

Survey Shows What Employers Want and City Needs

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Article:

The last few years have been interesting ones for workers in Guilford County. From 1998 through 2000, the annual average unemployment rate in the county was less than 3 percent. Occasionally during those years, the monthly rate fell below 2 percent. Unemployment was so low that people talked in terms of labor shortages.

Throughout 2001, however, the county's unemployment rate crept upward, as the national recession began to take hold. The average unemployment rate for 2001 was 4.8 percent, and through September the average for 2002 is 6.3 percent. In July of this year, the rate touched 7 percent, a level of unemployment unknown in Guilford County in well over a decade.

Clearly, the Guilford County labor market is a very different place in 2002 than it was in 1998. And yet in one very important respect, nothing has changed. Employers still need to have access to the right set of skills, and workers still need to be in a position to supply them. In fact, these needs are even more acute now, even though higher unemployment rates are masking that fact.

But unemployment is an attribute of the labor market at this moment in time, not of the labor market next year or five years from now. The long-term structural changes that are buffeting the North Carolina economy will affect us far into the future. The national recession isn't really the problem, though it has exacerbated things. International trading agreements like NAFTA aren't really the problem, though they have made us more aware of those structural changes.

We are slowly but surely moving toward what some economists and policy-makers call a "New Economy," which will be dominated by knowledge-intensive activities and skilled workers. In such an economy, skills take the place of low wages as the primary currency of labor-force development.

Unfortunately, low wages and mature industries are what North Carolina has depended on for many decades. We tend to fare poorly in rankings of readiness for the New Economy. Last year, one such ranking placed the Triad 45th out of the country's top 50 metropolitan areas, and 46th in the subcategory of workforce education.

With all this in mind, Guilford County needs to look beyond the recession and other distractions and plan for the labor market of the future. But before that can be done, the needs of current businesses must be addressed and modes of training and planning must be assessed.

This is the goal of a new study I recently conducted as Director of the Office of Business and Economic Research at UNCG's Bryan School of Business and Economics. Entitled "Preparation for the World of Work 2002," the study was commissioned by the United Way of Greater Greensboro, with the participation of the Greensboro and High Point Chambers of Commerce and the United Way of Greater High Point. I surveyed Chamber of Commerce members in Guilford County and asked them to evaluate and rank worker skills. You can read the final report at www.unitedwaygso.org/go/jobsurveyresults (you will need the Adobe Acrobat Reader to view this document).

The Preparation for the World of Work Survey, or PWWS, asked respondents to consider two levels of employment, entry-level (a starting position for someone with little or no relevant experience) and career-level (a more mature position for someone with two or more years of related job experience).

For each of these two levels, 268 survey respondents evaluated a large array of specific skills and competencies. Then those skills were aggregated into 11 skill categories: written communication, oral communication, arithmetical/mathematical skills, information-technology skills, learning and reasoning, problem solving/decision making, creative thinking, self-management, integrity/honesty, social skills, and management/leadership.

The survey respondents then ranked these 11 skill categories by importance and by how common or uncommon they are among job candidates they have seen recently. The skill categories that were deemed by employers to be quite important but relatively uncommon are the ones that should command the most attention among policy-makers, educators, and human-service agencies.

The results of the PWWS confirmed many hunches about labor-market development, and provided a few surprises as well. The lesson of the survey could be summarized, with tongue only slightly in cheek, as: All I really need to know in the job market I learned in kindergarten. Specialized skill categories such as information technology were not ranked highly in importance, and were deemed to be relatively common.

But fundamental skills and traits are important to employers, and a number of them are in short supply.

By far and away, the most important skill category among surveyed employers was integrity/honesty. Forty-eight percent of respondents ranked it as the most important category at the entry level, and 55 percent said so at the career level. However, it is quite possible that this percentage was driven more by the news of the last year than by current labor-market realities. One wonders how high those percentages would have been a year ago, prior to the corporate accounting scandals involving Enron and Worldcom.

Interestingly, while integrity/honesty was important to employers, it was also deemed to be relatively common among job-seekers. It's nice to know that employers aren't struggling to find honest workers.

But they are struggling to find workers who can write. Written communication was the least common skill category for both entry-level and career positions.

Let's put integrity/honesty aside for a moment. Weighing importance against rarity, the categories of greatest concern at the entry level were written communication, self-management, and oral communication. For career positions, the greatest concerns were written communication, problem solving/decision making, and self-management.

The PWWS indicates that employers need workers who take responsibility for their actions, set personal goals, and are "self-starters."

We might think of these skills as being directed inward, and they matter to employers regardless of the job level. But personal responsibility also has an interpersonal dimension, a dimension of leadership. Particularly at the career level, businesses need people who can make and carry out plans.

And clearly, everyone needs to be able to communicate well. Workers need to communicate through both speaking and writing, with both co-workers and customers. They need to communicate ideas and concepts and to do so in an appropriate manner.

Employers appear to be telling us that a functional business is not unlike a functional marriage: If the lines of communication are open and effective, the rest will fall into place.

There is an instructive parallel between the labor-market dynamics identified by the 2002 PWWS and economic development in general. For the latter, I have been saying for years that what matters most is not the specifics of tax incentives and attracting individual companies, but the overall development of our *economic infrastructure*. This means our educational system, our transportation network, our entrepreneurial environment, and our quality of life (including a cool downtown). These factors generate benefits that spill over into all commercial activities, making all businesses more efficient and more able to attract skilled workers.

The PWWS suggests a similar lesson for the local workforce. The specifics of this computer program or that accounting technique are less important to employers than a job-seeker's *skill infrastructure*: integrity, communication skills, reasoning ability, and personal responsibility. These workforce skills spill over into all activities in which a person may engage, making him or her more efficient and more employable.

Of course, it's easier to focus on specific business relocations than on the long-term development of our economic infrastructure. Similarly, it's easier to talk about specialized job-training programs than on the long-term development of our labor force's skill infrastructure. And unfortunately, investments in our skill infrastructure will pay off over time, not immediately.

But if we make those investments steadily and earnestly, the workforce of Guilford County could soon be on a sound footing for years to come.

And then we won't have to dread the next round of those "New Economy" ratings, because our workers will be ready for anything.