

North Carolina Skills Survey 2007 Summary and Findings

Survey Conducted by

**North Carolina Business Services Representatives
Representing the Workforce Development Boards of North Carolina**

Table of Contents

Introduction2

Methodology3

Skills in Short Supply.....4

Addressing the Problem8

Conclusion.....9

Appendices

Appendix A, Project Volunteers.....10

Appendix B, Skills Survey Instrument.....12

Appendix C, Details on Response to Question # 2.....15

End Notes.....16

I. Introduction

National trends indicate that communities throughout the country are facing current or imminent shortages of skilled workers to meet the demands of local employers ¹. This trend is compounded by the aging of the workforce ². With these facts in mind the Business Services Representatives voted at their regular meeting in March of 2007 to conduct a survey of employers across the entire geography of North Carolina to find what workforce skills may be in short supply, if any; what training programs they may need in the future as they seek to have a better trained workforce; where they are securing their current labor force; and, what training resources they have used. Additional questions were included in the survey instrument as it was developed.

This report reflects the current status of workforce skills needs in North Carolina. The findings in this report are from a survey conducted by the Business Services Representatives in regions across North Carolina. The findings appear to confirm anecdotal evidence and other findings that have emerged about workforce skills shortages at the regional and national levels ^{3, 4}. This combination of evidence concludes that a full review of the problem is warranted. Dialogue with decision makers across the state should begin immediately to address the skills needs identified. While the information in this report is only a snapshot of what is happening in North Carolina, it is indicative of the issues local employers are facing daily as they attempt to employ the best workers. This document is intended to familiarize the readers with the survey questionnaire, the key findings of the survey, and to provide a template for discussion. A copy of the survey questionnaire is included in **Appendix B** of this report.

The survey project received valid responses from 335 firms (a 70% response rate) out of the 477 surveys distributed. If the current workforce skills needs identified in this report remain unchecked they will have an adverse effect on the capacity of economic developers to attract new business and retain existing businesses. In addition, employers who have identified current and future skills needs will not be able to keep pace with the competition.

Key Findings:

- Current skills needs include both occupational and soft skills, ranging from machining to leadership skills.
- Future skills needs represent a wide range such as medical specialties and project management.
- Preferred methods of recruiting new employees: the local newspaper and word of mouth.
- Job applicants are frequently rejected due to lack of skills and experience.
- Employers use the State Community College System to meet their skills needs.
- Criminal records and drug issues present a significant recruitment problem.
- Companies are aware there is a skills issue and are taking some measure to address the problem.
- Majority of respondents are willing to participate in a forum to address their specific industry needs.

II. Methodology

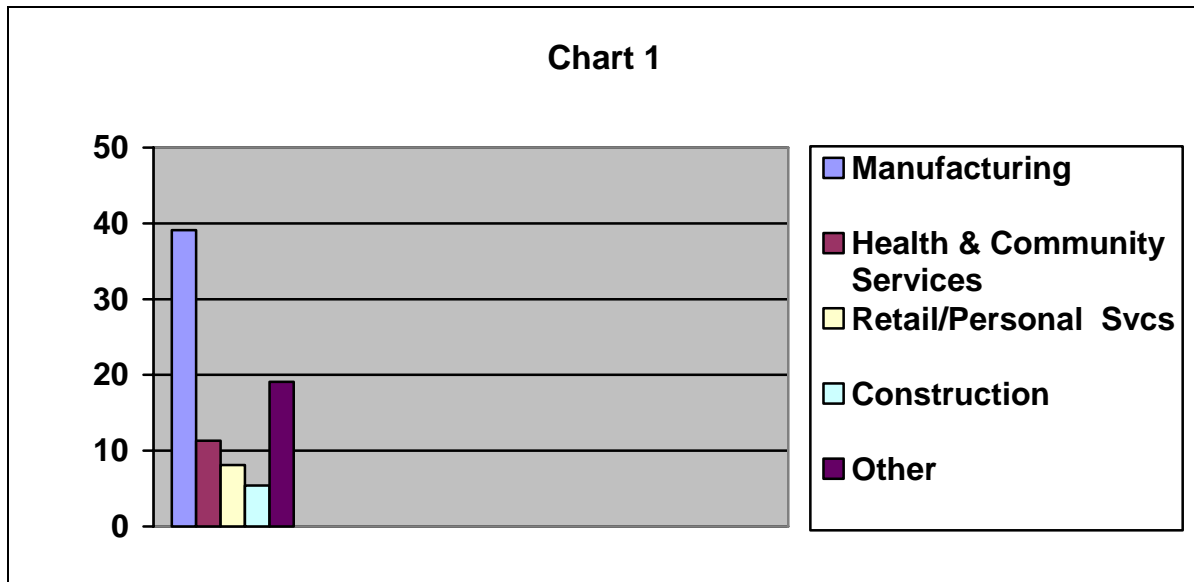
The North Carolina Business Services Representatives deployed the survey project on July 3, 2007. Data were collected between July 3, 2007 and October 3, 2007. The data in this report were generated by developing a list of all employers in each county with 10 - 999 employees. From this list, Business Services Representatives were asked to randomly select businesses to survey in their geographic area using a variety of methods. A survey instrument containing nine (9) questions was developed with the flexibility to be completed either on-line, via a response to a hard copy sent by mail, response to an email attachment, by telephone interview, or by personal interview. The survey was limited to nine questions with the theory that a higher response rate would be obtained with a brief questionnaire. The survey instrument was also designed to be user friendly, incorporating check boxes for all mandatory questions. Respondents were given the opportunity to add additional comments at the conclusion of

the surveys. Surveys were collected using each deployment method however mailed surveys and those conducted in person were used more frequently and also received the highest response rates.

By using the Sample Size Calculator developed by Raosoft, Incorporated, we determined that a sample of 321 valid surveys would need to be completed to render a 95% confidence level and also maintain a 5% margin of error.

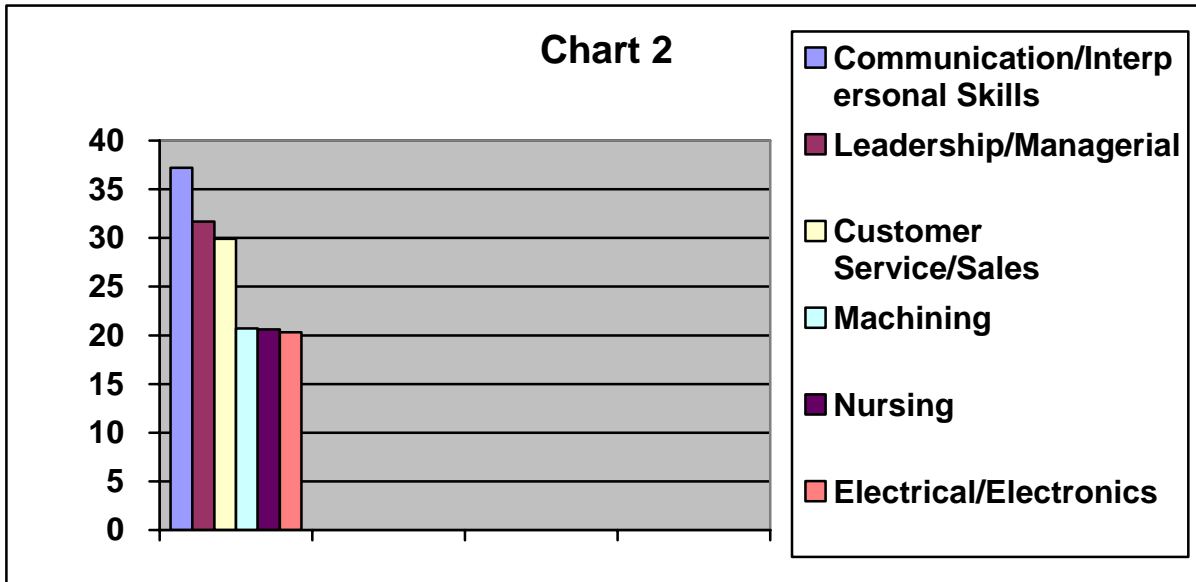
III. Skills in Short Supply

The following charts illustrate the responses captured from the 335 surveys that were validated. We have listed only the primary responses to the survey questions. A copy of the survey questionnaire and other data are attached to this report in the Appendices.



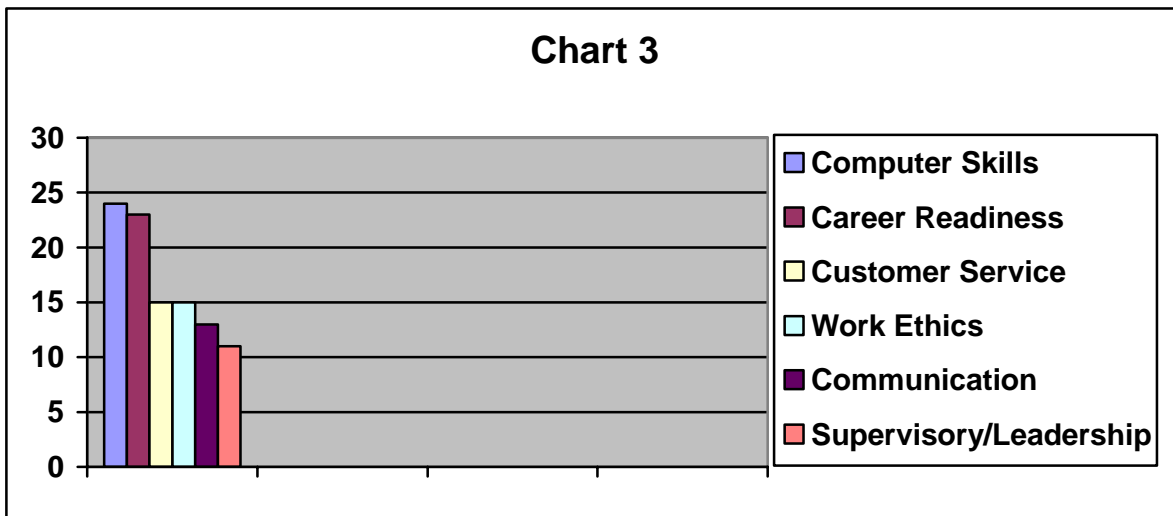
Business Categories Responding

Manufacturing constituted 39.1% of the respondents followed by Health & Community Services at 11.3%.



Current Skills Needs

The primary skills needs identified in the survey are offered at local campuses of the North Carolina Community College System with the exception of Machining, Welding and Integrated Systems Technology. A more detailed list of needs identified is included in **Appendix C**.



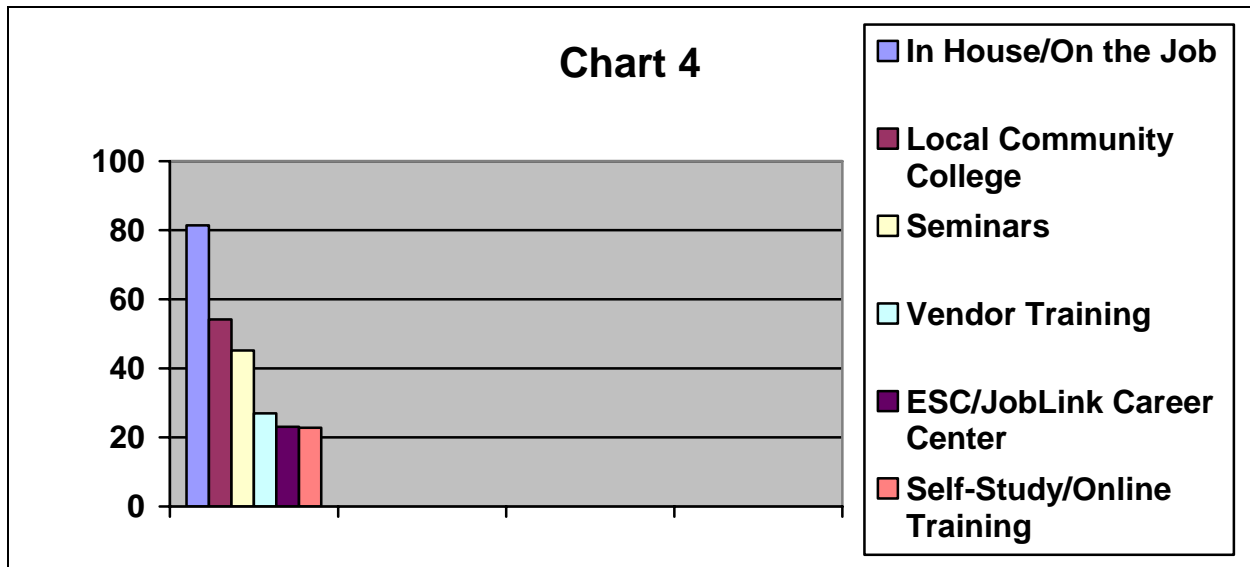
Future Skills Needs

Basic computer skills, Career Readiness (math, reading & writing) and customer service were identified as the top three needs among those responding. Training needs in work ethics ranked 4th. Some employers questioned whether work ethics could be taught on the job, explaining

these characteristics should be a part of the employees' childhood teachings. Respondents also noted the need to develop supervisory and leadership skills, explaining in many cases the need to promote experienced workers who have not obtained any formal leadership training to supervisory positions.

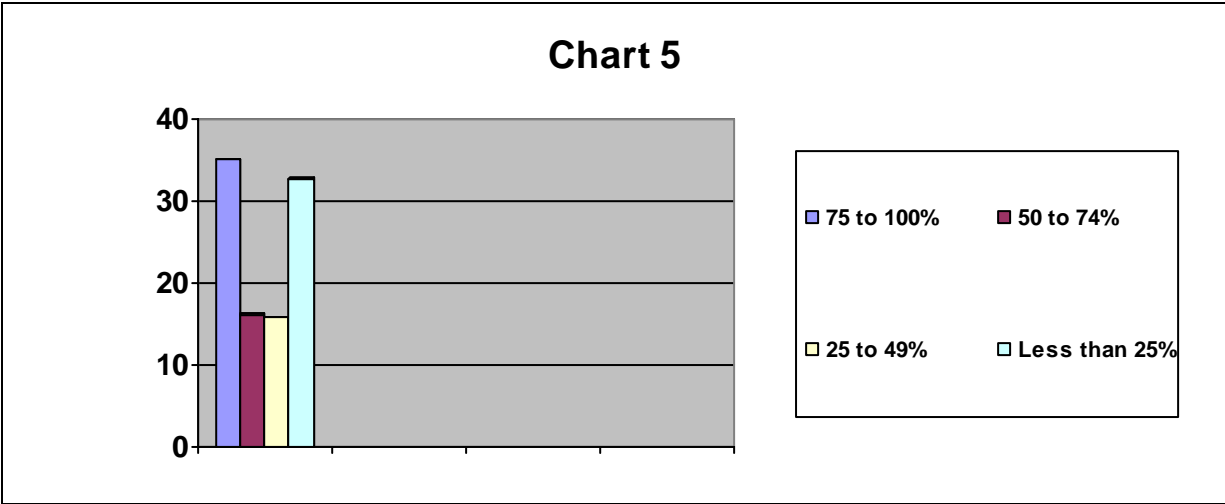
"America's need for highly skilled workers has never been greater"

Bill Gates
Chairman, Microsoft Corporation
March 7, 2007



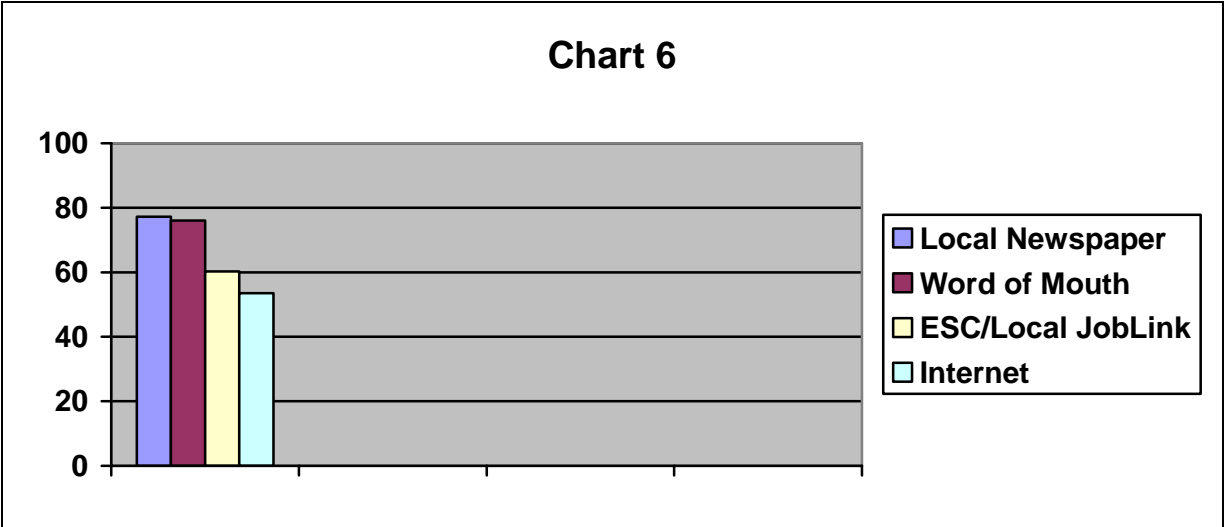
Training Resources Used to Meet Skills Needs

While use of In House Training is the most commonly used training resource, employers are utilizing the services of the State Community College System. 54.2% of respondents indicated they are using their local community college as a training provider.



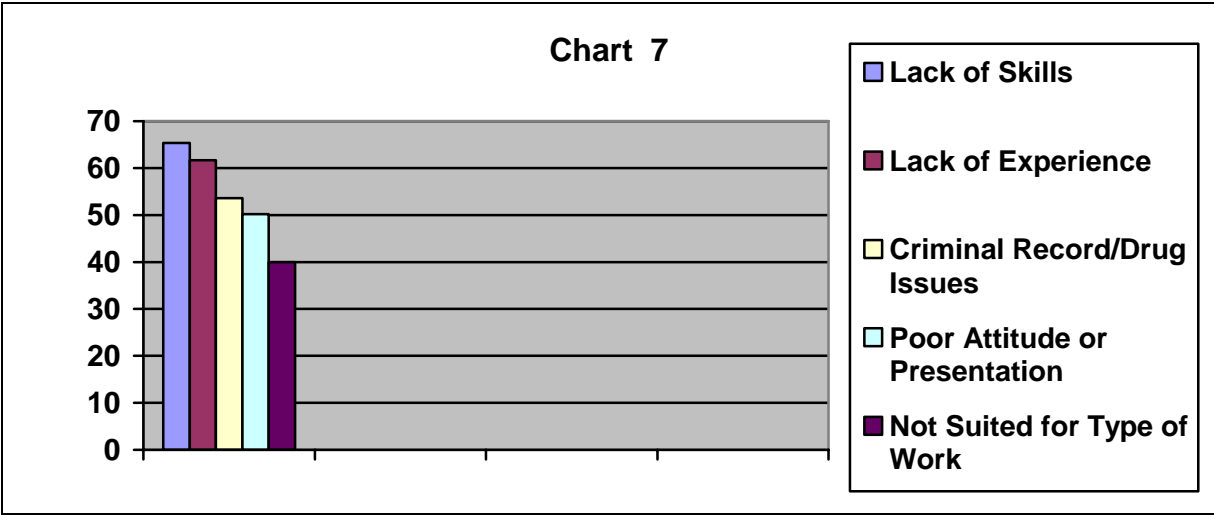
Percent of Employees Receiving Formal Training

35% of employers indicated they provide some formal training to their employees each year; however, 33% said they offer formal training to less than 25% of their employees.



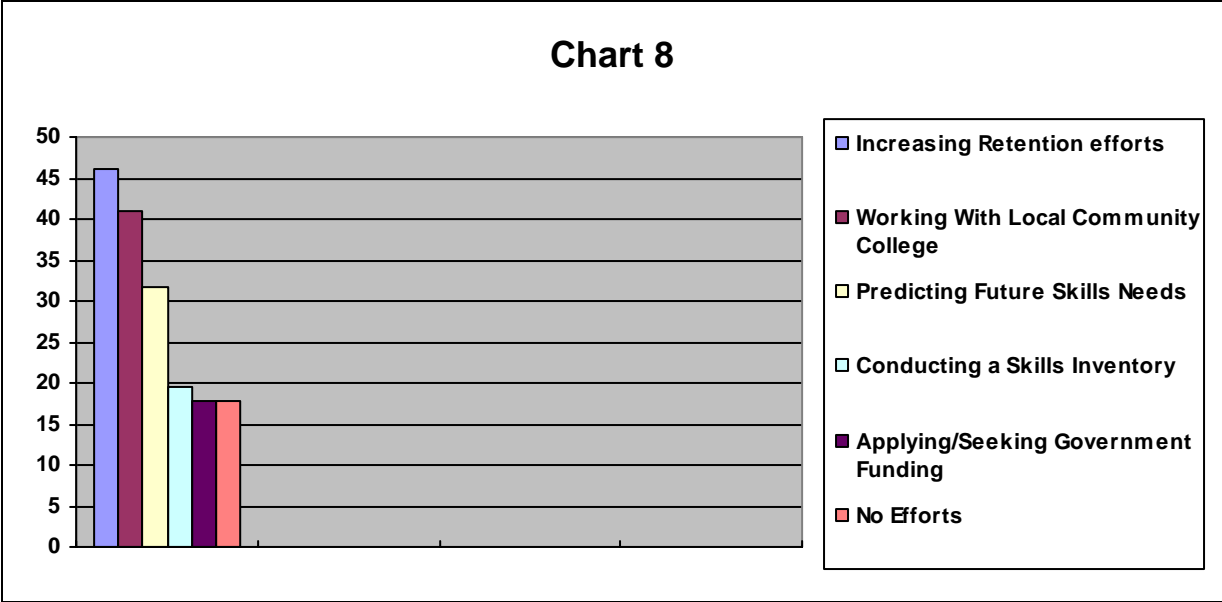
Methods Used for Recruiting Efforts

Employers identified use of local newspapers and word of mouth as their primary source for recruiting with 77.2% and 76% respectively. The State ESC/JobLink Career Center system ranked third for usage, posting 60.3%.



Primary Reasons for Applicants Being Rejected

65.4% of the respondents indicated that the reason for rejecting applications was due to lack of skills. Although Work Ethic was not included in the list on the survey, several employers noted that it was a reason for rejecting applicants, particularly among the Millennial Generation (those employees born after 1981).



Measures Being Taken to Address Skills Needs

46.2% of respondents say they are taking measures to increase retention efforts. We did not query what methods they were using to

increase retention, however during live interviews some employers indicated they were offering bonuses, reimbursement of education expenses, flexible working conditions, and asking recent retirees to return to work part time.

IV. Addressing the Problem

The results show that North Carolina employers are aware there is a skills shortage and most are taking some measures to address the problem. When asked if their business would like to participate in a forum to address specific issues related to workforce training needs in their industry, almost 63% said they would be willing to participate. These findings will be available for distribution to any entity, including policy makers addressing workforce needs. Each Business Service Representative affiliated with the Local Workforce Development Boards will be encouraged to host public meetings to initiate dialogue on this subject and garner more information on unique skills gaps that may exist in their respective communities. In addition to the employers and the local Workforce Development Boards, other stakeholders, including the local community colleges, universities, private trade schools, Employment Security Commission and area high school career counseling staff should make a concerted effort to address impending needs. The outcome of such a forum would be to develop an action plan to effectively fill any gaps that are identified.

V. Conclusion

An adequate supply of trained individuals is vital to the economic development mix in each of our geographic planning regions. A number of skills issues have been noted in this limited survey. These issues are sufficient to create concern for employers, workforce training resources and workforce planning agencies, including the local political entities that have responsibilities for planning and quality of life in the community.

This study shows the greatest need is within the manufacturing sector, with a few highly specialized needs in healthcare coming in second. The employers are aware of their current needs, have a general idea of their

future needs, and would like to improve their current situation as it relates to skills shortages.

Aside from incentives that employers are using to keep their current skilled workforce, efforts are needed to equip the emerging workforce with the skills to fill the gaps identified in this survey and replace the workforce that will soon retire.

Thomas Friedman, author of *The World is Flat* concludes “There will be plenty of good jobs out there in the flat world for people with the knowledge and ideas to seize them, so, what do we tell our children, workers, managers and entrepreneurs? There is only one message: You have to constantly upgrade your skills.”

VI. Appendices

Appendix A **Survey Project Volunteers**

Matthew Burgess
Business Services Coordinator
Cape Fear Workforce Development Board

Brenda Wilkerson
Business Services Coordinator
Capital Area Workforce Development Board

Vail Carter
Business Services Coordinator
Centralina Workforce Development Board

Craig Cole
Business Services Manager
Debra Dixon
Business Services Representative
Charlotte-Mecklenburg Workforce Development Board

Allison Bowers
Business Services Specialist
Davidson County Workforce Development Board

Darrell Solomon
Business Services Liaison
Durham Workforce Development Board

Lisa Harvey
Business Services Coordinator
Eastern Carolina Workforce Development Board

Pat Bailey
Business Liaison
Gaston County Workforce Development Board

Kyle Wolf
Business Services Coordinator
Greensboro/High Point/Guilford County Workforce Development Board

Michael Ramey
Business Services Coordinator
Lumber River Workforce Development Board

Callie Northern
Business Services Representative
Northeastern Workforce Development Board

Lisa Hawk & Joyce Stone
Business Services Representatives
Northwest Piedmont Workforce Development Board

Katie Caudill Hursey, Crystal Taylor & Elaine Gibson
Business Services Specialists
Pee Dee Region Workforce Development Board

Howie Snotherly
Business Services Representative
Regional Partnership Workforce Development Board

Acknowledgement

Thanks for all the support provided by these Local Area Workforce Development Boards and staff with the deployment of the survey and data gathering. This project would have been impossible without your valuable assistance.

Appendix B

Skills Survey Instrument

In an effort to attract and retain a skilled workforce your local Workforce Development Board is identifying skill shortages and recruiting difficulties that may exist in our county. Please take a few minutes to answer the nine questions below to help us with this important project. Completed surveys should be submitted within the next five business days. We will share the findings with you when all the data is compiled. Thank you!

Please check the category that best describes the business you operate.

- Agricultural, forestry, mining or fishing
- Construction
- Education
- Finance, Insurance or Real Estate
- Health and Community Services
- Manufacturing
- Retail Sales and Services
- Restaurant, Hotel, Entertainment, Auto Repair and other personal services
- Transportation, Storage and Utilities
- Wholesale Trade
- Other, Please Specify: _____

Please indicate which skills your workforce has a need for or which skills you have identified as being in short supply during your recruiting efforts.

- A/C, Heating and Refrigeration Technology
- Blueprint Reading
- Business/Accounting
- Civil Engineering/Surveying
- Communication/Interpersonal Skills
- Computer Aided Drafting and Design
- Customer Service/Sales
- Electrical/Electronics
- Engineering Technologies
- Graphic Arts and Imaging
- Health Information and Medical Records
- Integrated Systems Technology (PLC, Robotics, Pneumatics and Hydraulics)
- Leadership/Managerial
- Machining
- Mechanical Engineering
- Medical Assisting
- Medical Laboratory Testing
- Nursing
- Office Skills
- Paralegal
- Physical Therapist
- Project Management

- Truck Driver
- Welding
- Other, Please Indicate: _____

As your business looks toward the future, what type of training will be of most value to your employees as you seek to improve your workforce? Please list them.

1. _____
2. _____
3. _____

What training resources have you used to meet the skills needs of your workforce?

- Local Community College
- ESC/ JobLink Career Center
- Industrial Trainers
- In House Trainers/On the Job Training
- Seminars
- Self-study/Online Training
- Workforce Development Board
- Vendor Training
- North Carolina State University – Industrial Extension Service
- North Carolina Department of Commerce

On average, what percent of your employees receives formal training provided through the company each year? (Check one)

- 75 to 100%
- 50 to 74%
- 25 to 49%
- Less than 25%

What methods do you use for recruiting efforts?

- ESC/County JobLink Career Center
- Word of Mouth
- Local newspaper
- Directly from school
- Recruit from other companies
- Internet
- Recruiting Agency/Temporary Employment Services
- Other, (please specify): _____

Indicate the primary reasons rejected applicants are not qualified for the positions posted. Mark as many as may apply.

- Lack of experience
- Lack of skills
- Poor attitude or presentation
- Not suited for type of work
- Criminal record or not passing drug screening
- Other, Please Specify: _____

What measures is your business taking now to address skill needs?

- Conducting a Skills Inventory
- Predicting future skills needs
- Applying/seeking funding from government to address needs
- Increasing retention efforts
- Using outside private consultants/providers
- Working with the local community colleges and schools to provide training and recruiting.
- None
- Other (please specify) _____

Would your business be willing to participate in a forum designed to address specific issues related to workforce training needs in our county?

- YES NO

Please add any additional comments you may have concerning identified skills gaps in your workforce.

Name of Business: _____

County: _____

Please return the completed survey within the next five business days

Appendix C

Details on Response to Question Number 2.

Please indicate which skills your workforce has a need for or which skills you have identified as being in short supply during recruiting efforts.

Current Skills Needs Identified	Response	Response Count
A/C, Heating and Refrigeration Technology	7.43%	24
Blueprint Reading	13.62%	44
Business/Accounting	9.60%	31
Civil Engineering/Surveying	2.48%	8
Communication/Interpersonal Skills	37.15%	120
Computer Aided Drafting and Design	9.60%	31
Customer Service/Sales	30.03%	97
Electrical/Electronics	20.43%	66
Engineering Technologies	13.00%	42
Graphic Arts and Imaging	3.10%	10
Health Information and Medical Records	7.74%	25
Integrated Systems Technology (PLC,Robotics,Pneumatics and Hydraulics)	10.53%	34
Leadership/Managerial	31.89%	103
Machining	20.74%	67
Mechanical Engineering	10.22%	33
Medical Assisting	3.72%	12
Medical Laboratory Testing	1.86%	6
Nursing	10.22%	33
Office Skills	20.74%	67
Paralegal	1.24%	4
Physical Therapist	2.48%	8
Project Management	10.22%	33
Truck Driver	7.43%	24
Welding	13.93%	45
Other (please specify)	38.08%	123

Frequent skills needs specified in response to “other” included:

1. Fork Lift Certification
2. Lean Manufacturing/Continuous Improvement
3. Career Readiness Skills
4. Hazmat/Environmental
5. Water/Wastewater Treatment
6. Clinical Research
7. Automotive Technician
8. General Maintenance
9. Computer Skills
10. Chemical/Biotech

VII End Notes

- (1) Gordon, Edward E. – *The 2010 Meltdown, Solving the Impending Jobs Crisis*, Praeger Publishers, Westport, CT, 2005 p 17.
- (2) North Carolina Employment Security Commission, *Local Employment Dynamics*, Third Quarter 2006. Available at <http://www.ncesc.com> (Accessed November 1, 2007)
- (3) Competitive Workforce Alliance – *2005 State of the Workforce Report*, p 19, Available at <http://www.centralinaworks.com/website/publications.asp>
- (4) Chao, Elaine L. 2001, U.S. Department of Labor, *Message from the Secretary of Labor*, Available at <http://www.bls.gov/opub/rtaw/message.htm>. (Accessed November 1, 2007)