Closing the Gap
2012 Skills Survey of North Carolina Employers

Summary and Findings

Survey Conducted by
North Carolina Business Services Representatives
Representing the Workforce Development Boards of North Carolina

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I. Introduction

The economic landscape has undergone significant changes since the release of the 2007 Skills Survey of North Carolina Employers. Many employers have been forced to focus on their human capital to help them survive. As the economy rebounds they face new challenges as they seek skilled employees who can help them grow their organizations and become an integral part of their existing workforce.

Business Services Representatives affiliated with the twenty-three Workforce Development Boards in North Carolina felt compelled to conduct a new survey of North Carolina’s employers as a follow up to the 2007 Skills Survey. A new survey would seek to determine current skills needs, identify any skills gaps that might exist, find out which skills they find most valuable and identify the challenges employers face with recruiting the talent they need. We also had an interest in knowing where they were securing their current labor force; and, what training resources they have used. Additional questions were included in the survey instrument as it was developed.

A survey was conducted throughout North Carolina during a seven week period. Data from the surveys was collected and analyzed from 1,152 valid respondents. Responses were received from employers in all 100 counties in North Carolina. Written comments collected from an open ended question at the end of the survey were also analyzed and categorized. These comments provided additional supporting documentation and explanation to responses.

This report is a summary of key issues noted in the survey and reflects the current status of workforce skills needs in North Carolina based on the survey data. The findings appear to confirm anecdotal evidence and other findings that have emerged about workforce skills shortages at the regional and national levels. 1, 2, 3

While stakeholders across North Carolina have made great strides to address some of the issues raised in the 2007 Skills Survey of North Carolina employers, we now have fresh data that will be valuable as we begin to address the current skills needs identified. The information in
this report is only a snapshot of what is happening in North Carolina but 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 link to a copy of the survey questionnaire is included in Appendix B of this report and a copy of the responses can be accessed at the link included in Appendix C.

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:**

- Skill shortages have shifted as the economy and the business sectors undergo change. North Carolina Employers indicate Customer Service/Sales and Skilled Trades as being in short supply followed closely by competency in Office Skills and General Maintenance.
- Communication and Interpersonal Skills represents a primary gap in workplace soft skills. Critical and Analytical Thinking and Problem Solving were also frequently indicated.
- Businesses indicated that improved Soft Skills/Personal Effectiveness training would be of most value in the future followed closely by Occupational Skills training.
- Businesses are more often relying on In House Training resources to deliver training. The local Community College and Seminars are also being used frequently as training resources.
- Employers say there is a strong need for standardized work readiness skills training and certification.
- Word of Mouth remains the preferred method of recruiting new employees but social networking is becoming a popular tool.
- Job applicants are frequently rejected due to lack of Relevant Work Experience followed by issues with Criminal Records or Drug Screening issues.
• Employers are relying on In-House Skills Training/Mentoring to address their skill needs and holding on to their current workforce as a secondary strategy.

II. Methodology

The North Carolina Business Services Representatives officially deployed the survey project on October 17, 2011. Surveys were collected until December 6, 2011. The data in this report were generated by identifying employers in each county with 10 - 499 employees. From this list, Business Services Representatives were instructed to randomly select businesses to survey in their geographic area. A survey instrument containing eleven (11) 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 eleven 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 most questions. Respondents were given the opportunity to add additional comments by responding to question #11 at the end of the survey. Of the 1,152 valid surveys collected, two hundred thirty-nine (239) respondents submitted written comments in response to question #11. Some of their input is included in text boxes throughout this report.

By using the Sample Size Calculator developed by Raosoft, Incorporated, we determined that a sample of 382 valid surveys would need to be completed to render a 95% confidence level and also maintain a 5% margin of error. Collecting a sample of 1,152 surveys yielded three times the minimum sample needed and gave us a 2.85% margin of error and a 95% confidence level.

The following charts illustrate the responses captured from the 1,152 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 37.7% of the survey respondents followed by Health & Community Services at 12.3%, Professional Services 10.8% and Retail Sales & Services at 8.1%. The survey received 60 responses from the Construction sector representing 6.1% of the surveys collected and the Education sector posted a 4.9% response.

III. Survey Response

National trends indicate that communities throughout the country are facing current or imminent shortages of skilled workers to meet the demands of local employers. This trend is compounded by the aging of the workforce.

Many of the skills needs identified in the survey can be obtained 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 D.
Customer Service/Sales and Skilled Trades topped the list of occupational or educational skills that are in short supply. These were followed closely by Office Skills and a continuing need for General Maintenance workers. North Carolina continues to add jobs in service related sectors so it is no surprise there is a need for good customer service and sales skills. Of the 69 Retail Sales and Services companies responding to the survey, 61% listed Customer Service/Sales as being their greatest skill need. The Manufacturing sector listed General Maintenance as their primary skill shortage. Office Skills was listed as being in short supply among the Professional Services and Health and Community Services sectors. Health Information and Medical Records skills were also a concern of the Health sector as they work to digitize records and incorporate the use of bioinformatics.

“The availability of a skilled workforce is one of the largest challenges that our company faces in terms of continued growth.”
All primary business sectors responding to this question indicated Soft Skills as being an issue and they indicated Communication/Interpersonal Skills as being their greatest need (58.9%). The Health and Community Services sector showed an even greater need with 64% saying they have identified Communication/Interpersonal Skills as being a gap during recruiting efforts. Lack of Customer Service skills ranked as the number one problem for the Retail Sales sector with 56.6% indicating problems finding workers with adequate skills.

“The lack of basic communication skills has been a large obstacle.”

“Employees who have an understanding of problem solving, teamwork and continuous learning are very valuable.”

“A proper attitude regarding the value of work needs to begin early in life and be the expectation of the family.”

“Attitude, timeliness and work ethic are my requirements in that order when hiring labor for my farm.”
The Manufacturing sector found Occupational Skills to be most valuable, while the Professional Services, Retail Sales and Health and Community Services sectors found Soft Skills/Personal Effectiveness competencies to be most valuable.

“We must make more efforts to work with local school systems so education is relevant to needs of the business community.”

“Future training should focus on basic skills in math and measurements, along with reading comprehension.”

“The real need isn’t training in technical manufacturing skills but in the ability to service accounts outside the USA intelligently.”
Training Resources Used to Meet Skills Needs

While use of In House Training is the most commonly used training resource (76%) among all employers, they are also utilizing the services of the State Community College System. Almost 56% of the respondents indicated they are using their local community college as a training provider, followed by use of seminars at 45.2%. Some respondents indicated they would use local community colleges and universities more often if they were able to meet specific technical needs of the company. The needs most often cited revolved around software training and specific industry knowledge.

“We can contract the training if we could qualify for financial support. Each round of the qualification process for workforce development funding is becoming more difficult.”

“Our community college is a very valuable resource and tool.”

“We would take advantage of the trainings being offered by the workforce development board if it did not require additional paperwork on behalf of the employer and the trainings were on a paid for basis and not a reimbursement basis.”

“We are also finding that many recent graduates of Computer Science programs don’t have training in some of the newer technologies.”
Use of Standardized Work Readiness Skills

It was no surprise that the manufacturing sector said a standardized work readiness skills training and certification credential would be very useful as a tool to demonstrate a worker’s aptitude and employability skills. The Retail Sales and Services sector also gave high marks for this type of credential. 68% percent of all respondents said that such a credential would be useful or very useful to their recruiting efforts. The credential described in this question is the North Carolina Career Readiness Certification. It is available statewide through the N.C. Community College System. The State of North Carolina has awarded the Career Readiness Certification to over 96,000 workers.5

“We are pleased with using WorkKeys as an assessment tool for certain jobs.”

“We now require the state Career Readiness Certification as part of our requirements for employment consideration. This has helped standardize skills comparisons when choosing between two qualified applicants.”

“JobLinks and the WorkKeys program have been very beneficial in qualifying good technical applicants.”
Methods Used for Recruiting Efforts

Employers identified word of mouth as their primary source for recruiting followed by Internet Postings. The use of Social Networking is becoming more popular and is used overall by 31.2% of employers as a recruiting tool and 47% of the Professional Services sector use social networking for recruiting. A few small employers commented that Word of Mouth recruiting is very effective, indicating that without a human resources department to handle recruiting they were not equipped to handle the volume of inquiries that would be generated using other methods. The statistics showed that 81% of the Retail Sales and Services sector recruited by word of mouth.

“Our best employees come from intercompany assistance or by word of mouth.”
Primary Reasons for Applicants Being Rejected

Over forty-six per cent (46%) of the respondents indicated the primary reason for rejecting applications was due to Lack of Relevant Work Experience while Lack of Technical Skills was indicated more frequently as a second choice (46.5%). Respondents indicated a strong third choice (43.9%) as being Applicants with Poor Attitude or Presentation. Respondents also submitted several written comments, particularly related to employer’s observation of younger workers and those making initial entry into the workforce.

“My biggest problem is not having a pool of applicants that have the skills and experience that we need. They may have one or the other but not both.”

“Attitude, enthusiasm and appropriate attire are the key basics. Experience and education is next.”

“Not enough machinists have set-up and programming experience.”

“Criminal backgrounds among veterans are hindering them from qualifying for many employment opportunities.”
The majority (63.4%) of the employers surveyed indicated they are relying on in-house skills training and mentoring to address their skill needs. A few written comments suggested that they are forced to rely on in-house resources due to lack of financial ability to hire outside trainers and in some cases the training is so industry specific that outside resources are not equipped to meet their training needs.

“Jobs require experience which they don’t have after graduation. We are doing some OJT and work experience.”

“The average age of key technicians is around 60 years. Who will run all the factories in the future? I recommend that we work with Middle and High schools to promote engineering early on.”

“We’re having to set up offices outside of N.C. to hire the level of experience for software developers we need.”

“We are desperate for eye technicians and are currently working with our local community college in hopes of creating a certification program.”
IV. Addressing the Problem

The results show that North Carolina employers are aware there is a skills shortage and most are taking measures to address the problem. Some of the written comments collected leads one to assume that some employers are not aware of the state and local resources available to them at little or no cost to address some of their concerns.

In response to the findings in the 2007 Skill Survey, Workforce Boards across North Carolina led stakeholders who work closely with the business community and nonprofit employers to address many of the gaps identified. Actions have included additions to or changes to the curriculums at local community colleges to address the need for upgrades in machining, mechatronics, maintenance, biotechnology and several health programs. The availability of the North Carolina Career Readiness Certification program in the community college system has had a major impact and will address many of the assessment and academic issues identified in this report. The Manufacturing Extension Partner (MEP) for North Carolina is North Carolina State University. Their Industrial Extension Service has been a key partner in assisting businesses across the state to provide process improvement training and is now leading the state E3 effort to assist businesses with being more profitable while building a better workforce and a cleaner environment. Career and Technical Education in our local high schools is a means of addressing the skills gap.6 Finally, the Workforce Development Boards across North Carolina continue to serve as the lead planning group to keep a pulse on the needs of the local workforce and work with the economic development community to ensure that workforce skills are in alignment with their business recruiting efforts.

These findings will be available for distribution to any entity, including policymakers 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.
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. Retail Sales and Services along with the Professional Services employers are challenged with a shortage of employees with Customer Service and Sales experience. 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. Some employers submitted comments saying they are not able to financially compete for the talent they need due to current economic conditions while a few from rural counties noted not being able to attract young talent for highly skilled jobs due to lack of an accommodating quality of life in their communities.

The needs identified in this report support the fact that our local economies are truly global. North Carolina’s workforce is becoming more knowledge based, requiring a technically skilled workforce that is committed to lifelong learning.

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 be prepared to replace the Baby Boomers that will soon retire.
VI. Appendices

Appendix A

Survey Project Team

Vail Carter, Survey Project Lead  
Business Services Coordinator  
Centralina Workforce Development Board

Stephen Barrington  
Business Services Coordinator  
Capital Area Workforce Development Board

Craig Cole  
Director of Operations and Business Services  
CharlotteWorks

Carisa Rudd  
Business Services Manager  
Turning Point Workforce Development Board

Survey Collection Volunteers

Margie Parker  
Director  
Cape Fear Workforce Development Board

Debra Dixon  
Business Services  
CharlotteWorks

Josephus Thompson  
Business Services Representative  
Cumberland County Workforce Development Board

Tim Maness  
Business Services Representative  
DavidsonWorks

Darrell Solomon  
Business Services  
Durham Workforce Development Board

Bob Kehres  
Business Services Coordinator  
Eastern Carolina Workforce Development Board

Pat Bailey  
Business Liaison  
Gaston County Workforce Development Board
Gina Rogers  
Business Services Representative  
Triad Works

John Green & Ricky Roten  
Business Services Representatives  
High Country Workforce Development Board

Angela Davis  
Business Services Representative  
Kerr-Tar Workforce Development Board

Michael Ramey  
Business Services Coordinator  
Lumber River Workforce Development Board

Phil Monk, Director  
Bill Ragland, Board Member  
Mountain Area Workforce Development Board

David Whitmer  
Business Services  
Northeastern Workforce Development Board

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

Katie Caudill Hursey, Howie Snotherly & Crystal Taylor  
Business Services Specialists  
Regional Partnership Workforce Development Board

Tim Mathis  
Business Services  
Region C Workforce Development Board

Wayne Rollins  
Business Services  
Region Q Workforce Development Board

Beth Cook  
Business Services Representative  
Southwestern Workforce Development Board

Peggy Byrd & Wendy Johnson  
Business Service Coordinators  
Western Piedmont Workforce Development Board

Rosalind Cross  
Director  
Triangle South 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 - Survey Used

Appendix C - Survey Summary

Appendix D - North Carolina Workforce Development Board Listing

For more information about this report please contact:

Vail Carter, Skills Survey Project Lead

www.ncawdb.org
Details on Response to Question Number 1.

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

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<tr>
<th>Current Skills Needs Identified</th>
<th>Response</th>
<th>Response Count</th>
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<td>Customer Service/Sales</td>
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<tr>
<td>Skilled Trades</td>
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<td>General Maintenance</td>
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<td>Electrical/Electronics</td>
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<td>Lean/Six Sigma/Process Improvement</td>
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<td>Business/Accounting</td>
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VII End Notes


2 Statement of Secretary Hilda L. Solis
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