

University of Arkansas, Fayetteville

ScholarWorks@UARK

---

Publications and Presentations

Center for Business & Economic Research

---

11-2011

## 2011 Workforce Needs Survey

Katherine A. Deck

Follow this and additional works at: <https://scholarworks.uark.edu/cberpub>



Part of the [Growth and Development Commons](#), [Industrial Organization Commons](#), [Labor Economics Commons](#), [Public Economics Commons](#), and the [Regional Economics Commons](#)

---

### Citation

Deck, K. A. (2011). 2011 Workforce Needs Survey. *Publications and Presentations*. Retrieved from <https://scholarworks.uark.edu/cberpub/18>

This Report is brought to you for free and open access by the Center for Business & Economic Research at ScholarWorks@UARK. It has been accepted for inclusion in Publications and Presentations by an authorized administrator of ScholarWorks@UARK. For more information, please contact [scholar@uark.edu](mailto:scholar@uark.edu).

---

# 2011 WORKFORCE NEEDS SURVEY

---

*A survey of employers in Benton, Madison and Washington Counties*

*Produced for the Northwest Arkansas Council*



Center for Business and Economic Research  
Willard J. Walker Hall 545  
Sam M. Walton College of Business  
1 University of Arkansas  
Fayetteville, Arkansas 72701-1201  
(479) 575-4151  
**November 2011**

## CONTENTS

---

Contents.....	ii
Introduction.....	1
Profile of Survey Respondents.....	2
Challenges in the Region’s Workforce .....	4
Hiring Plans of Northwest Arkansas Employers .....	8
Recommendations from the Employers .....	10

## LIST OF FIGURES

---

Figure 1: Respondents by Industry Classification .....	2
Figure 2: Size of Respondent Firms .....	3
Figure 3: Difficult of Finding Applicants Who Meet the Educational Requirements of a Position .....	4
Figure 4: Difficulty of Finding Employees with Basic Skills.....	5
Figure 5: Difficult of Finding Employees with Soft Skills.....	6
Figure 6: Employer Response to Hiring Difficulty .....	7
Figure 7: Hiring Plans of Employers in the Next Five Years .....	8

## INTRODUCTION

---

In recent decades, the Northwest Arkansas region has undergone a tremendous economic expansion that can be credited to the hard work and tenacious spirit of the community's leaders and residents. These leaders and community members built successful enterprises that have transformed the region by enhancing the economic opportunity and the standard of living. However, instead of resting on past accomplishments, community leader in Northwest Arkansas are committed to taking proactive steps to sustain and attract businesses and compete effectively in the 21<sup>st</sup> century economy.

Beginning in early 2010, business and community leaders in Northwest Arkansas began the process of working together to chart the course needed for a sustained and vibrant economy and community in Northwest Arkansas. The process though spear headed by the Northwest Arkansas Council, local Chamber of Commerce and other regional organizations, incorporated the inputs and suggestions of thousands of Northwest Arkansans in developing a strategic plan for the region. The process yielded the Greater Northwest Arkansas Regional Economic Development Strategy.

The Greater Northwest Arkansas Regional Economic Development Strategy identified four priority areas where the region needs to collaborate around specific goals to enhance the overall community. Regional success in Northwest Arkansas will therefore depend on the success of specific goals being achieved in the areas of Infrastructure, Regional Economic Development, Community Vitality and Educational Excellence.

The strategies outlined by the Greater Northwest Arkansas Regional Economic Development Strategy in the priority area of Educational Excellence seek to elevate the educational attainment and workforce skills in Northwest Arkansas. A committee (the Educational Excellence Taskforce) of public school, community college, university, business and, workforce development professionals work together to implement various strategies outlined under the Educational Excellence priority area. Among other goals, the regional strategy specifically calls for a strengthening of Northwest Arkansas' workforce development system by matching the needs of area employers more carefully with the training and education that the labor force receives. Toward this end, a survey was developed and administered by the Center for Business and Economic Research at the University of Arkansas to measure the current state of affairs regarding workforce education. The survey was administered to a representative group of industry respondents and will have questions regarding the firms' current employment occupation distribution, hiring plans over the next 5 years, the kinds of skills that will be needed to fill those jobs, and perceptions about how the public schools, community colleges, and four-year institutions can help most effectively. The Educational Excellence Taskforce will use the results of the survey to identify any deficits in the skills of the regional workforce and guide efforts to remedy the weaknesses.

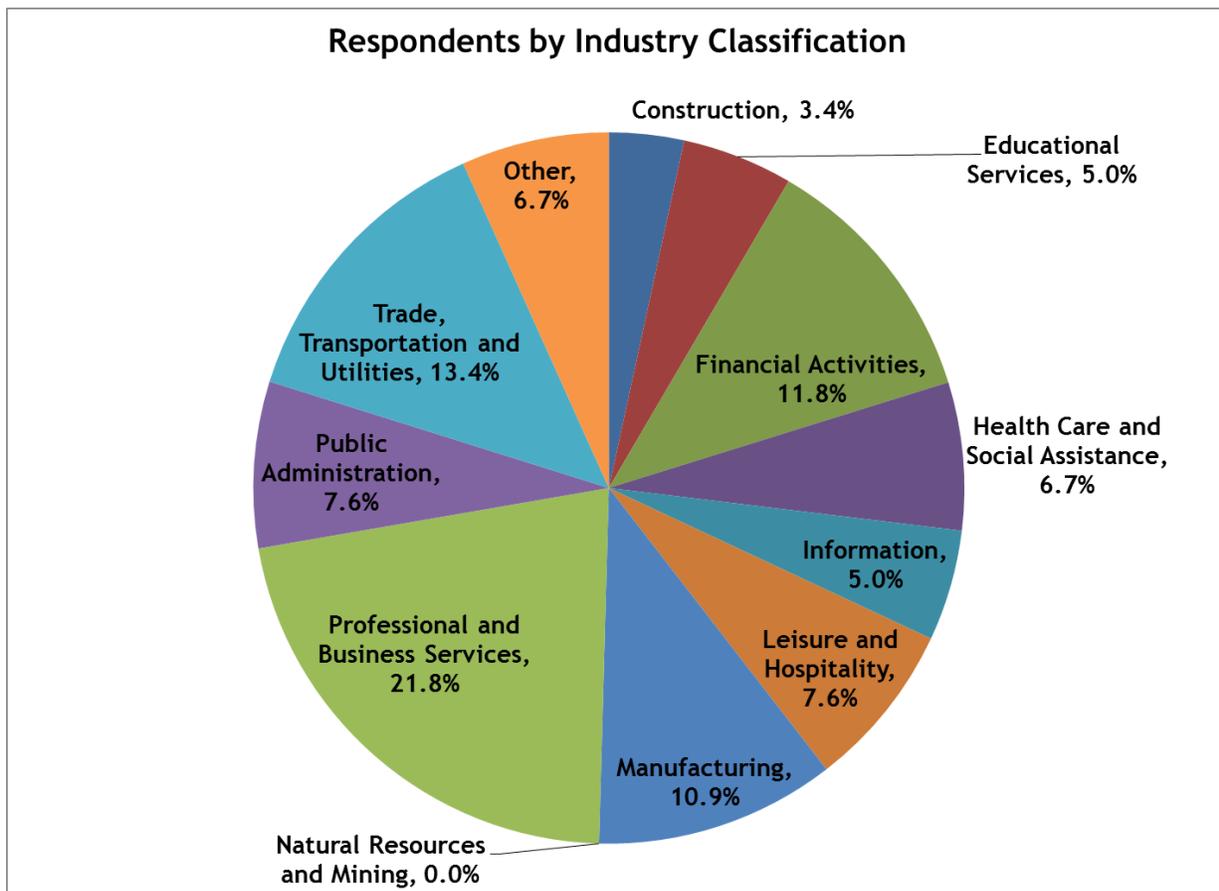
The online survey was distributed to employers through the Northwest Arkansas Community College Workforce Advisory Group, local Chambers of Commerce, Human Resources Professional Groups and other avenues. The survey received 119 respondents. The following report will describe the major findings of the survey.

## PROFILE OF SURVEY RESPONDENTS

The 2011 Workforce Needs Survey received 119 responses from employers across Northwest Arkansas. Respondents were well represented from several of the major cities in the area including Bentonville, Fayetteville, Huntsville, Lowell, Rogers, Siloam Springs and Springdale. Employers in Fayetteville represented 36.1 percent of the respondents while employers from Bentonville and Springdale represented 16 percent of the respondents.

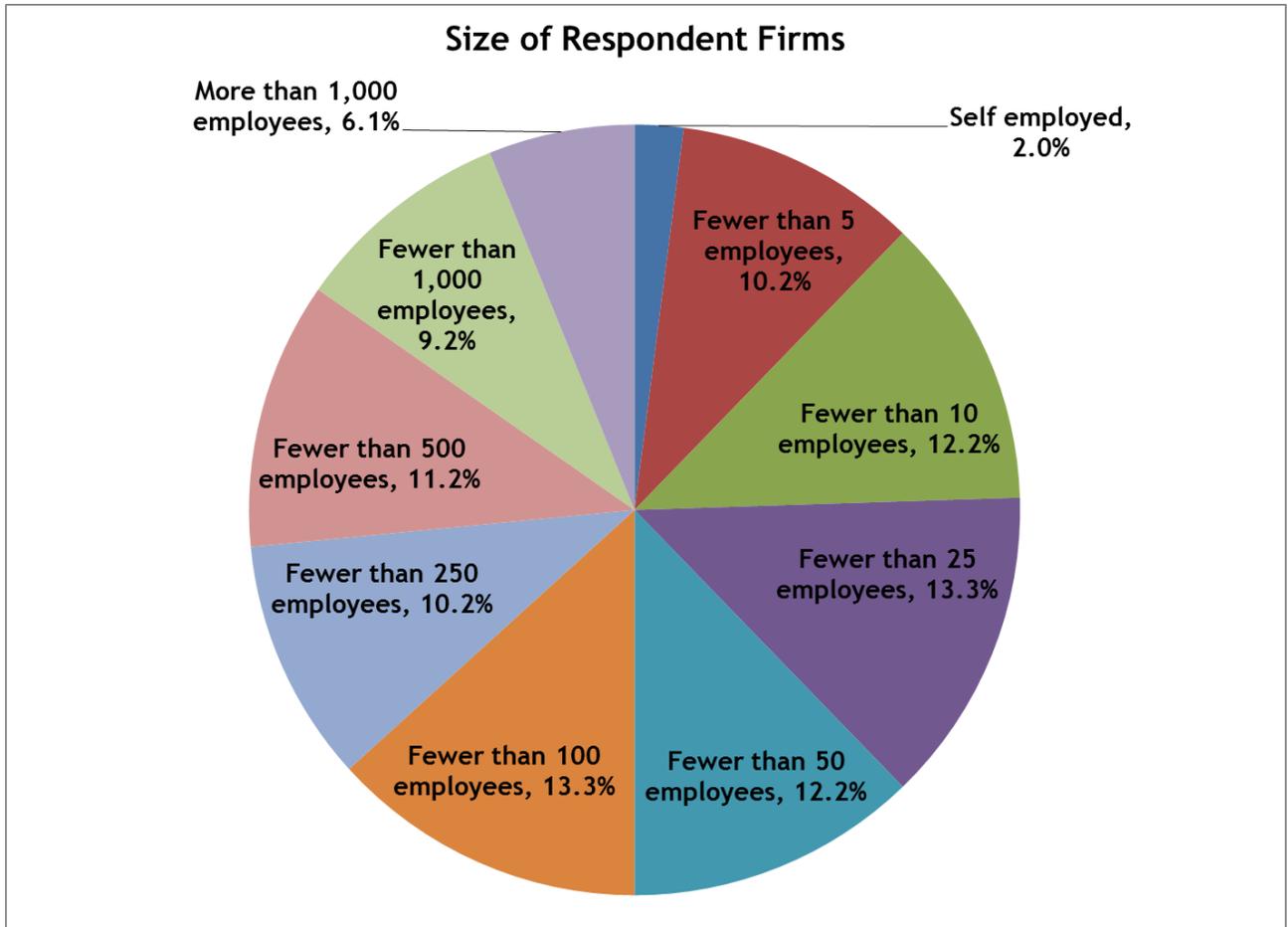
The employers who responded to the 2011 Workforce Needs Survey also self-identified the industries classification that best described their business operation. Industries that performed Professional and Business Services were most represented in the survey with 21.8 percent of the respondents. The industry is considered a major strength in the Northwest Arkansas economy. Specifically, industries that performed Professional Services (a sub-sector of Professional and Business Services) contributed 12.8 percent of the respondents. The Trade, Transportation and Utilities sector, another relative strength sector in Northwest Arkansas accounted for 13.4 percent of the respondents. Financial Activities sector followed with 11.8 percent of the respondents, manufacturing with 10.9 percent and leisure and hospitality with 7.6 percent.

**Figure 1: Respondents by Industry Classification**



Firms ranging from fewer than 5 employees to firms with fewer than 1,000 employees were fairly evenly represented among the survey respondents. Firms with fewer than 100 employees and firms with fewer than 25 employees led with 13.3 percent of the respondents while firms with less than 10 employees and firms with less than 50 employees, each contributed 12.2 percent of the respondents. 6.1 percent of the respondents to the survey comprised of Northwest Arkansas's largest employers with more than 1,000 employees.

**Figure 2: Size of Respondent Firms**

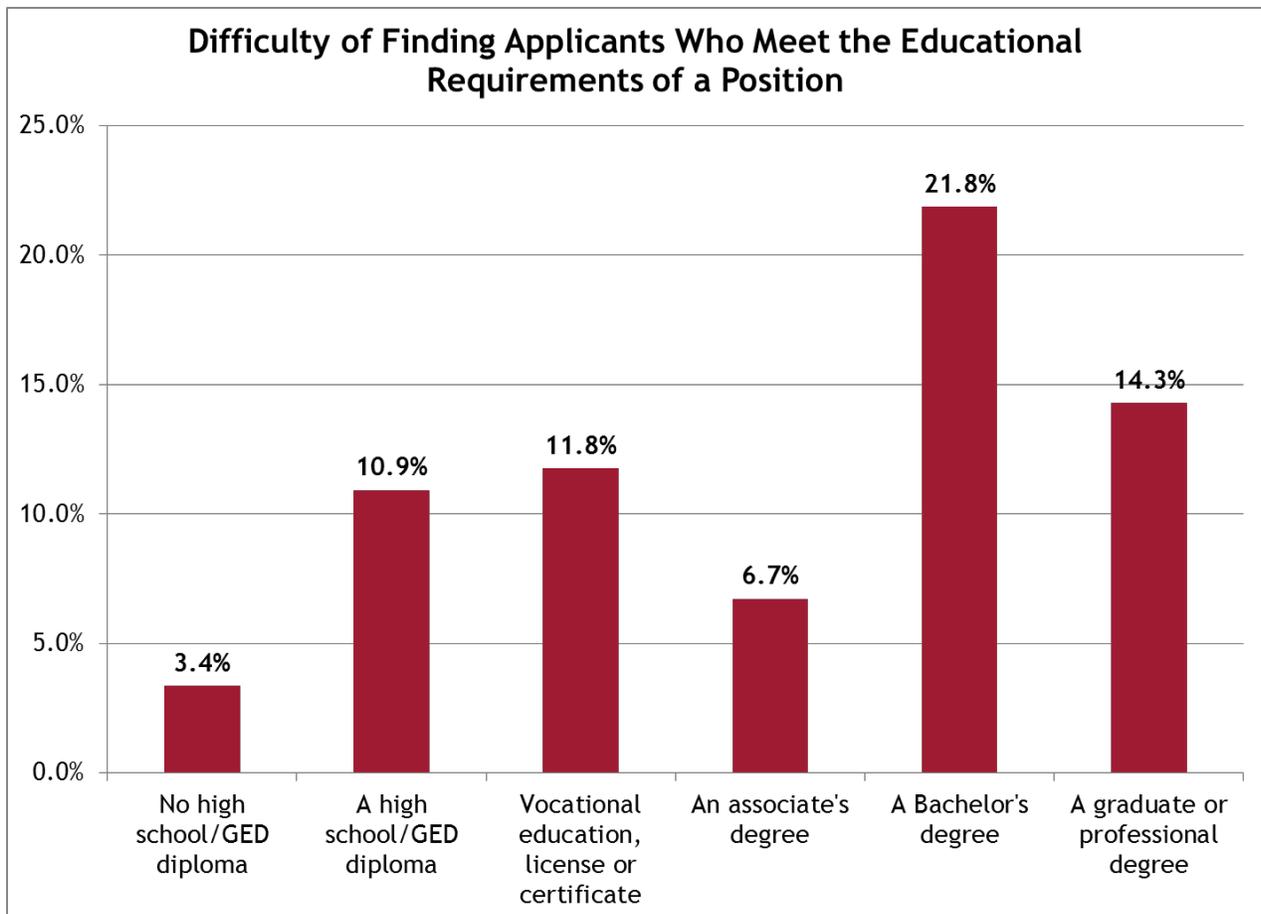


## CHALLENGES IN THE REGION'S WORKFORCE

The Educational Excellence Taskforce of the Greater Northwest Arkansas Regional Economic Development Strategy was particularly interested in identifying the deficiencies that existed in the Northwest Arkansas workforce. Identification of these deficiencies will serve as an important first step to determining what actions can be taken by various stakeholders to develop and maintain a workforce that can compete in the 21<sup>st</sup> century economy.

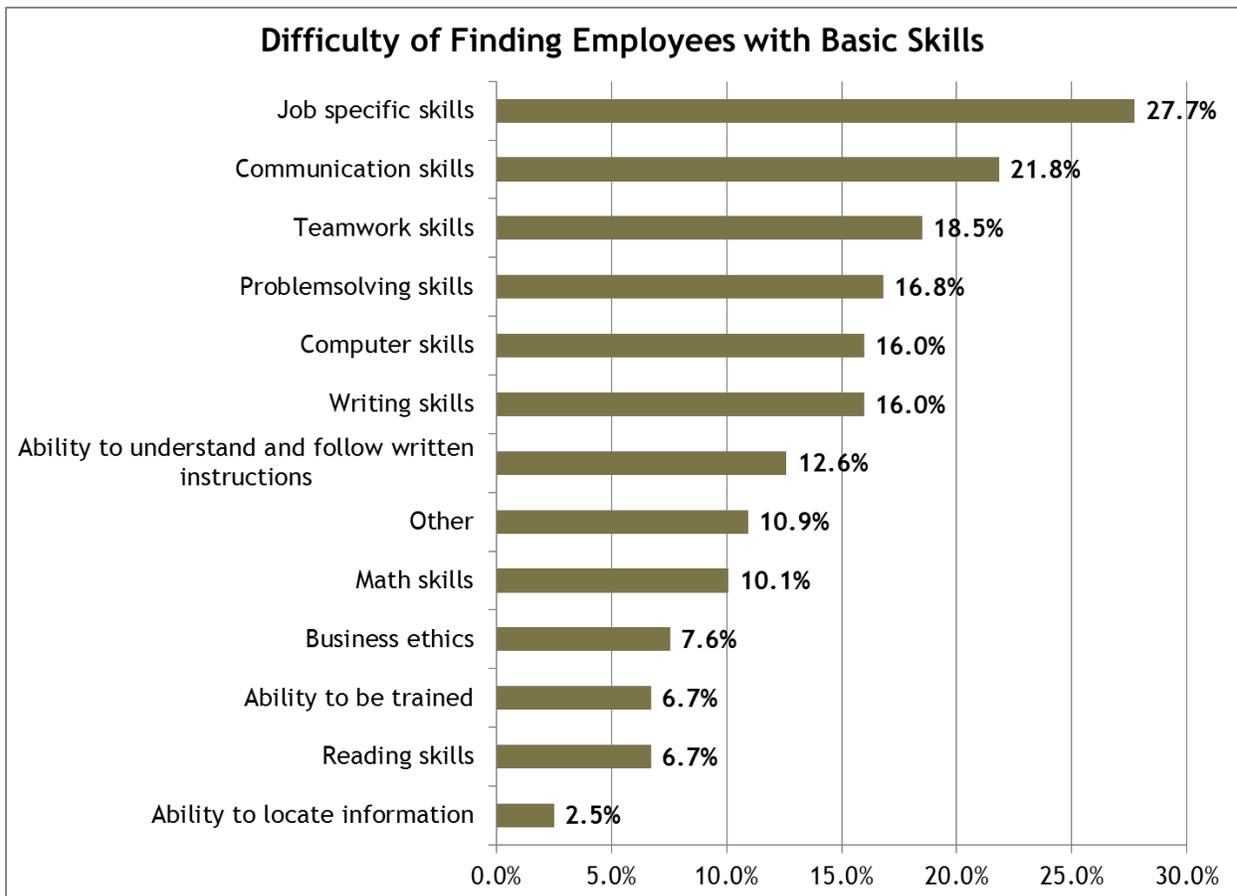
The survey seeks to understand the areas of workforce education and training that need improvement to ensure that Northwest Arkansas employers have access to adequately educated workforce. Employers who responded to the survey indicated that 21.8 percent of them had difficulty finding quality applicants with a Bachelor's degree. 14.8 percent had difficulty finding applicants with a graduate or professional degree while 11.8 percent had difficulty finding applicants with vocational training/certification.

**Figure 3: Difficult of Finding Applicants Who Meet the Educational Requirements of a Position**



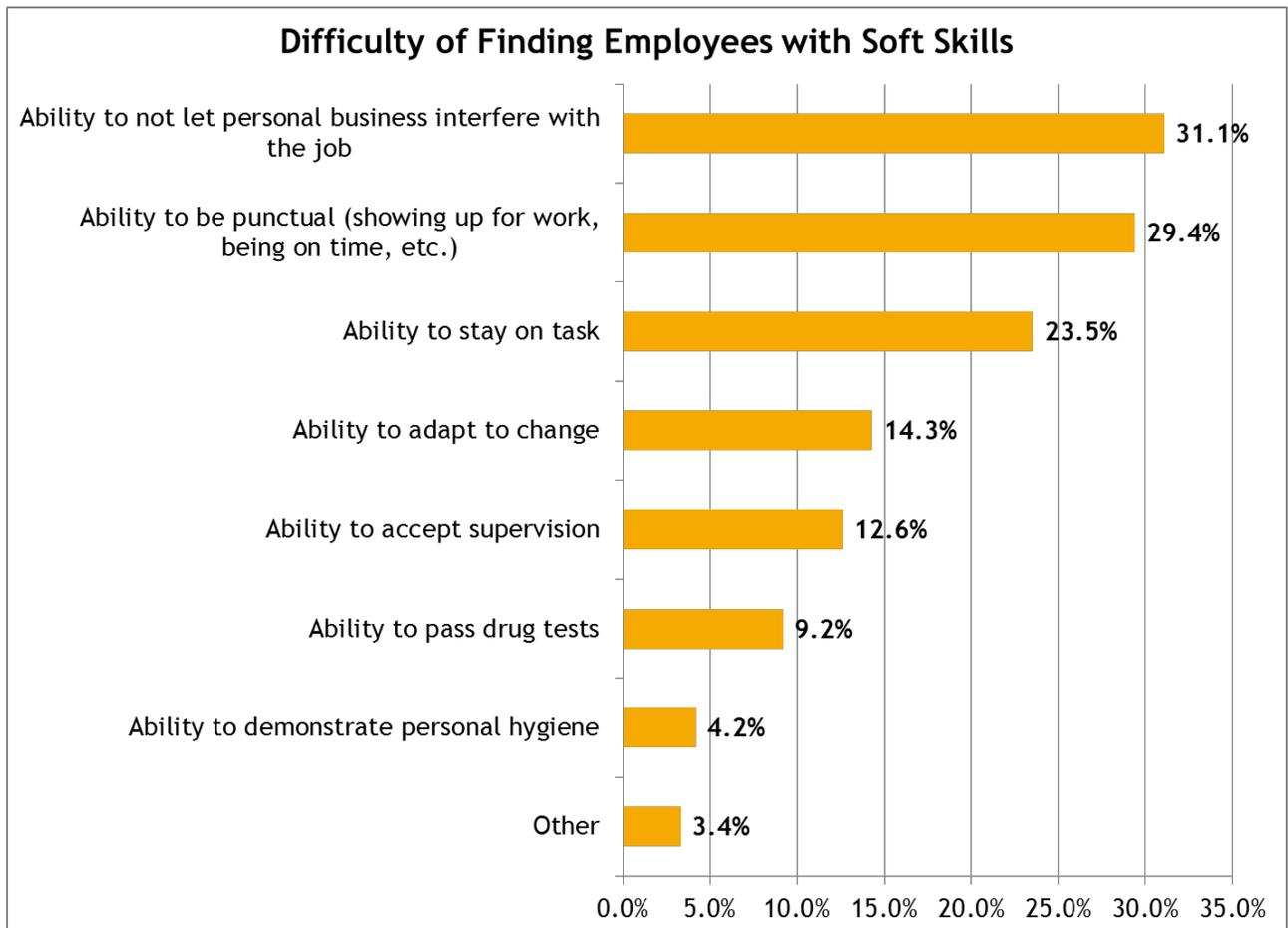
Firms in Northwest Arkansas were given a list of basic skills and asked the following question: “In the past 12 months, did your company have difficulty finding quality applicants in Northwest Arkansas for particular positions that required any of the following basic skills?” 27.7 percent of responding firms noted that they had difficulty hiring employees who had job specific skills. Education institutions around Northwest Arkansas will continue to find it difficult to reconcile local employer demands for specific skills needed for their industry and the mission of educational institutions to provide broad based education that can be applied in a variety of fields. Communication skills were identified as a deficit in the local labor force by 21.8 percent of the respondents, followed by 18.5 percent who cited teamwork skills, 16.8 percent who cited problem solving skills and, 16.0 percent who cited deficiencies in computer and writing skills. Among written entries, some firms responded that their pool of employees needed aid with learning to speak English.

**Figure 4: Difficulty of Finding Employees with Basic Skills**



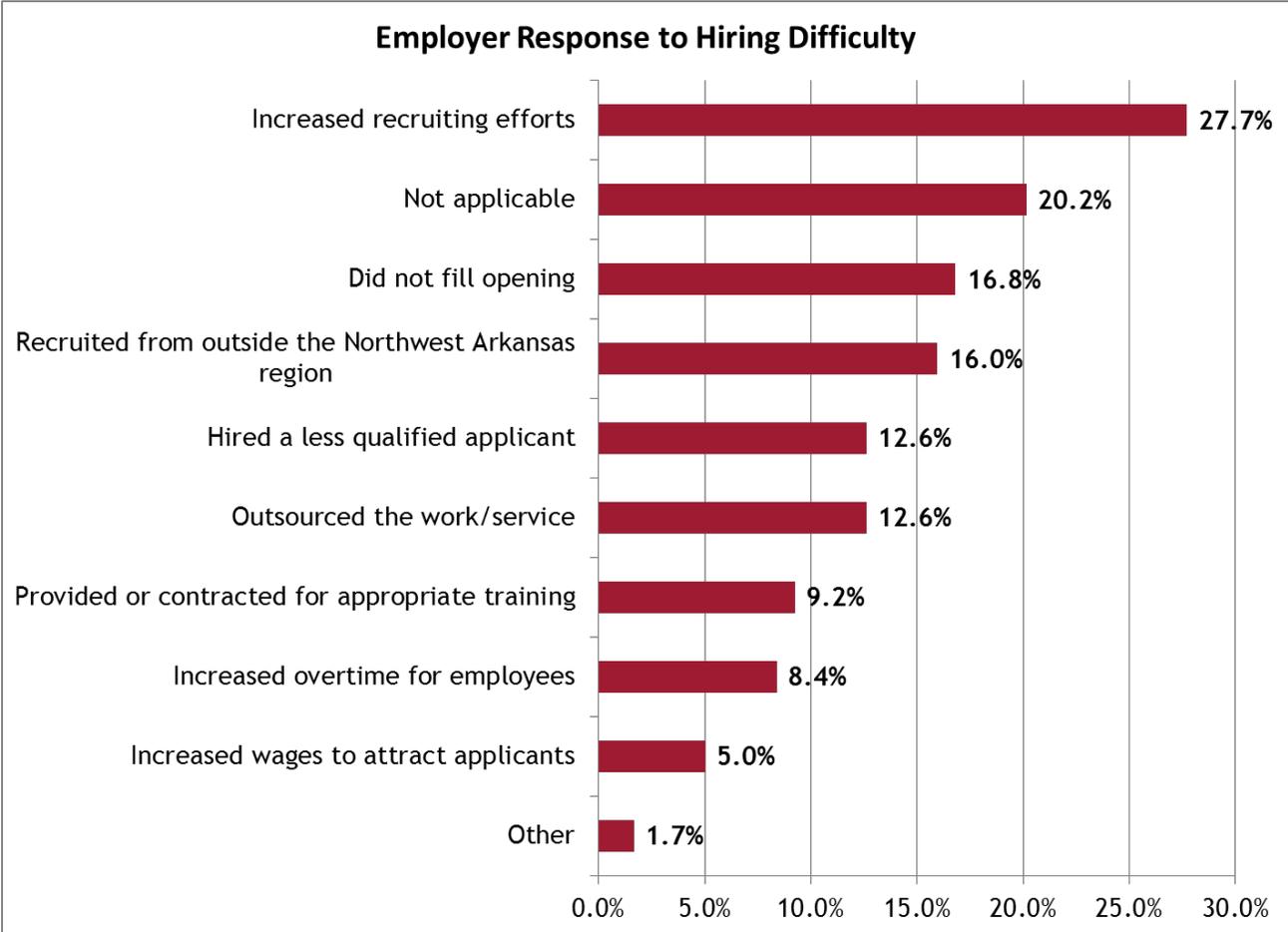
Similarly, firms in Northwest Arkansas were asked to identify any deficiencies soft skills among the local applicant pool. In response to the question: “In the past 12 months, did your company have difficulty finding quality applicants in Northwest Arkansas for particular positions that required any of the following soft skills?”, firms indicated that 31.1 percent had trouble finding employees that had the ability to not let personal business interfere with the job. 29.4 percent of the firms also reported that employees had trouble with punctuality with respect to showing up for work and showing up on time. Issues of employees being able to pass drug tests and demonstrate personal hygiene ranked much lower among employer responses at 9.2 percent and 4.2 percent.

**Figure 5: Difficult of Finding Employees with Soft Skills**



Researchers from the Center for Business and Economic Research wanted to understand the consequences of the deficiencies of the Northwest Arkansas labor force as identified by the employers, so firms were asked the following question: “If applicable, what did your business do when faced with difficulty hiring employees with the appropriate educational, basic and soft skills?” 27.7 percent of the respondents indicated that they increased recruiting efforts to identify better candidates for open positions. When there was a perceived lack of quality applicants in Northwest Arkansas, 16.8 percent preferred not to fill the opening while 16.0 percent recruited employees from outside the Northwest Arkansas region. 12.6 percent of the responding firms settled for the less qualified applicant while an equal percent of the firms outsourced the desired work or service.

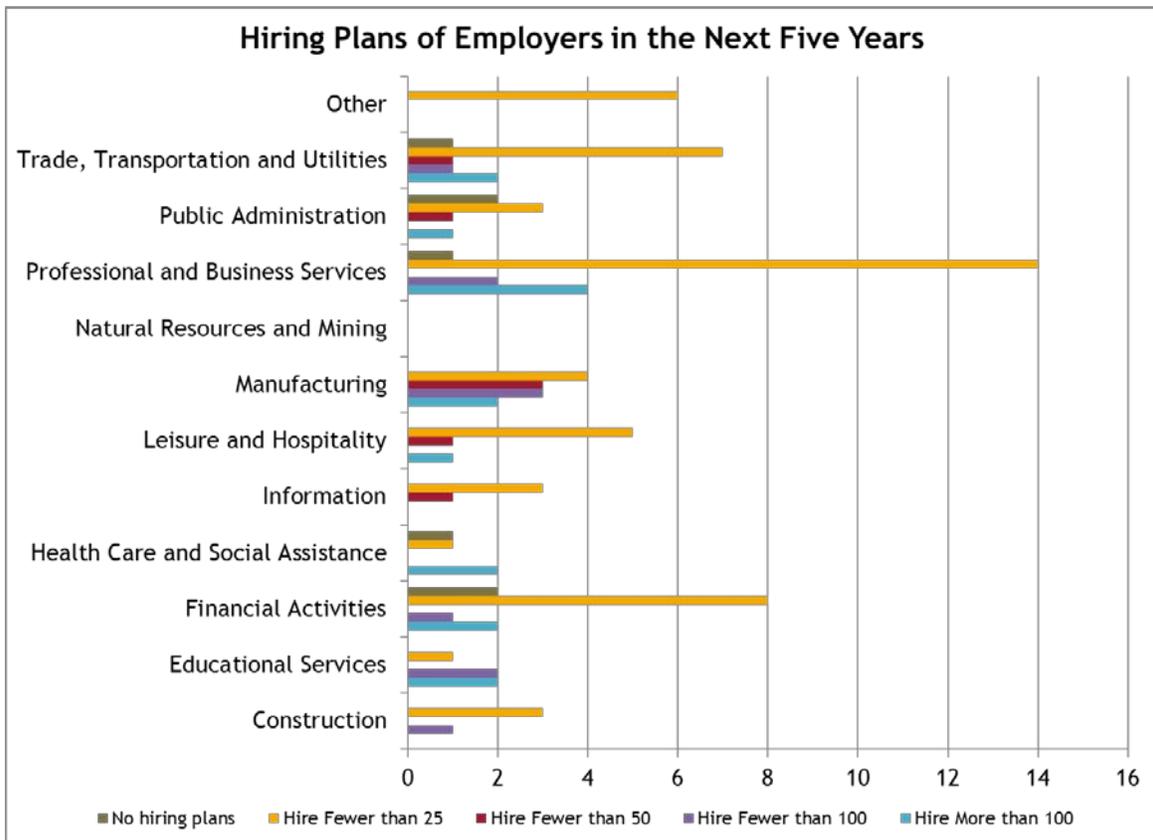
**Figure 6: Employer Response to Hiring Difficulty**



## HIRING PLANS OF NORTHWEST ARKANSAS EMPLOYERS

Members of the Educational Excellence Taskforce were also interested in understanding the hiring plans of the employer community in Northwest Arkansas. The information about hiring plans would provide insights into which industries in Northwest Arkansas would need quality employees over the next five years. Members of the Educational Excellence Taskforce can tailor recommendations for workforce training based on the relative demands of various Northwest Arkansas employers who participated in the survey. Therefore employers were asked about hiring plans for the next five years and the mix of educational attainment sought by the employers. Of the 95 employers who responded to the question about hiring plans, 92.6 percent of them reported that they had plans to hire employees in the next five years. Firms providing professional and business services comprised 22.7 percent of all firms hiring, followed by manufacturing firms with 13.6 percent, and financial activities and trade, transportations, and utilities, both with 12.5 percent.

**Figure 7: Hiring Plans of Employers in the Next Five Years**



Upon further analysis of the survey results, researchers at the Center for Business and Economic Research were able to identify the educational attainments of the labor force needed by various businesses in Northwest Arkansas. Among employers who plan to hire fewer than 5 employees, an average of 45.8 percent of the hires will need a Bachelor's degree, 27.8 percent will need a high school diploma or GED, 12.8 percent will need vocational training/certification, and 8.6 percent will

need an associate's degree. Meanwhile, among employers than planned to hire between five and 50 employees, an average of 39.4 percent of hires will need a high school diploma or GED, 33.4 percent will need a Bachelor's degree. Only an average of 9.0 percent of the hires from firms hiring between five and 50 will need vocational training/certification and only 6.7 percent will need an associate's degree. Firms that plan to hire between 50 and 100 employees in the next five years indicated that they would need an average of 48.5 percent of their hires to have at least a high school diploma or GED and at least 36.0 percent will need a Bachelor's degree. Finally, among employers who plan to hire more than 100 employees, an average of 7.2 percent of hires will need less than a high school diploma, an average of 31.6 percent hires will need a high school diploma or GED, 12.8 percent will need vocational training/certification, 8.2 percent will need an associate's degree, 29.4 percent will need a Bachelor's degree, and 10.8 percent will need a graduate or professional degree. Currently, just less than 25 percent of the labor force in Northwest Arkansas has a bachelor's degree and as indicated by the needs of the employers in the next five years, efforts will need to be made to increase the supply of persons in Northwest Arkansas with a bachelor's degree.

## RECOMMENDATIONS FROM THE EMPLOYERS

---

Employers responding to the survey were also given the opportunity to recommend specific actions that the education community can take to produce a labor force that meets the demands of the Northwest Arkansas employers. Employers were provided the opportunity to present recommendations for public schools, two year colleges and four year colleges in the Northwest Arkansas community.

Several recommendations from the employer community were similar for the three sub groups of the education sector. Among these similar requests from the employer community was that the educational institutions should encourage their students to take part in job shadowing and internship opportunities at businesses in Northwest Arkansas. Some employers suggested that at the two year and four year college levels, internships should be required for graduation in some fields of education. Another common recommendation for the three levels of education was the need for students to be taught life skills that help with financial literacy, time management, adapting to change, organization, and socialization.

Employers also believed that students needed additional instruction on workplace expectations about punctuality, dress code, and cell phone and social media usage. At the two year and four year college levels, employers recommended teaching workplace communication skills, the ability to follow instructions, respect for authority, attitude to work, and teamwork skills in a non-credit course setting. In addition, employers believed that students lacked training in job interview related etiquette and resume writing. Some employers also suggested the students in two and four year colleges must be exposed to training and curriculum from outside their field of study.

Several employers who responded to the study recommended that public schools and two year colleges encourage their students to consider pursuing careers in a skilled trade. Employers believed that skilled trades could support a good standard of living and needs to be marketed to students as they are considering higher education options. Specifically, employers reported difficulty in finding suitable job candidates with training for electrical work, hydraulics work, CNC, PLCs, and industrial maintenance technicians among others. Other employers recommended that students who are encouraged to pursue a career with vocational training should be taught to use Analytics, Financials, Microsoft Office, Adobe and Retail Link. According to these employers, two and four year colleges need to invite business professionals to speak, make presentations and hold Q&As to supplement classroom teaching. Northwest Arkansas businesses believe that this will provide students with a realistic understanding of the workplace. Finally, employers wanted graduates of four year colleges to reduce expectations of the level of jobs available post-graduation. Employers find that graduates expect a high level position instead of an entry level position at local corporations.