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Triangle Talent: Understanding the Skills Gap

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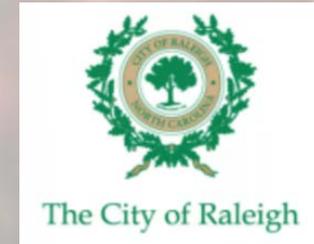
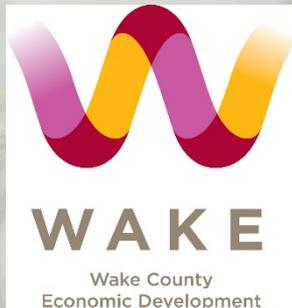
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This initiative was a partnership between



Contact Ashley Cagle at acagle@raleighchamber.org for more information or visit our website [here](#).



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Regional Workforce Skills Analysis

#TriangleTalent

Prepared by RTI for Wake County Economic Development,
Capital Area Workforce Board, City of Raleigh

Michael Hogan, Sara Lawrence, and Alice Brower

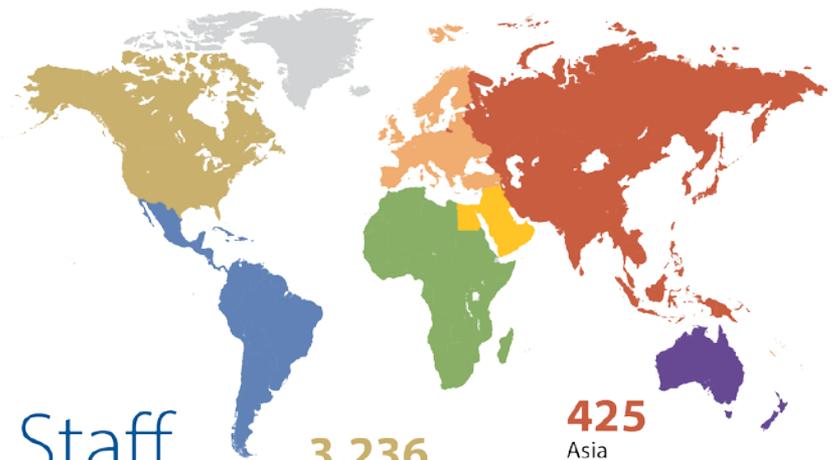


4,905 Staff Members
Worldwide

90 
Languages

250 
Degree Fields

100 
Nationalities



Staff
By Region

3,236
United States
and Canada

137
Latin America
and the Caribbean

951
Africa

425
Asia

92
Europe

55
Middle East
and North Africa

3
Australia

Our Research Approach



Creating a Survey

RTI, Wake County Economic Development, Capital Area Workforce Development, and the City of Raleigh partnered with over **50** organizations including city governments, economic development offices, industry associations, and education institutions to develop and share a survey. Our goal was to **understand the areas of highest growth and skills needs in the Research Triangle region of North Carolina.**

Data Notes

- The data is presented for the region as a whole, not one specific county or city.
- All responses are treated equally based on size of business
 - *Ex: Many small (1-5) professional services firms alongside fewer large (1,000+) health care firms*

Survey participation was voluntary and the sample is not meant to be statistically significant.



WAKE

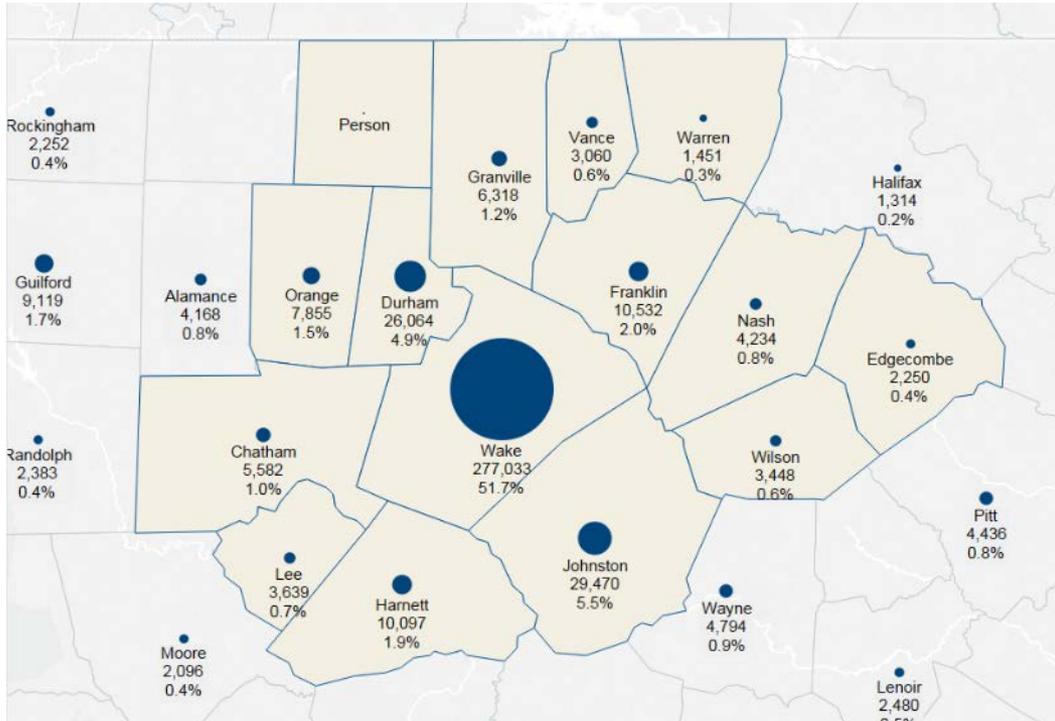


CAPITAL AREA
WORKFORCE DEVELOPMENT



The City of Raleigh

Understanding the Region



County of residence of workers with primary jobs in Wake County: 2014

Source: US Census OnTheMap

RTI and partners reached out to businesses in a 15-county region that represented the broad commuting shed for Wake County. (see map)

The team reached over **4,000** contacts via targeted email, in addition to social media and industry association and regional partners.

RTI received **525** unique responses from businesses of all sizes, sectors, and counties

Thank you to our partners



Takeaways

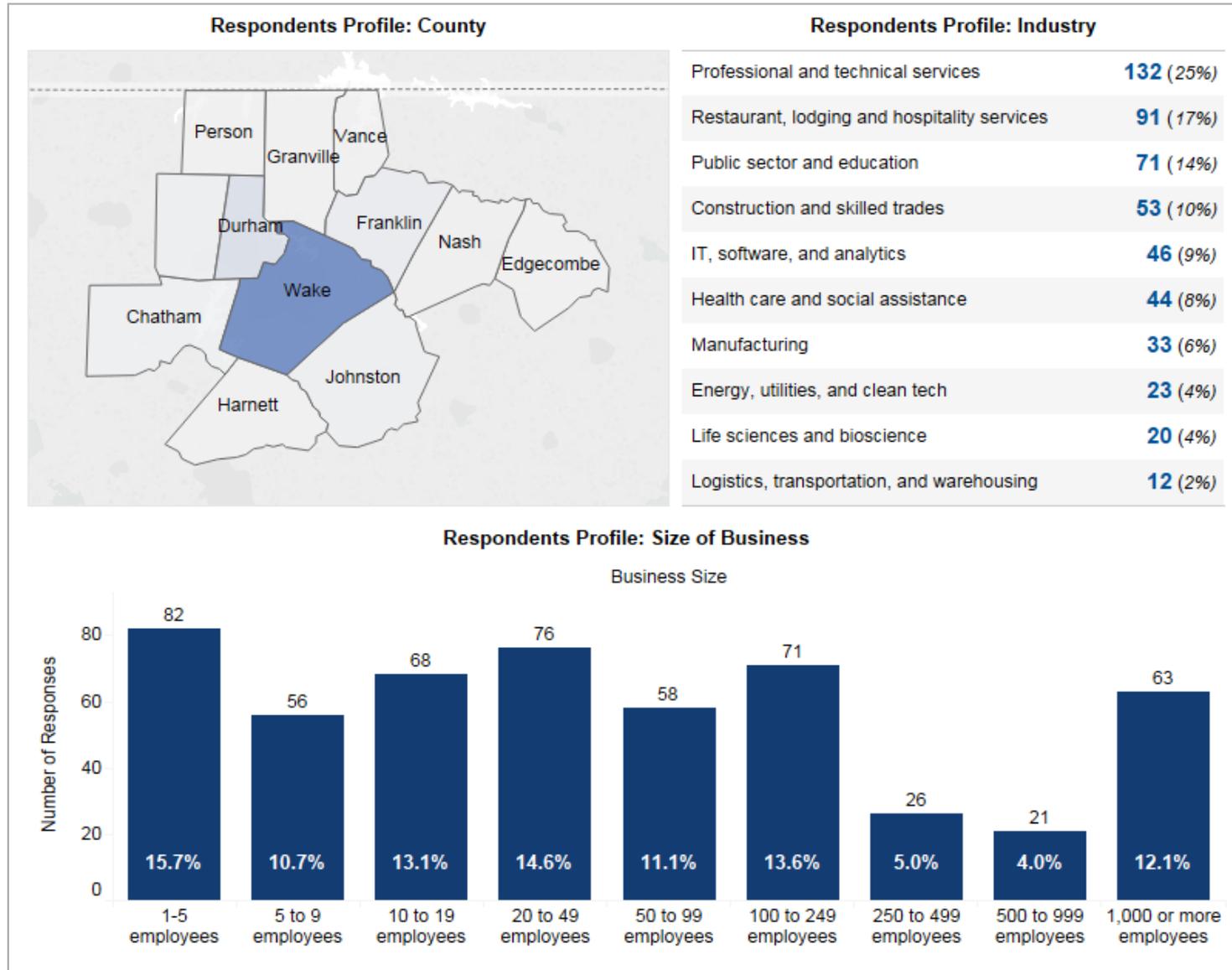


Responses represent a mix of industries and business types

Data represents 10 different industry sectors across 13 counties, and ranges from small (1-5 employee) to large businesses with over 1,000 employees.

Responses: **60%** from Wake County, **40%** from others.

- Data treated as regional, not county-specific



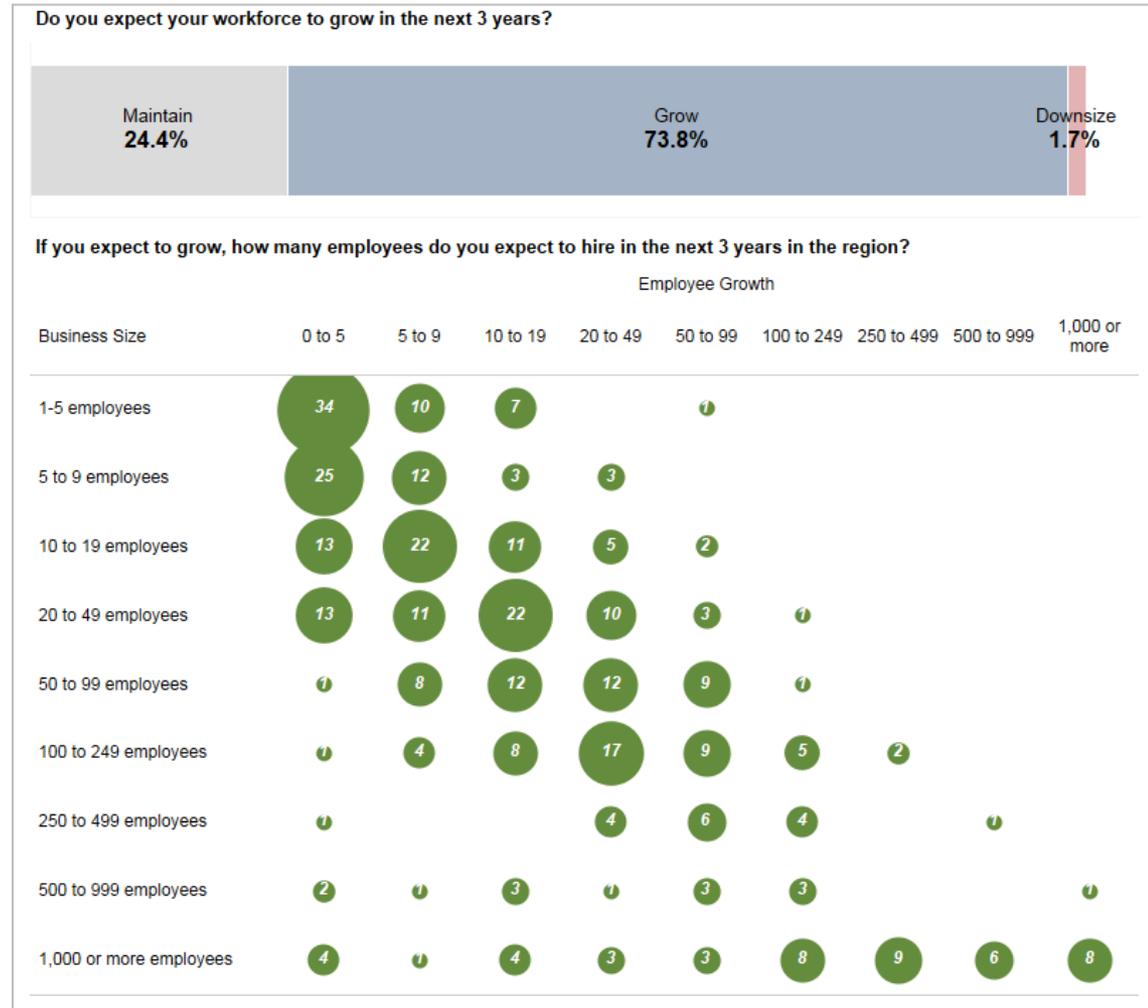
Businesses are looking to expand

Of those surveyed, nearly **74%** expect to grow in the next three years. The companies that are most likely to grow are in:

- IT, Software and Analytics (**87%**)
- Life Sciences and Bioscience (**85%**)
- Construction & Skilled Trades (**84%**)

Expectations of growth are commensurate to the size of the business.

- Stated hiring expectations for all companies surveyed range between **22,000** and **36,700 new jobs** in the region. (in the next 3 years)



Projections of Growth

Source: RTI Survey

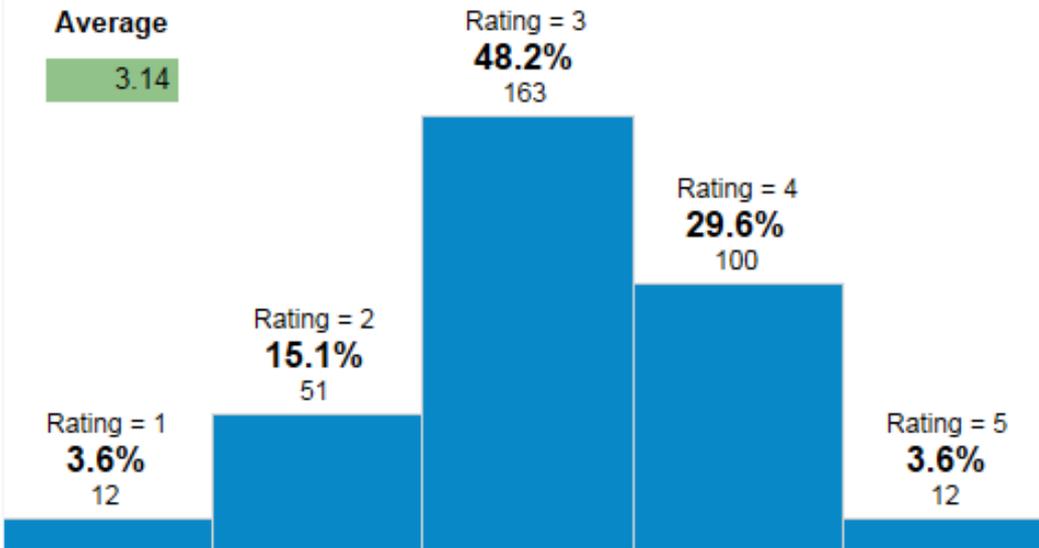
Industry has a positive but varied opinion of the talent pipeline

Industry respondents rated the quality of the talent pipeline as a **3.14** out of 5.

- STEM businesses tended to have, on average, the highest evaluation of the talent available (3.4 and above)
- Construction, logistics, and manufacturing had a more critical evaluation of the local talent pipeline (2.7 and below)

Talent Pipeline and Education

All: On a scale of 1-5 how would you rate the quality of the local pipeline for supplying well-trained workers?



Averages by Industry

Select an industry in the list below to view more details on how businesses evaluated the local talent pipeline.

Industry

Life sciences and bioscience	3.56
Energy, utilities, and clean tech	3.50
IT, software, and analytics	3.46
Professional and technical services	3.36
Public sector and education	3.28
Health care and social assistance	3.23
Restaurant, lodging and hospitality services	2.84
Manufacturing	2.74
Logistics, transportation, and warehousing	2.56
Construction and skilled trades	2.53

Evaluation of the Talent Pipeline: All Industries

Source: RTI Survey

Companies value 4 year degrees, but note a need for more technical education

Companies most frequently look for workers with a college degree (49% of all respondents).

However, respondents in construction & skilled trades, manufacturing, and restaurant & hospitality were more likely to cite professional certifications, community colleges, and apprenticeships as education expectations.

“Balance of mainly 4 year engineering degrees and lack of technician community college graduates makes recruiting experienced techs difficult.”

- Manager, manufacturing company



Education Expectations for Hiring: All Industries

Companies could select more than one.
Source: RTI Survey

Specific Challenges



Networks are the most important tool for sourcing talent

Where do you most often source your talent?

Source: RTI Survey

	Small businesses (1-49)	Medium-sized businesses (50-249)	Large businesses (250+)
1	Friends and networks (139)	Online job portals (indeed, monster, etc.) (66)	Internal employee references (29)
2	Online job portals (indeed, monster, etc.) (86)	Friends and networks (60)	4-year universities (29)
3	Internal employee references (79)	Internal employee references (54)	Online job portals (29)

Most businesses sourced their talent from existing networks, employee references, and online tools. In regards to recruiting, respondents noted:

“Lack of diversity in age and social economic groups”

“As the millennial generation becomes a large sector of the workforce, finding ways to connect and engage them will be the biggest success factor.”

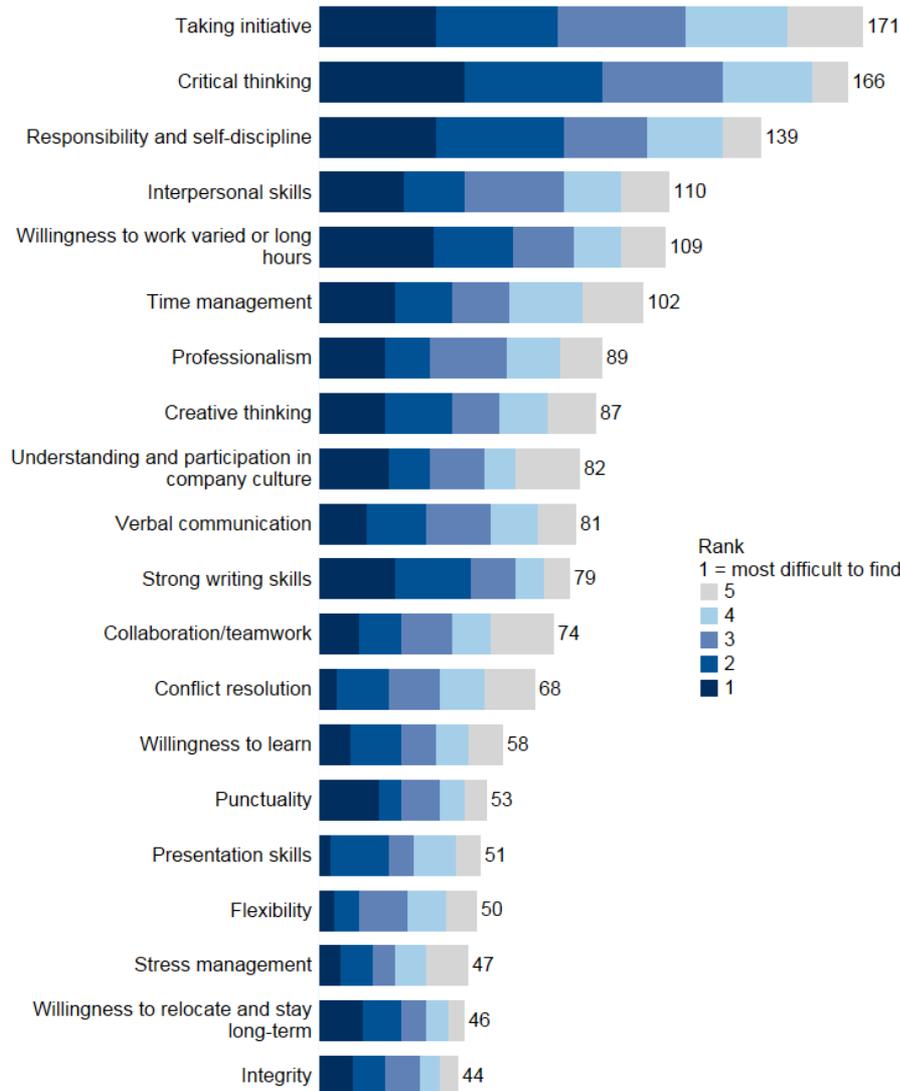
-Professional services company CEOs

“Managers [need to be] able to understand multi-cultural workforce”

-Restaurant, hospitality, and lodging HR manager

Companies struggle to find employees that can take initiative and think critically

All: What qualities or soft skills are the most difficult to find in the workforce?
 Rank the top 5 qualities or soft skills difficult to find, with 1 being the most difficult.



Across all industries, **taking initiative, critical thinking, and self-discipline** were the soft skills most difficult to find in the workforce.

“My industry will have a new name by the time K12 reaches graduation. Teach fundamentals - synthesis, analysis, deductive reasoning, inductive reasoning, communication skills, etc. Things that are market segment agnostic. Need balance of STEM and non-STEM”

-Small business CEO

Qualities (Soft Skills) Difficult to Find in the Workforce

Source: RTI Survey

Hiring challenges exist for many reasons across industries (1)

Industry growth, supply and demand

“The demand for qualified hospitality driven applicants in the hospitality industry will far exceed the supply.”

- HR manager, hospitality industry

“Insufficient provider base to meet future needs; Health care economics make it very difficult to appropriately staff for our growing patient population”

- Health center administrator

Interest gap

“Lack of interest in working with hands, lack of experience with tools, lack of experience in the industry or willing to learn”

- CEO, Manufacturing company

Skills

“Agility with changing workforce needs, lean manufacturing influence on workforce requiring greater agility of skilled workforce”

- HR director, manufacturing

Hiring challenges exist for many reasons across industries (2)

Education Offerings

“We need educators with industry job skills who can help students make connections to what they're learning. A strong combination of teachers from colleges of education along with those from the private sector will benefit our students and the overall workforce development pipeline.”

- Director of Academics, Public Sector & Education

Professional Experience

“I believe we have successfully retained talent coming from universities which provides a lot of cheap early career (in-experienced) talent. I'm concerned especially in our startup communities there is a severe shortage of experience mid-late stage talent with a desire to work at companies with fewer than ~500 people. A lot more can be done to recruit more people back to area from Silicon Valley or Boston or Seattle.”

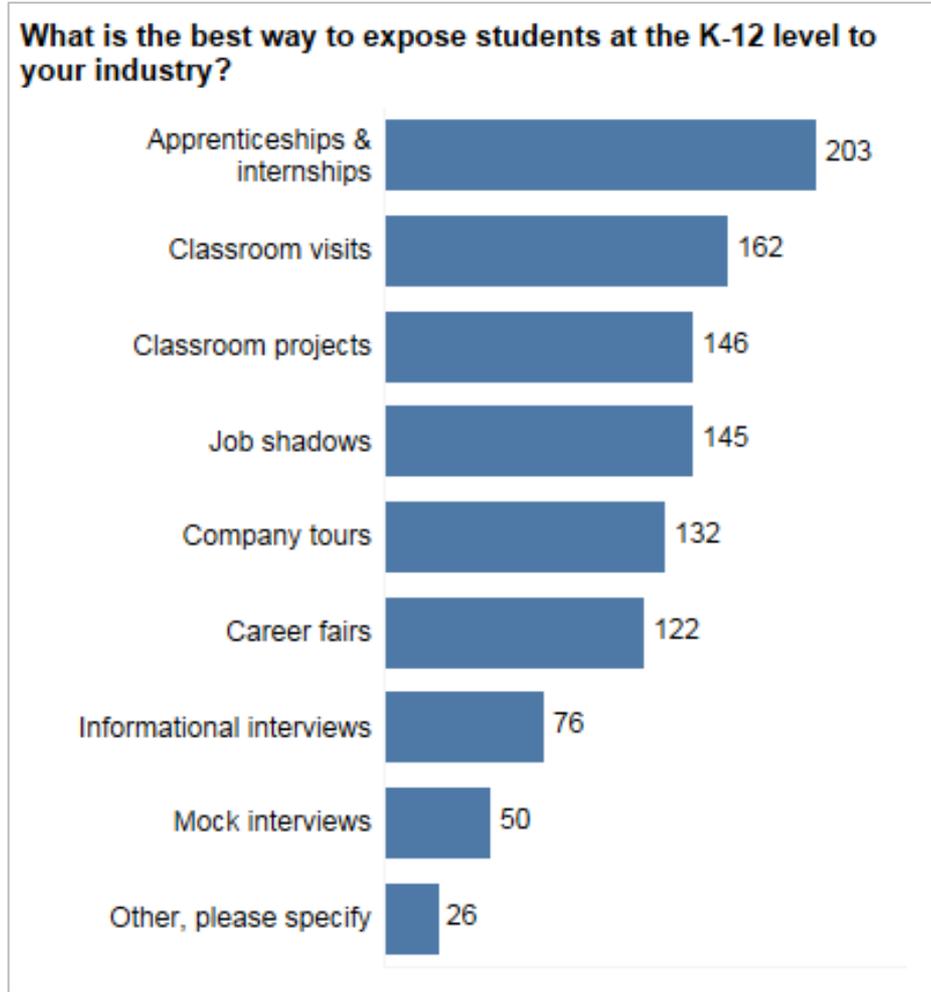
- CEO, IT Startup

Companies value apprenticeships, but are less likely to plan to implement them.

Of respondents,

- **39%** (203) cited apprenticeships and internships as a valuable tool to expose students to industry, but only
- **22%** (113) expressed interest in hiring apprentices as a tool for training the future workforce
- **15%** (80) planned to use them to strengthen the existing workforce.

Construction and manufacturing companies were more likely to value apprenticeships.



Ways to expose K-12 students to industry

Source: RTI Survey

Construction companies are among the most likely to grow, but have a low evaluation of the talent pipeline

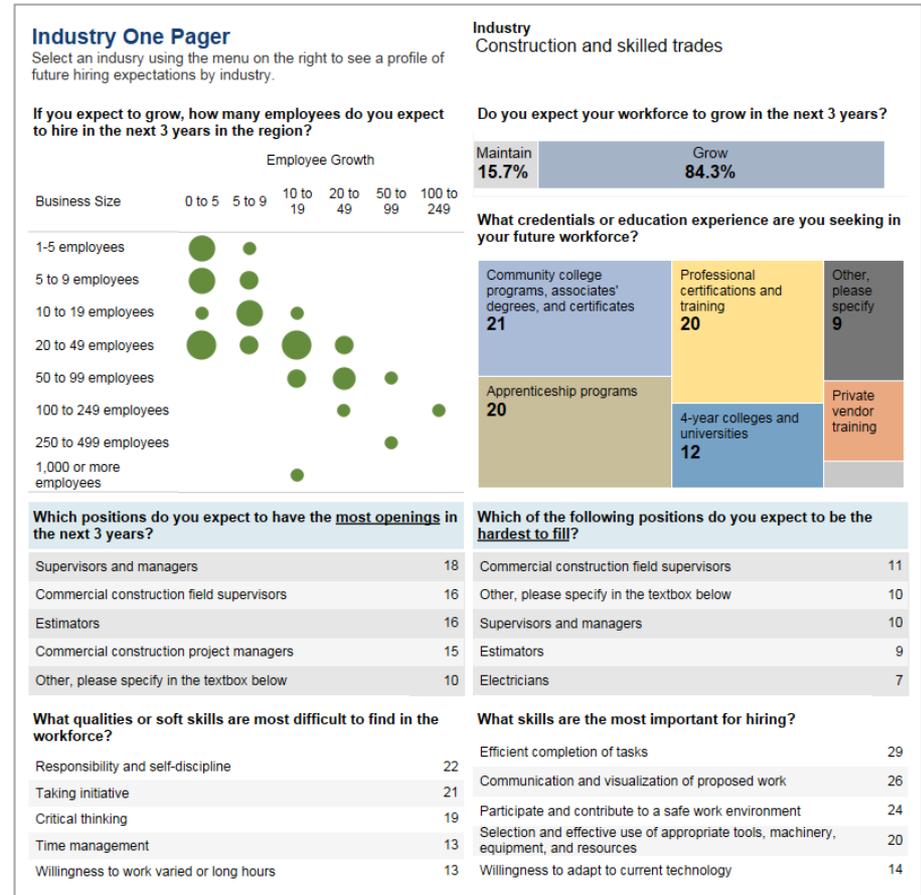
Over **84%** of construction companies expected to grow (3rd highest), but ranked the talent pipeline as **2.5** out of 5 (lowest).

“Need more skilled trades and education about career opportunities in construction”

“There are not enough skilled Project Managers who know construction and want to work in the field anymore. Most have changed fields due to the economic downturn.”

“Just that there aren't enough folks learning the trades. It's extremely hard finding quality plumbers.”

-Construction & Skilled Trades Industry Respondents



Construction Industry Summary

Source: RTI Survey

Final Takeaways



Key Takeaways

- **Businesses expect to grow!**
- There is a wide range of demand for skilled workers, both for technical and university level
- Networks are still the most important tool for sourcing talent
- The Triangle's labor market has a mix of strengths and challenges

Strengths	Challenges
<p>Businesses expect to hire thousands of new employees, across sizes and sectors.</p> <p>STEM businesses value the talent pipeline in the region.</p>	<p>Companies struggle to find workers with initiative, critical thinking, self-discipline.</p> <p>There is an interest in apprenticeships, but a need for leadership.</p> <p>Construction and hospitality express hiring challenges.</p>

- Skills gaps exist due to several reasons, including supply & demand, interest, skills, education offerings, and professional experience.

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Connie Thames

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