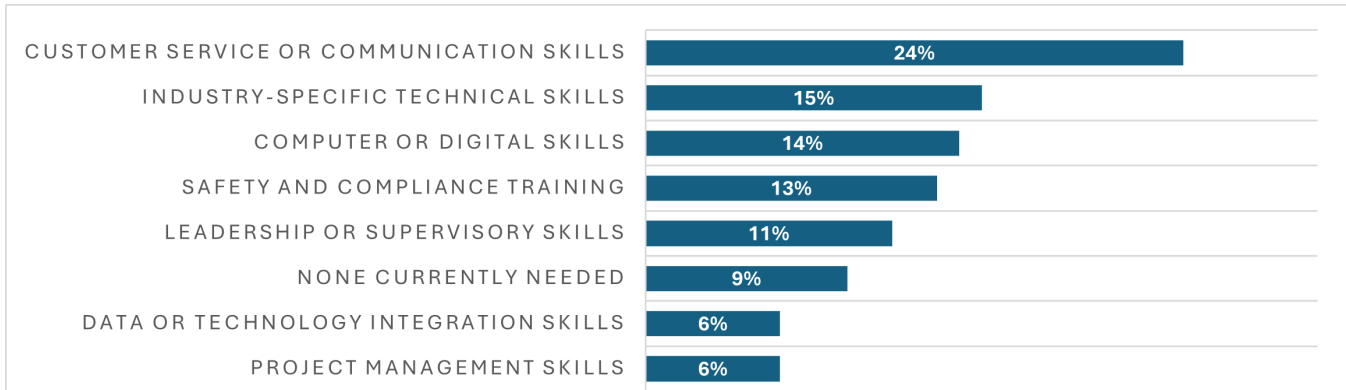
Respondents identified critical gaps in soft skills, including work ethic, communication, and critical thinking, alongside some technical competencies. Customer service or communication skills were the most frequently cited needs for current employees, with 67% of businesses offering formal training programs. Registered Apprenticeship, which is time-tested training model through the U.S. Department of Labor, is expanding rapidly in South Dakota and accounts for 11% of the businesses surveyed.

## SURVEY QUESTIONS

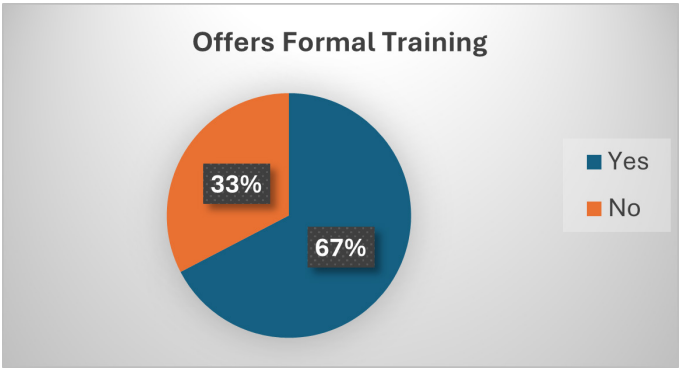
*What skills do you feel applicants or new employees are most often lacking?*



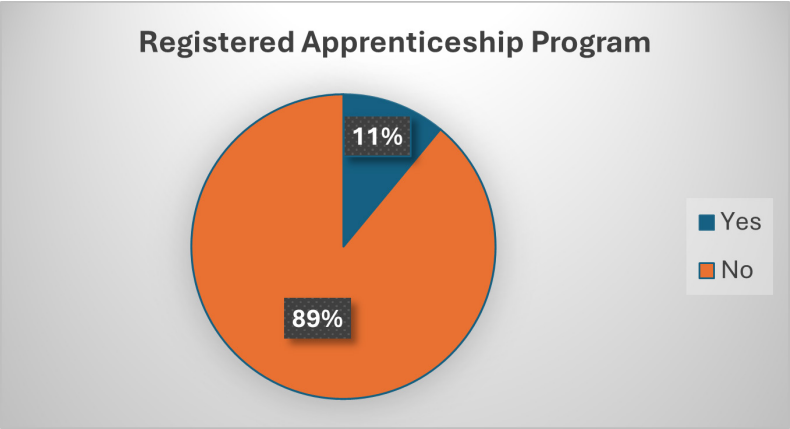
*Does your business require industry certifications for entry-level positions?*



*Do you offer your employees formal training opportunities?*



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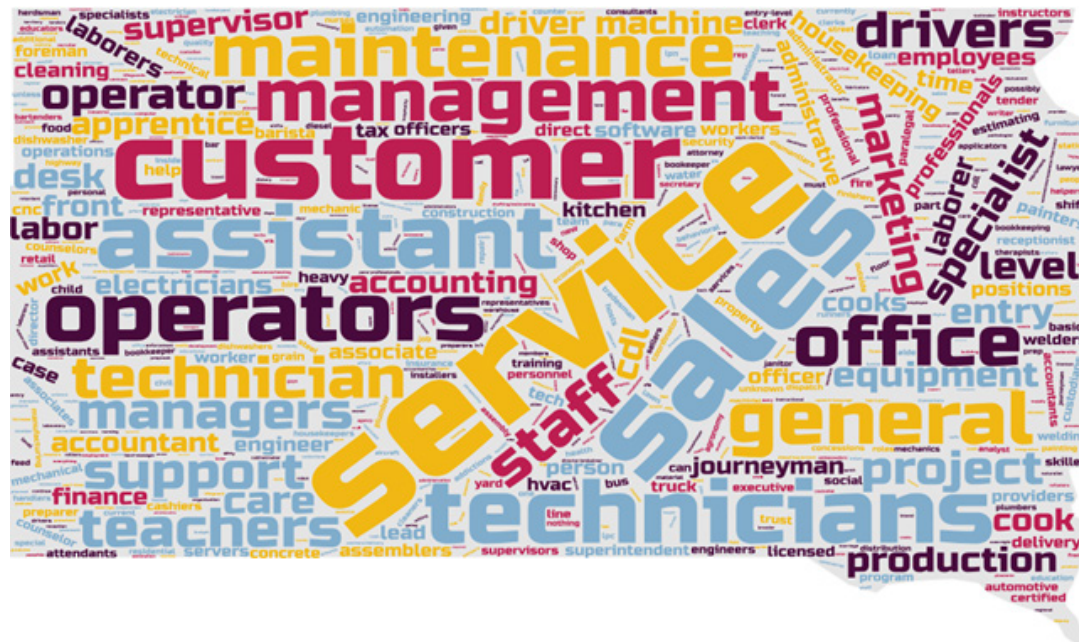


# WORKFORCE PLANNING

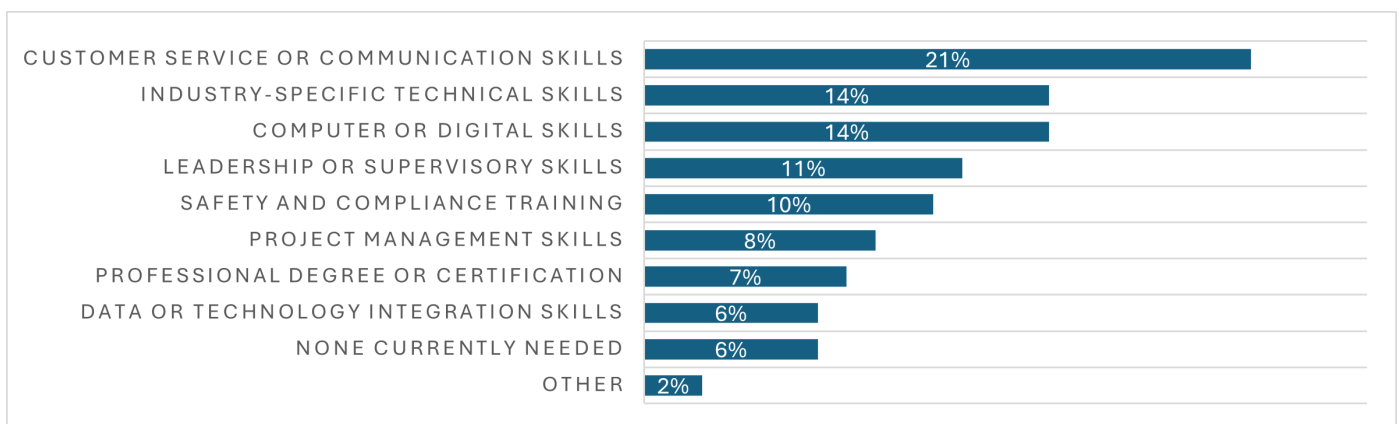
Looking ahead, employers anticipate hiring for roles in management, customer service, construction, sales, and technical fields, with customer service skills ranking as the most sought-after qualification. Workforce challenges center on finding qualified or appropriate candidates, with 84% citing recruitment difficulties as their top concern.

## SURVEY QUESTIONS

*What positions do you anticipate hiring for in the next three years?*



*For positions you plan to hire, what skills or qualifications are you seeking?*

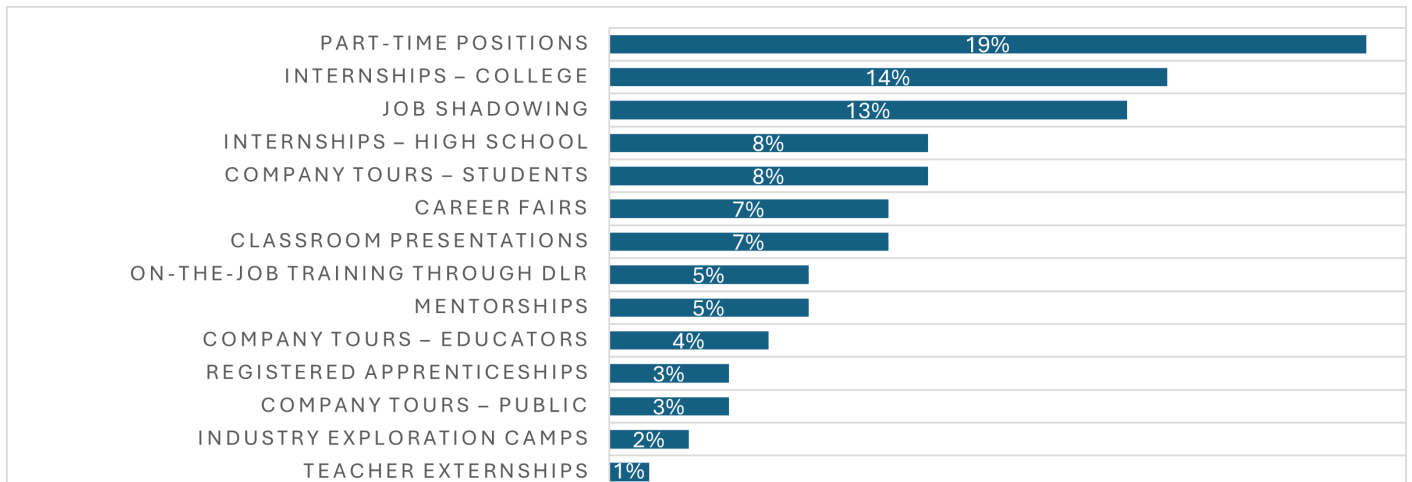




***Please rank the following workforce challenges from greatest to least for your company:***



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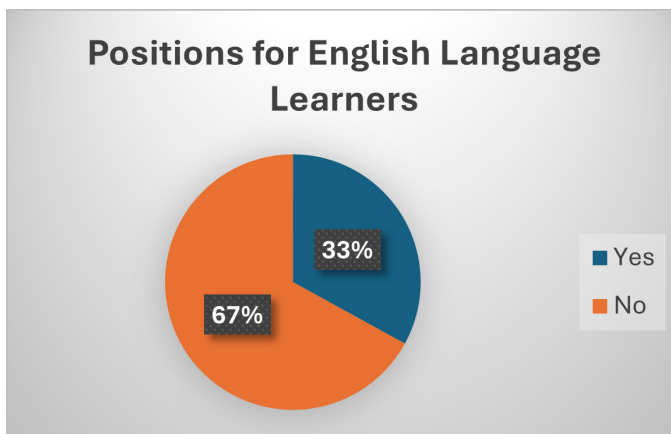


# WORKFORCE OPPORTUNITIES

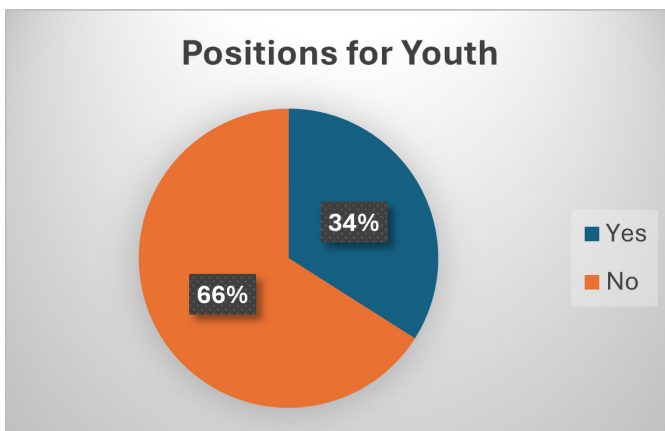
Employers recognize the need to expand opportunities for individuals to engage in their workforce, as one-third of businesses offer positions for youth and English language learners, and 40% are open to hiring justice-involved individuals, though most enforce restrictions on certain convictions (violence, theft, and embezzlement).

## SURVEY QUESTIONS

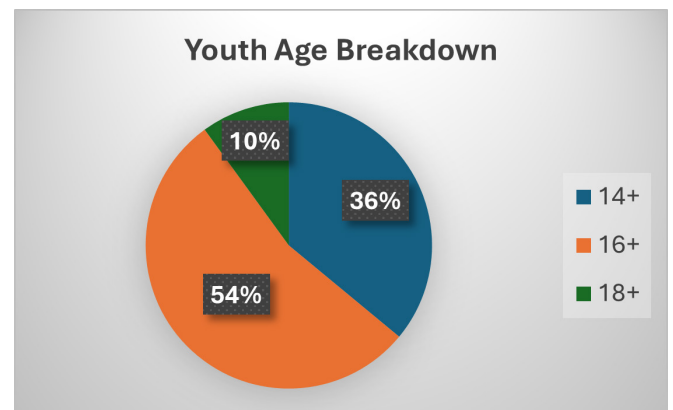
*Do you have positions that English Language Learners (ELLs) could perform?*



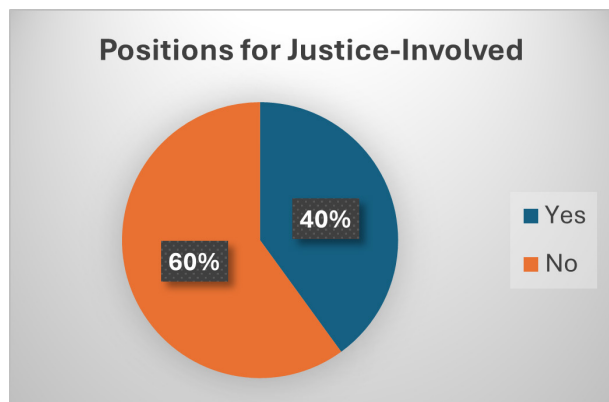
*Do you have positions for youth?*



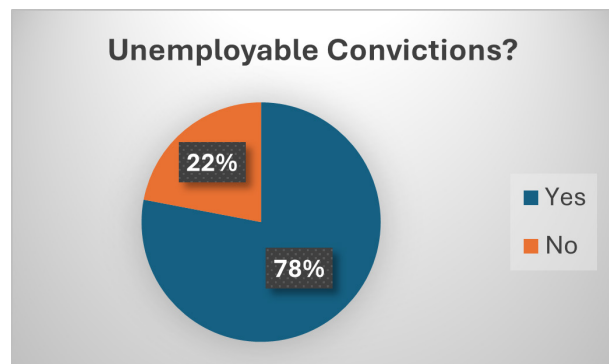
*If yes, at what age?*



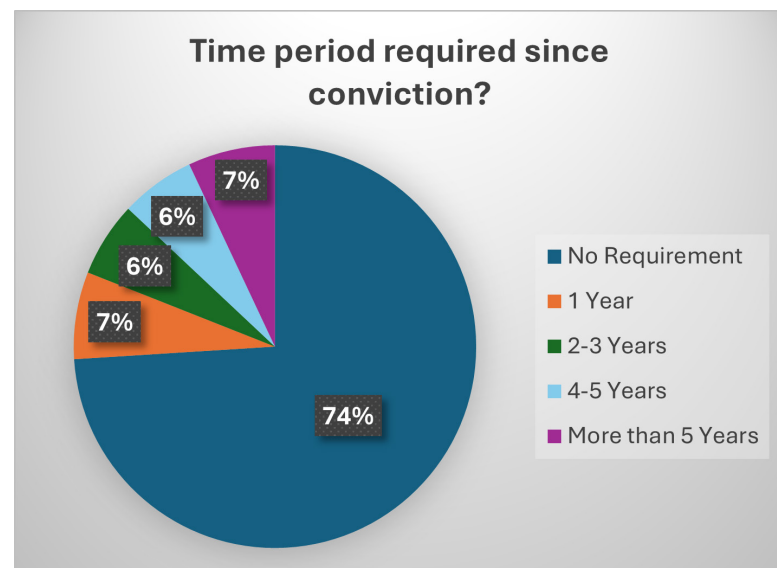
*Do you have positions that could be filled by individuals who were previously justice-involved?*



*Are there certain convictions you will not hire for?*



*Do you require a set time period since conviction?*





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