

**DRAFT**

**Regional Workforce Audit: Progress Report  
Summary**

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In 2000, Lewis-Clark State College in conjunction with the North Central Idaho Regional Workforce Investment Board, Valley Vision, The Nez Perce Tribe, The North Central Idaho Labor Council, Job Service, and the Clearwater Economic Development Association applied for and secured a grant to look at regional workforce issues. The original proposal included Southeast Washington, but that partnership has never materialized. Much of the research effort, however, includes data on the Southeast Washington counties. A steering committee of regional stakeholders and employers was formed to oversee the project and to provide stakeholder input.

The Regional Workforce Audit intended to address five needs:

- To generate accurate information on changing job skills and job opportunities in declining natural resource-related industries in order to develop strategic interventions
- To research the newly emerging job opportunities in light manufacturing and technology-related sectors and identify the job skills associated with those opportunities
- To involve employers in the hospitality industry in a strategic assessment of job development opportunities related to the Lewis and Clark Bicentennial, training needs, and career ladders
- To address the serious shortage of skilled workers facing health-related employers despite the high unemployment rates and serious under employment in the region
- To involve key stakeholders in building the case for an ongoing regional workforce development initiative

Our goals were threefold: to develop both baseline data and a method of assessing workforce needs and mapping assets that will be incorporated into ongoing WIB strategic planning efforts, to initiate a regional consortium to focus attention on workforce development as a critical tool for sustainable economic development in this region, and to assist many of the currently underemployed, unemployed, and upcoming new workforce recruits who need better information on training and job opportunities. In our efforts we concentrated on looking for strategies that reflect the “bad” jobs to “good” jobs methodology. The value of the information gathered and the subsequent analysis of workforce challenges will depend on the ability of the WIB to engage key stakeholders in identifying opportunities for change and taking steps to implement those changes.

## **Findings**

Because of the difficulty in getting industry-specific data by county for the region, our workforce assessment activities primarily revolved around a sectoral strategy. Using this strategy, we looked at particular segments of the workforce by targeting industries in a regional context and focusing on worker and employers needs. In doing so, we built on the results of the 2000 Business Survey which collected survey data on businesses in the same target area rather than repeat aspects of that survey. The sectors for which we have data include healthcare, manufacturing, and hospitality. In response to comments from the steering and advisory committees, we conducted focus group research on youth and minority workforce experiences. We also conducted research on recruitment and retention best practice by interviewing regional HR directors.

**Healthcare:** Tracy Flynn (LCSC) prepared a literature review, conducted focus groups and administered surveys to DSN’s to learn more about the workforce concerns in the healthcare sector. Not only are healthcare workers in demand across the globe, but the lack of qualified and trained workers also exacerbates conditions that increase stress within worksites affecting both retention and recruitment negatively. Ms Flynn’s results focus primarily on nursing and include information about working conditions as well as workforce recruitment and retention issues and concerns. She found that many C.N.A.’s expressed frustration with working conditions where expectations regarding work load were very high, yet there is not a supportive environment to help workers achieve these expectations. In the rush to get work done and take care of patients, participants report that there is little time and energy devoted to taking care of the team. In

addition, perceptions of the work environment differ markedly between supervising RN's and CNA's resulting in additional stress for both groups.

Healthcare providers reported a need for more nurses at all levels and cited required overtime and scheduling issues as barriers to retention. They indicated a need for more training for Practical Nursing as well as for RN's and BSN's. Opportunities to increase access to training and degree programs in this region, however, are limited by the number of clinical training sites. Healthcare providers also indicated an interest in expanding continuing education activities. In the discussion of results with the advisory committee, the committee determined that there is a great need for healthcare providers to join together to increase awareness of career opportunities in the healthcare fields.

**Hospitality:** Tom Mayburry conducted interviews of employers in Kooskia, Kamiah area (population about 2500), Grangeville (3500), Riggins (1000) and a random sample in the Lewiston/Clarkston area (50,000). In addition focus groups of employees were conducted in Riggins, Kamiah, Grangeville and Lewiston. Despite high unemployment rates, many of these firms struggle to attract and retain an adequate number of qualified employees. Lack of employees has led to limited hours and services in several of the firms. Although the demand for these employees is high, wages and hours conspire to force many employees to work multiple jobs and leap from one firm to another for small increases in pay. However, differences among firms in both recruitment and retention strategies and the success of these strategies is marked. These findings lead to the speculation that the implementation of best practices in these areas and employer training might effect the changes need to improve both recruitment and retention of employees.

Employees participating in focus groups described what they like about their jobs. Many appreciate the opportunity to work with people, relish providing quality service, and take pride in providing solutions. These people-oriented employees look for opportunities to work for firms that make them feel like 'family.' They want to be loyal to the employer, but, in return, expect loyalty from the employer. Many employer complaints about workers, particularly those in entry-level positions, come back to this issue. Employers who change or reduce hours or switch schedules regularly will have great difficulty in retaining loyal and hardworking employees. Furthermore, employees often comment that they want to expand their skills but may require additional training. In regard to youth, we observed that employers with kids

and those that like kids tended to have very positive experiences with youth workers while those whose children had moved on or didn't have teenagers in the home, were more likely to subscribe to stereotypes regarding problematic youth.

**Manufacturing:** Dave Bonfield conducted in-person interviews with 142 of 143 manufacturing firms resulting in 114 useable surveys. The value of the data is somewhat limited as a large number of the family-run or single-proprietor businesses declined to respond to many of the questions, particularly those related to recruitment and retention of workers. In order to better understand the data we did collect, we separated out first, the family-run businesses and then, secondly, the large employers, but these different approaches did not change the results appreciatively. What we did learn is that many of the smaller manufacturers focus primarily on the production of one to several products and thus are not well tuned into many of the business-related concerns we sought to learn more about.

Survey results also indicate that there is significant relationship between those family-run businesses who are not interested in skilled training and an negative or limited expectation of growth. Thus, it appears that for many small manufacturers, the internal focus on their production/family/community may limit their opportunities for growth. Firms that rely on hiring from within the family or community and providing their own job training are, therefore, less likely to answer the questions about potential growth positively.

Almost 90% of respondents indicated they anticipate growth over the next 1 to 5 years with half of the group anticipating growth of 20% or less. About one quarter predicted growth of 21 to 40% and less than ten percent indicated they plan to grow more than 41%.

Firms rated their needs as: 1) equipment, 2) trained workers and 3) capital. In relation to technical assistance, nearly 50% indicated that marketing was the area of greatest need.

Over 40 firms indicated that they would like to support education initiatives in the field. Among the types of activities firms would like to help with are: job shadowing, guest speaker/demonstration, advisory committee, and advisors to student clubs.

The most common recruitment strategy was through family and friends, then working with Job Service, followed by the newspaper, networking with other employers, temp agencies and last, the

internet. The most common method of providing training was on-the job or in- house. The area where training was most needed was quality control/ISO certification.

We did not get a high response to the question regarding the impact of a skills gap or worker shortage on the bottom line. For those who did answer the question (less than 10%), approximately half indicated a negative impact resulting in an estimated regional total of \$500,000 to \$3 million dollar impact in the region for last year.

**Follow up research:** Based on the information generated early in the study, the findings of the early Business Survey, and the comments of the steering committee, the project set out to learn more about employee/employer relations. In addition to the sectoral studies, we also looked at two populations about whom employers have concern: minorities and youth. In addition, we wanted to learn more about successful recruitment and retention practices in the region by interviewing HR directors at the larger firms.

- **Youth:** The project conducted a focus group with a small number of youth in the Lewiston area. Of those that participated, all but one were currently employed. In regard to questions about work ethic, punctuality, and attitude, the group discussed the possibilities of trial experiences, strategies to get more feedback from employers, and being given a fair chance to succeed and to learn from mistakes by fixing them themselves. They also suggested that one would not go to a firm that hired a great many youth to find good retention and recruitment strategies as any place that hires lots of kids probably has a "bad work culture". In regard to strategies to retain workers, the group suggested that supervisors be better trained, priorities clarified, encouragement given on a regular basis, and expectations clarified.
- **Minorities:** The project took a look at the experience of the region's largest workforce minority by conducting a focus group in cooperation with the HR office of the Nez Perce Tribe. Participants' responses to questions about retention mirror many of the responses from both the youth and the hospitality focus groups. Indian people like to work in environments where there is shared loyalty, where people receive recognition for their work and their effort, and where expectations are clear. According to the group, Indian workers differ from other workers in that security and benefits are priorities as is the opportunity to

both work in a supportive culture and to have your work support your culture. Participants felt that having a Lapwai address automatically limited job opportunities. They also felt that if there were more minorities in the region, employers would be more proactive about dealing with race issues. Generally, participants felt that race plays a key role in who gets hired and how they are treated. As with the youth group, participants expressed the concern that employers respond to the stereotype rather than to the person applying for the job.

- HR Directors: Of the eight H.R Directors interviewed, most reported little difficulty in recruiting and retaining workers in contrast to interviews with small businesses. Higher wage scales and access to health insurance are strong attractors. Respondents did agree that there is a need for 'employee readiness' training for new entrants to the workforce.

## **Conclusions/Recommendations**

Rural areas face many challenges in expanding regional economies, particularly in relation to the "New Economy." While access to appropriate infrastructure and capital are clearly among those challenges, workforce development remains the single most important element in determining an area's potential for growth. "...rural areas do not generally have a large enough professional-level workforce to attract or develop 'new economy' industries.... An educated, trainable workforce is also important to attract service and high tech jobs. Without those jobs, the earnings gap between urban and rural America is likely to continue widening." (Rural America, Vol. 16: Issue 1, May 2001). Clearly, successful economic development efforts in our region must address the challenges inherent in our current workforce situation.

Specific recommendations by area are:

**Healthcare:** The healthcare skills gap has become so critical in our region that it provides a clear incentive for healthcare providers to work together to identify solutions: Among the solutions suggested:

- Develop educational and training ladders to address career ladders across the industry
- Create additional continuing education opportunities that address clear training needs but that also fit into the educational/training ladder
- Develop a practical nursing program

- Work with employers to develop retention strategies for those who will not move on or who will move up the ladder slowly. For instance, create a super CNA position. While the hospitals have worked hard in this arena and have some successes, other healthcare providers need to look at these strategies as well.
- There is a need to offer supervisory training and team management workshops for DNS's and other managers/supervisors
- All agreed that together, they need to address recruitment by providing more exposure to healthcare professions in schools and more opportunities for entry-level training.
- Expand existing collaborative efforts to institute cross industry ladders, cooperate on continuing education needs, and address retention and awareness issues.

**Hospitality:** Among the solutions suggested:

- Use the Lewis and Clark commemoration to market hospitality training, especially in regard to customer service
- Because of the high level of turn over in this industry, provide training for supervisors/owners to do effective on-the-job training in-house
- Address retention issues by providing employers with information on best practices in retention and by encouraging career ladder partnerships outside the industry

**Manufacturing:** The most overwhelming finding, that the majority of small firms lack information about business development opportunities and options, requires us to identify and provide some 'teachable moments. Several suggestions emerge from the data:

- Follow up to the survey by reaching out to employers and educating them on services, resources, and opportunities for growth
- Establish manufacturing clusters to better address training needs, equipment issues, and marketing
- Offer lean manufacturing as a strategy to help these businesses become more profitable, but also to educate them on the value of training and services.
- Offer family-focused business development workshops
- Lobby for subsidized incumbent worker training

In addition to the need to create awareness of opportunities and services, the survey results offer us some indication that the lack of skilled workers is having a negative impact on the region. Generally, the multiplier associated with manufacturing is over 3. Using the

lower accepted value of 3, the potential total loss to the region from last manufacturing opportunities is estimated at \$1.5 to 9 million dollars representing 20 to 150 jobs. Given the fact that many employers do their own training for lack of additional resources, state investment in subsidizing incumbent worker training so that firms can take advantage of new production possibilities, markets, and technologies would appear to be a cost-effective and appropriate strategy to support regional economic development. With the increasingly fast pace of change in relation to manufacturing technology, the need to support incumbent worker training is even more important.

**Youth:** From the focus group we heard the opposite side of the employer complaints. Where employers complain that youth lack a work ethic, youth are telling us that they find themselves often in circumstances where the expectations are unclear, priorities are mixed, and supervisors uncaring. Similarly, employers seek to hire loyal, responsible workers who care about the business, while employees want to know that the employers realize the importance of regular schedules and hours to all employees, not just youth. For these youth there is an 'management or supervisor ethic' as well as a work ethic at play in the work environment. Again, perhaps 50% of the youth worker problem may be an employer training challenge related to strategies for recruiting, retaining workers, building successful teams, and effective supervision.

**Minorities:** Clearly, addressing the issue of racism in the workforce is a challenge for our region. In order to address the skills shortage, we must reach out to those populations where participation rates are low. The WIB could make this issue a central theme in its strategic plan and undertake an initiative to reduce the negative impact of racism on the regional skills shortage.

**Overall:** A recent study by the National Governor's Association on manufacturing identified apathy and ignorance as two of the main reasons these businesses do not grow. In contrast to the Business Survey results which identified problems with the regional workforce, this study points to a real need to work with employers. Successful employee recruitment and retention are skills that can be learned and once implemented, they can make a significant impact on the bottom line as well as on the quality of life for all involved. This study identified a need to:

1. discover ways to organize employers to work together to:



- a. identify common training needs and support programs that address these needs
  - b. identify career ladders within and among industries and to link educational opportunities and job benefits to support participation in the career ladders as a tool to address retention as well as to address the long-term goal of ameliorating the skills shortage
  - c. to increase employer awareness of the cost-benefit ratios related to effective employee recruitment and retention strategies
  - d. to develop and implement standards and programs to support successful employee recruitment and retention. For example, customer service basics required of all those who want to apply to be hired in appropriate industries or supervisory skills for all managers, etc.
  - e. to share costs of their own (employer) training and that of their employees and to develop best practices information
  - f. to develop a regional proactive stance on workforce development that brings in schools, employers, and others as partners
2. identify potential clusters of firms with similar training and/or marketing needs and work with them to increase access to markets, bids, and training
  3. develop an employers' basic training and identify strategies to market the program to very small firms where the need may be greatest
  4. lobby for increased attention to training needs, particularly incumbent worker training and to identify resources to support related programs
  5. address workforce shortages in the next iteration of the WIB strategic plan