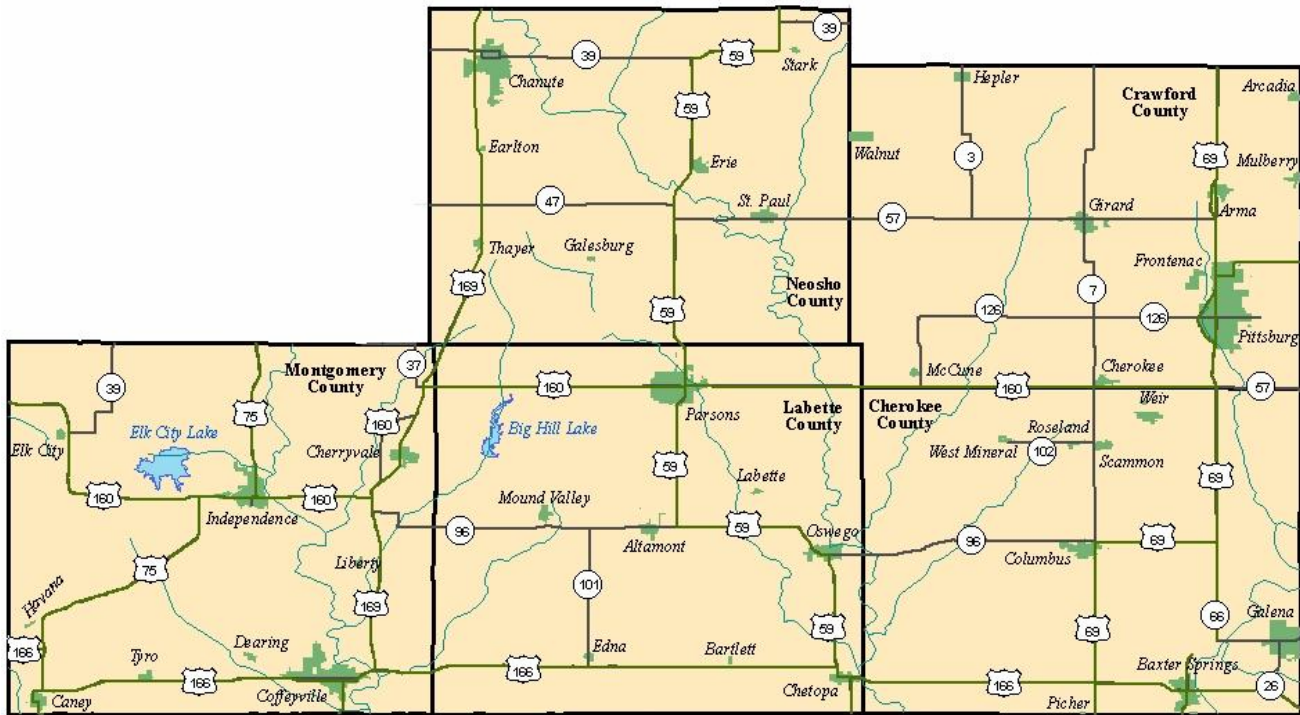


# Southeast Kansas Employers Labor Skills Assessment Analysis - 2006



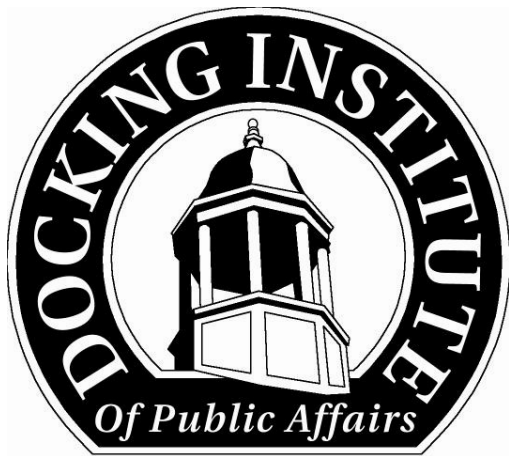
Prepared For

**Jeffrey Donohoe Associates, LLC**  
on behalf of the Kansas Department of Commerce

By

**The Docking Institute of Public Affairs**

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Mission:

To Facilitate Effective Public Policy Decision-Making.

The staff of the Docking Institute of Public Affairs and its University Center for Survey Research are dedicated to serving the people of Kansas and surrounding states.

# **Southeast Kansas Employers Labor Skills Assessment Analysis - 2006**

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This research is conducted on behalf of Jeffrey Donohoe Associates, LLC, under its contract with the Kansas Department of Commerce to assist with early community planning to ensure an effective workforce investment system response to worker impacts that may result from the closure of the Kansas Army Ammunitions Plant as a result of the Base Realignment and Closure recommendations in 2005.

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# **Southeast Kansas Employers Labor Skills Assessment**

## **Executive Summary**

Jeffrey Donohoe Associates, LLP, and the Kansas Department of Commerce contracted with the Docking Institute of Public Affairs to conduct a survey of regional employers with five or more employees to ascertain the skill levels of employees, workforce productivity, employee training needs, and perceived underemployment. The survey instrument was a self-administered questionnaire mailed in two waves to employers between May 4, 2006 and June 6, 2006.

### ***The primary objectives of the survey were to:***

- Ascertain the required skill level for organizations/businesses in the Southeast Kansas area.
- Determine the need for improvement in basic skills, thinking skills, personal quality skills, and technical skills of the Southeast Kansas area work force.
- Ascertain the skill levels of new employees today relative to new employees five years ago and the ability to hire skilled employees today compared with this ability two to three years ago.
- Ascertain the productivity of employees today compared to the productivity of employees three years ago.
- Determine the level of underemployment among employees of organizations/businesses in the Southeast Kansas area.
- Determine the need for training on basic skills, thinking skills, personal quality skills, technical skills, and computer skills in the Southeast Kansas area work force.
- Determine the importance of the public education system in the Southeast Kansas area for local business investment and expansion, and ascertain the strength of the public school system for the business environment of the region.
- Estimate prevailing wage levels associated with common occupational categories.

### ***From the analysis of the survey results, we find that:***

- About 67% of the employers describe the required skill level in their business/organization as average, while 27% describe the required skill level as high.
- Over 46% indicate that the necessary entry level skills in their business/organization have increased slightly over the past five years, and 12% indicate that they have increased significantly.
- Employers generally rated basic skills to be the most solid of all skill areas. Employers see a greater need for improving thinking skills, technical skills, and personal quality skills.

- The technical skill levels of new employees today have improved compared to those of new employees five years ago. Thinking skills and personal quality skills have decreased among today's new employees compared to those from five years ago. Basic skill levels of new employees today are about the same as the skill levels of new employees five years ago.
- Employers report that their new hires are generally meeting the needs of the organization in the occupational categories of clerical, professional, technical, and general labor, with the strongest being the clerical and professional categories. Sales is weakest in terms of new hires having skills that meet organizational needs.
- Twenty percent indicate that their skilled employees are more productive than three years ago, while almost 60% suggest that productivity is the same. Thirty-four percent indicated that their unskilled employees are less productive than three years ago.
- Almost 45% of the employers indicate that only up to 5% their employees are underemployed.
- 69% of employers indicate that hiring full time skilled employees has grown more difficult in the past three years, and 46% expect it to grow more difficult over the next three years. 49% of employers indicate that ease in hiring full time unskilled employees has stayed the same over the past three years, and 58% expect it to remain the same over the next three years.
- More than 50% of the employers tend to see a need for more training in each of these areas: problem solving, decision making, comprehension/understanding, goal-setting/personal motivation, work attitudes/habits, leadership, teamwork, and in software competency.
- Regarding computer software training, more than 60% anticipate a need for training in these areas: industry specific software, spreadsheets, presentations, data based, and scheduling.
- Fifteen percent consider the region's labor force a strength of the local business environment, while 64% consider the labor force a weakness.
- Seventy-four percent consider the public education system to be important for decisions to invest and expand locally.
- Forty-seven percent regard public education in the region as a strength for the local business environment, while 25% consider public education to be a weakness.
- In terms of average hourly wages, engineers (\$22.00), business/managment professionals (\$18.50), and other advanced professionals command the highest compensation. The lowest hourly wages tend to be found among unskilled labor (\$8.00), customer service staff (\$10.00), and clerical positions (\$10.00).
- A majority of employers (more than 50%) offer vacation benefits to employees in all job categories. The percentages of employers that offer health care coverage range from a high of 80.6% for other advanced professionals to a low of 46.0% for unskilled labor. Eighty percent of employers of workers in the skilled trades/crafts offer retirement benefits, while only 39.5% offer retirement benefits to unskilled labor.



## **Introduction**

In an economy that is becoming increasingly global, employees must have skills to be competitive with workers in other states and countries. In a future increasingly influenced by technology, workers must have flexible technical and thinking skills. To determine skills levels among workers in the Southeast Kansas area, Jeffrey Donohoe, LLP, and the Kansas Department of Commerce contracted with the Docking Institute of Public Affairs to conduct a labor skills assessment in the region.

## **Methods**

Findings of this study are based on a self-administered, two-wave mail survey of 1,610 employers in the area. The employer list of organizations with five or more employees was acquired from the Kansas Department of Labor and was the most current listing of employers available.

The first copy of the survey was mailed with a cover letter on May 4, 2006. Follow-up letters and surveys were mailed on May 18, 2006, to those who had not yet responded to the original mailing.

A total of 21 questionnaires were returned as undeliverable, leaving a total of 1589 potentially eligible respondents. A total of 389 completed questionnaires were returned by June 6, 2006, the end of the data collection period. This resulted in an overall cooperation rate of 24%.

## **Survey Instrument**

Jeff Donohoe, LLP, and the Kansas Department of Commerce and the Docking Institute agreed on the survey items used. Question wording and the design of the survey instrument are the property of the Docking Institute and are not to be used for additional surveys unless written permission is given by the Director of the Docking Institute.

## Characteristics of Organization and Type of Employees

Table 1 shows summary statistics for the number of full time and part time employees reported by employers. The number of full time employees ranges from a minimum of one to a maximum of 800, and the median number of full time employees is seven. The number of part time employees ranges from a minimum of one to a maximum of 1,002, and the median number of part time employees is three. The number of total employees ranges from two to 1,802, with a median of 20.

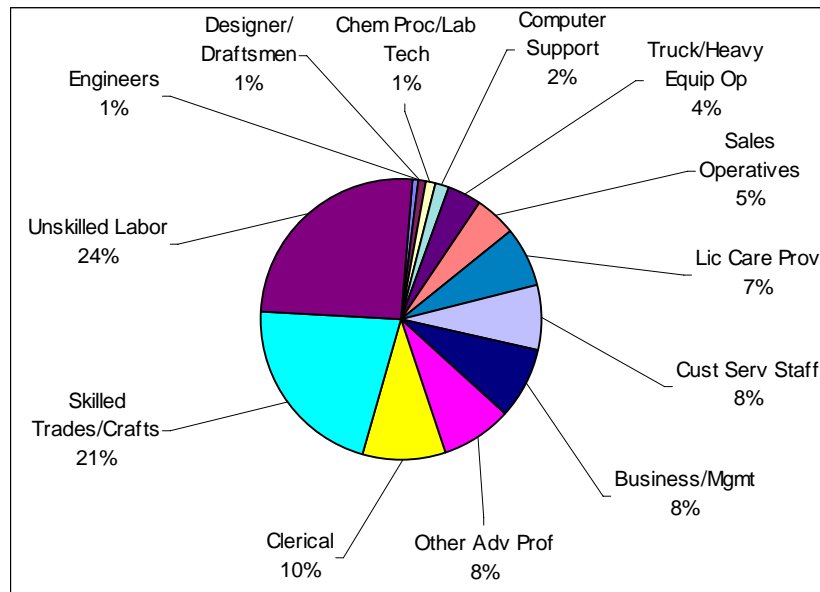
**Table 1: Number of Full Time and Part Time Employees**

	Median	Minimum	Maximum
Full Time	7	1	800
Part Time	3	1	1002
Total	20	2	1802

Respondents with part time employees were asked to indicate "on average, how many hours a week do your part time employees work?" The average number of hours reported ranges from a minimum of two to a maximum of 37. The median number of hours worked among part timers is 20.

Respondents were asked to provide the total number of employees in the organization employed in 13 different occupational categories, and the percentage by occupational category is shown in Figure 1. Unskilled labor, skilled labor, and clerical workers represent the largest percentages of total employees at 24%, 21%, and 10% respectively. Other professional occupations, business/management positions, and customer services workers account for 8%, each.

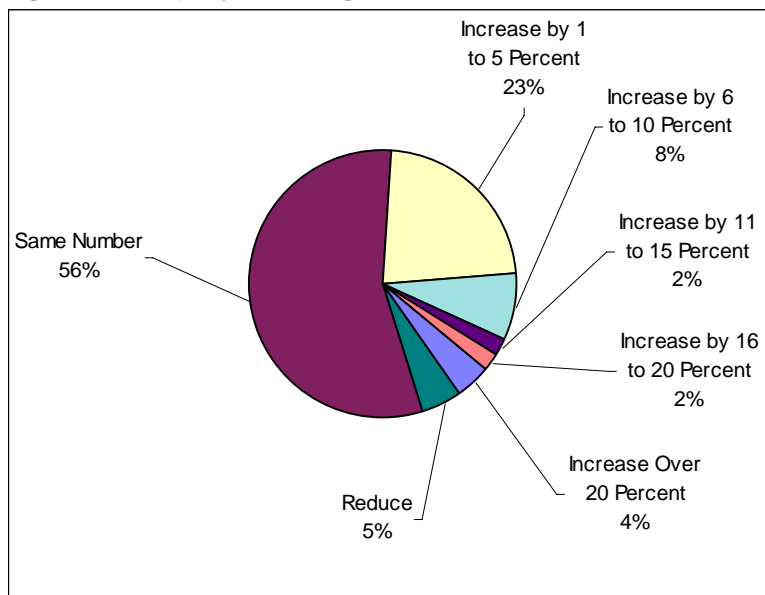
**Figure 1: Percentage of Employees by Occupational Category**



Employers were asked, "Is your business a subsidiary of a larger corporation/public organization; or is it a single local organization?" Approximately 15% report that their organization is a subsidiary organization, with single organizations representing about 85% of the sample. Employers were also asked how long their organization has been in business in the area, and the tenure ranges from a minimum of one year to a maximum of 150 years. The mean average is about 36 years, while the median average is almost 28 years.

Respondents were asked to identify, from a list of options, their organization's hiring plans over the next year, and the results are shown in Figure 2. More than half (56%) indicate they will keep the same number of employees, while about 5% suggest that their organization will reduce its workforce in the next year. Of those expecting an increase, a majority expect the organization's workforce to increase by 1% to 5%.

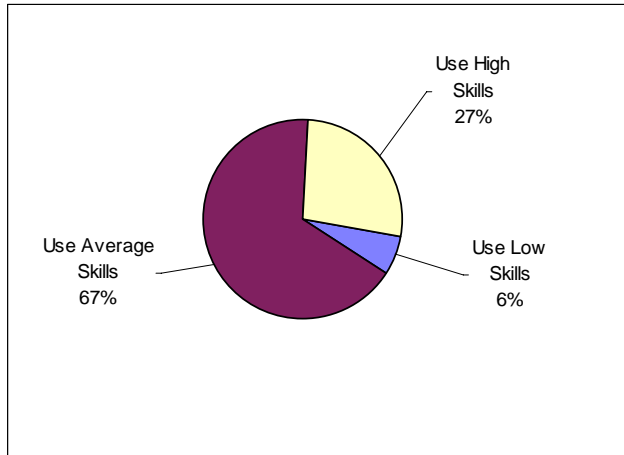
**Figure 2: Employer Hiring Plans for Next Year**



## Skill Levels

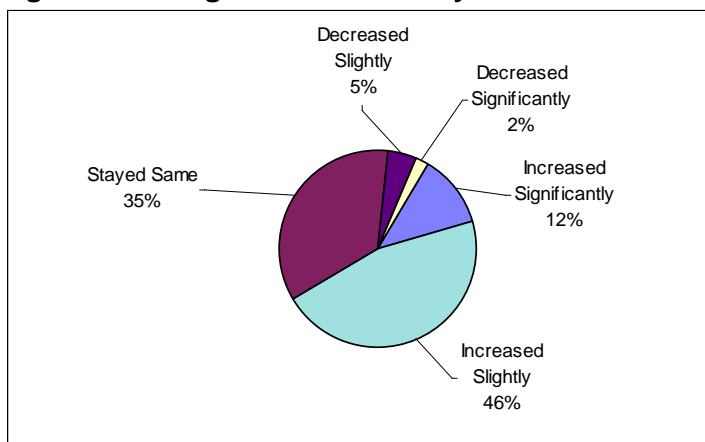
Employers were asked to assess the required training and educational standards of employees and the skill levels of current employees. Figure 3 shows the majority (67%) of employers report the required skill level for most employees is average, while 27% report the required skill level is high. Only 6% indicate the required skill level of most employees is low.

**Figure 3: Required Skill Level for Most Employees**



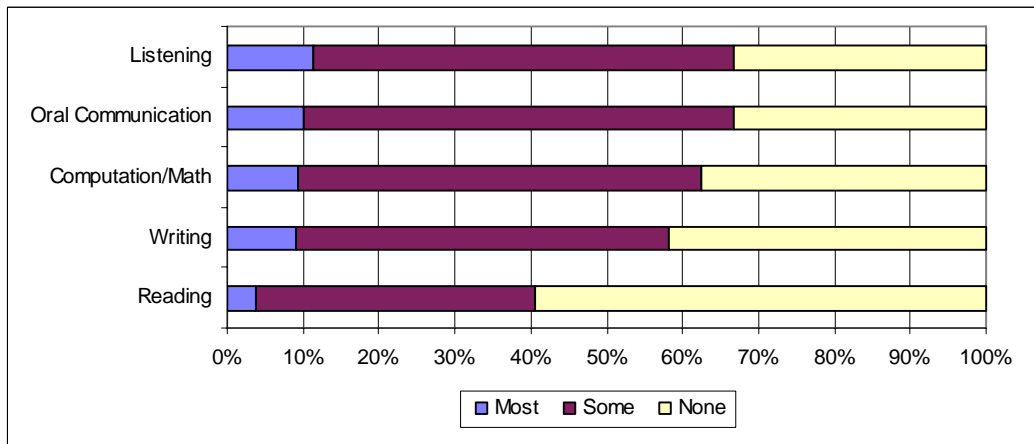
Employers were also asked whether the skill requirements for entry-level jobs in their organization had increased or decreased within the last five years (see Figure 4). Nearly half of the employers surveyed (46%) indicate that skill requirements have increased slightly, while 35% indicate that requirements have stayed the same. Twelve percent suggest that skill requirements have increased significantly over the past five years.

**Figure 4: Change in Needed Entry Level Skills Over Past Five Years**



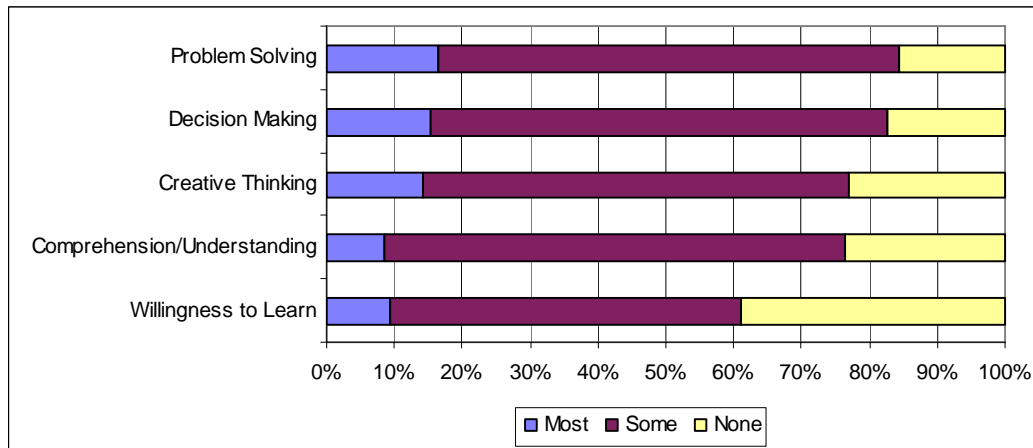
Employers were asked to indicate the extent to which their employee workforce needs improvement in various types of skills. Response categories include: most of my employees need improvement, some of my employees need improvement, and none of my employees need improvement. Figure 5 shows the extent to which employers think their employees need improvement in basic skills: reading, writing, math, listening, and oral communication. The two areas in most need of improvement are listening and oral communication. Over 65% of employers indicate that some or most of their employees need improvement in both listening and oral communication skills. Employers are relatively happy with reading skills among employees, as about 59% indicate that none of their employees need improvement and only 4% indicate that most of their employees need improvement.

**Figure 5: Employees in Need of Basic Skills Improvement**



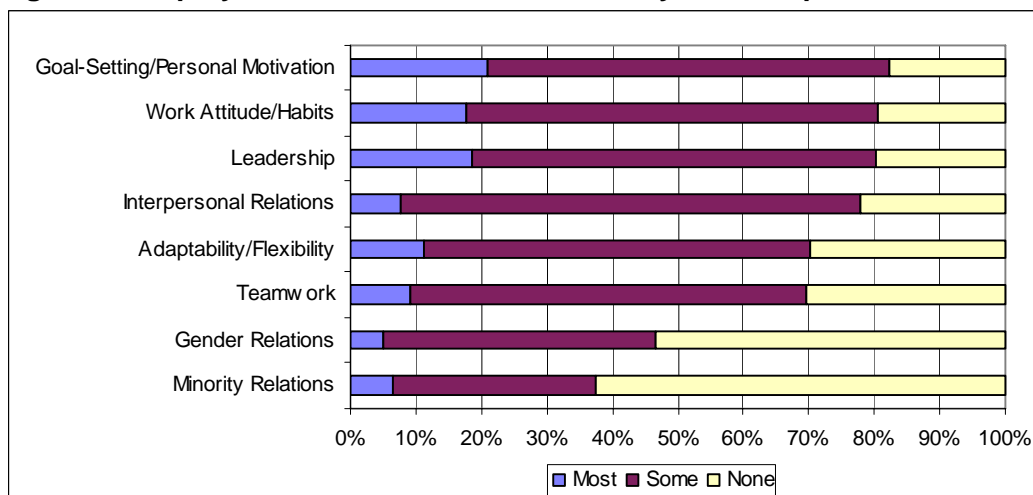
Employers were also asked to indicate the extent to which their employees need improvement in the following thinking skills: creative thinking, decision making, problem solving, comprehension, and willingness to learn. Figure 6 shows that a substantial percentage of employers believe some or most of their employees need improvement in problem solving (84%) and decision making (83%). About 77% think that most or some of their employees need improvement in creative thinking and with comprehension/understanding, each. However, about 38% of the employers surveyed think that none of their employees need improvement with willingness to learn.

**Figure 6: Employees in Need of Thinking Skills Improvement**



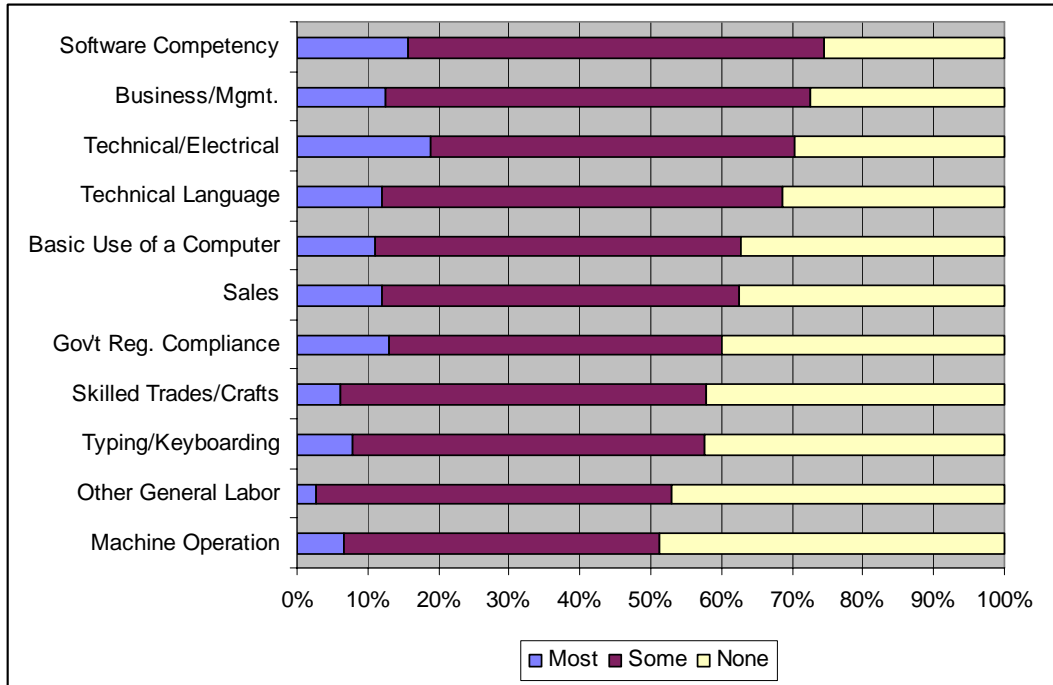
Personal quality skills are important characteristics of employees, and employers were asked to rate employees' need for improvements in this area. Figure 7 (next page) shows that about 83% of employers feel that some or most of their employees need improvement in goal setting/personal motivation. About 81% feel that some or most of their employees need improvement in work attitude/habits and in leadership, each. More than half of the employers suggest that none of their employees need improvement in gender relations, and almost two-thirds suggest that none of their employees need improvement in minority relations.

**Figure 7: Employees in Need of Personal Quality Skills Improvement**



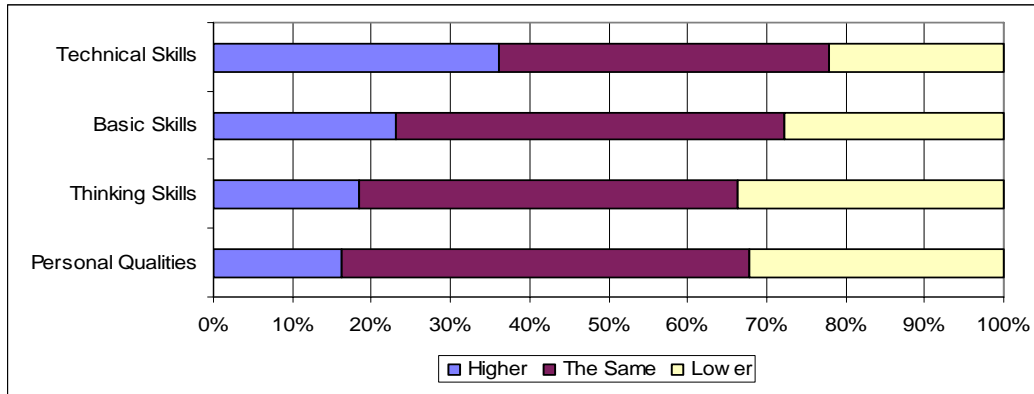
The final skills area assessed is technical skills. Figure 8 shows results to questions addressing technical skills. The figure shows that the technical skill areas of most concern are software competency, business management, and technical skills, with at least 70% of employers indicating that some or most of their employees are in need of improvement in each of these areas.

**Figure 8: Employees in Need of Technical Skills Improvement**



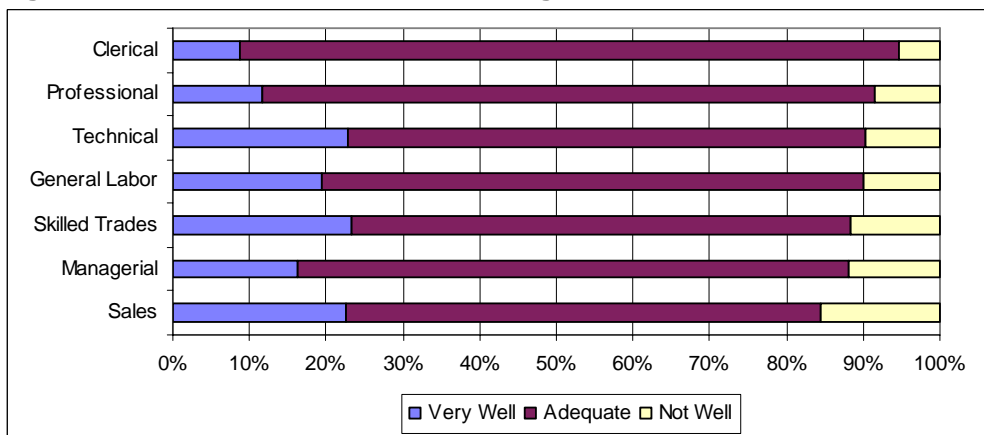
On the four general skill areas mentioned above (basic skills, thinking skills, personal qualities, and technical skills), employers were asked to assess the skill levels of newly hired employees compared to skill levels of newly hired employees five years ago. Figure 9 shows that employers tend to rate new employees' skill levels about the same as five years ago. However, on three of the four major skills (basic skills, thinking skills, and personal qualities) the percentage who indicate that skill levels are lower among new employees today compared to five years ago exceeds the percentage who indicate today's employees skills are higher. Technical skills appear to have increased, as about 36% of employers indicate that technical skills are higher, and only 23% indicate they are lower.

**Figure 9: New Hires Compared to New Hires Five Years Ago**



To further discern employer satisfaction with new hires, respondents were asked to indicate how well the qualifications of newly hired employees meet the needs of the organization. Figure 10 shows that the qualifications of new hires are adequate, particularly in clerical and professional positions. About 94% of respondents indicate that new clerical hires are meeting organization needs adequately or very well, and 92% indicate the same for new professional hires. Employers experience the most difficulty in hiring new qualified sales operatives (about 16% suggest they are not well qualified).

**Figure 10: New Hires Meet Needs of Organization**





Respondents were asked to compare skilled employee productivity to that of three years ago, and unskilled employee productivity to that of three years ago, and the results are shown in Figures 11 and 12. About 59% of employers indicate that skilled employee productivity has not changed, while essentially equal percentages indicate that productivity is higher (20%) and that productivity is lower (21%).

**Figure 11: Skilled Employee Productivity Compared to Three Years Ago**

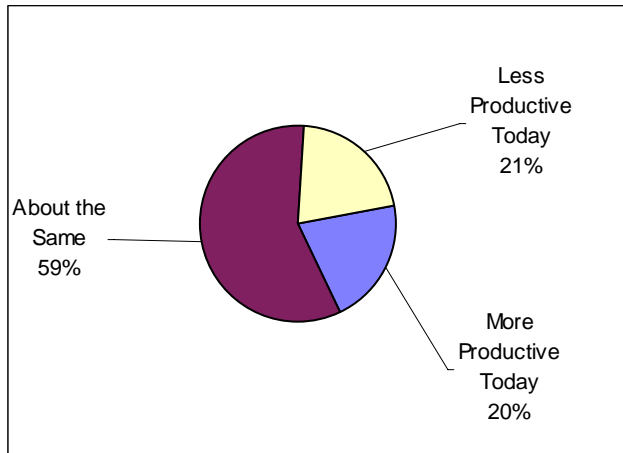
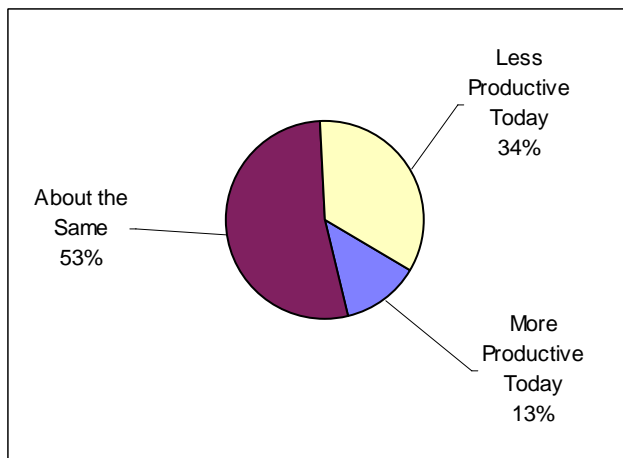


Figure 12 shows 53% of employers indicating that the productivity of unskilled workers has stayed the same, while 34% report that unskilled workers are less productive. Only 13% feel today's unskilled employees are more productive compared to three years ago.

**Figure 12: Unskilled Employee Productivity Compared to Three Years Ago**



Respondents were also asked to indicate the percent of their organization's employees who are underemployed or underutilized (see Table 2). About 45% of employers indicate that less than 5% of their employees are underemployed. Seventeen percent indicate that between 6% and 10% of their employees are underemployed and over 9% suggest that between 11% and 15% of their employees are underemployed. About 10% indicate that between 16% and 20% of their employees are underemployed.

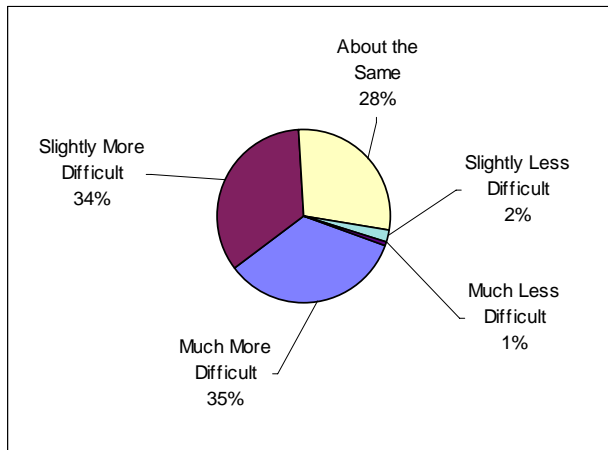
**Table 2: Percentages of Underemployed Employees**

	# of Employers	Valid Percent
0-5%	135	44.9%
6-10%	52	17.3%
11-15%	29	9.6%
16-20%	31	10.3%
21-25%	16	5.3%
26-30%	10	3.3%
More than 30%	28	9.3%
<b>Total</b>	<b>301</b>	<b>100.0%</b>

## Training and Skill Requirements

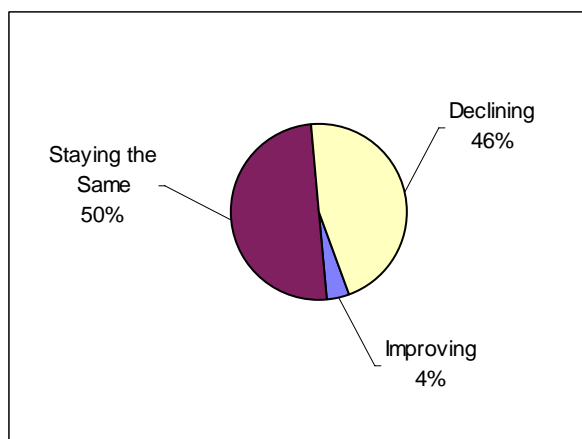
A series of questions dealt with the required training and educational standards of the employers. Employers were asked "how difficult is it to hire full time *skilled* employees today compared to two or three years ago?" The response categories included much more difficult, slightly more difficult, about the same, slightly less difficult, and much less difficult. Figure 13 shows that 35% of the respondents find it is much more difficult to hire full time skilled employees now than three years ago. Another 34% find it slightly more difficult, and 28% believe the ability to hire full time skilled employees is about the same now as before.

**Figure 13: Ease in Hiring Full Time Skilled Employees Compared to Two or Three Years Ago**



The survey then asked employers to rate the potential for finding good skilled employees in the area over the next two to three years; results are shown in Figure 14. About 50% believe the potential will remain about the same, 46% anticipate a decline in the potential for finding good employees, and only 4% anticipate that the potential for finding good skilled employees will increase in the next two to three years.

**Figure 14: Potential for Finding Good Skilled Employees in the Next Two or Three Years**



Employers were also asked to rate the difficulty in finding full time *unskilled* employees today compared to two to three years ago. Figure 15 shows 16% reporting that it is much more difficult to hire unskilled full time employees compared to two or three years ago, and 26% feel that it is slightly more difficult. About 49% believe the ability to hire is about the same now as then.

**Figure 15: Ease in Hiring Full Time Unskilled Employees Compared to Two or Three Years Ago**

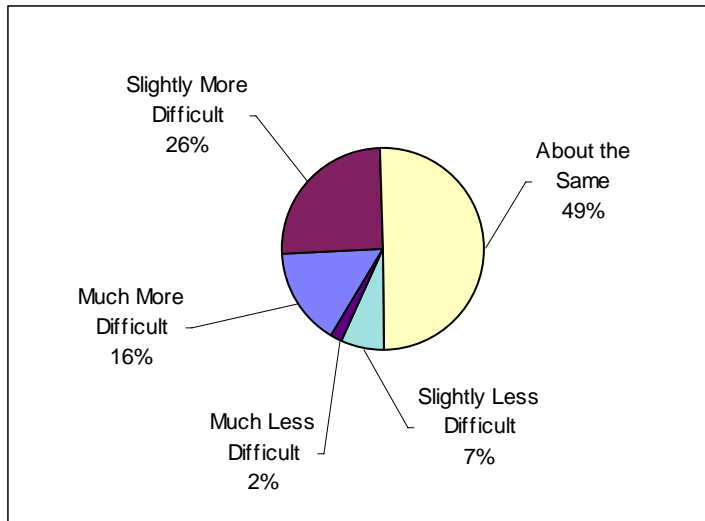
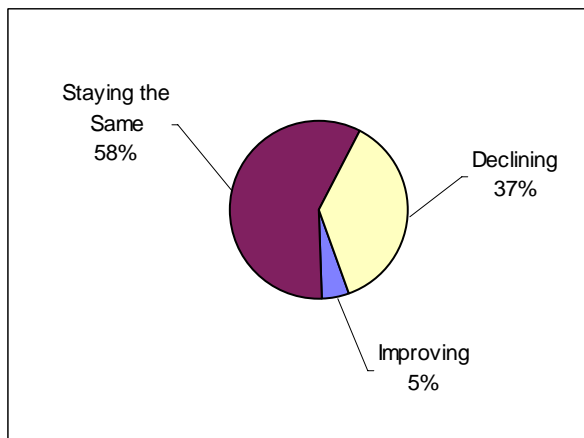


Figure 16 shows results when employers are asked to rate the potential to find good unskilled employees over the next two to three years, 58% believe that it will remain the same, and 37% believe that it will become more difficult. Few (5%) anticipate that the potential to find good unskilled employees will improve in the next two to three years.

**Figure 16: Potential for Finding Good Unskilled Employees in the Next Two or Three Years**



To identify areas in which training will be needed over the next two to three years to help organizations adapt to technological change, employers were asked whether they anticipate that their employees will need additional training in particular skills. The skills correspond to those mentioned earlier under the categories of basic skills, thinking skills, personal qualities skills, and technical skills.

Figure 17 shows results for basic skills. Oral communication and listening are two skills that employers anticipate the greatest need for improvement over the next two to three years to help the organization. Over 40% of employers see a need for additional training in oral communication, and 40% see a need for additional training in listening. About 33% anticipate a need for additional training in math skills.

**Figure 17: Employees Will Need More Basic Skills Training**

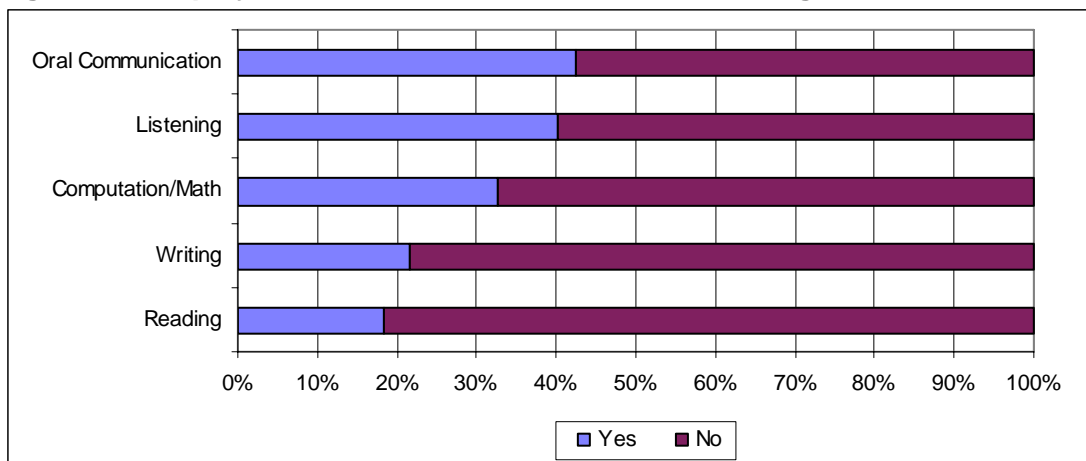
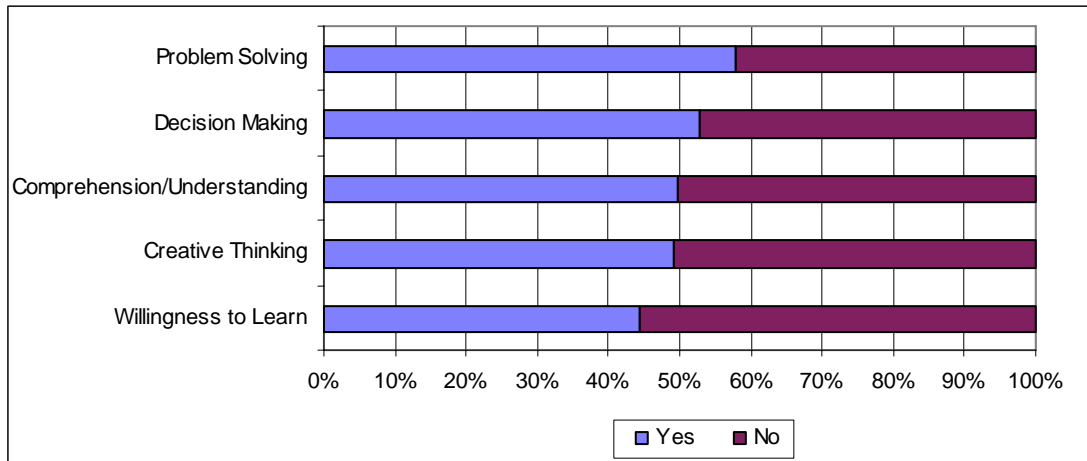


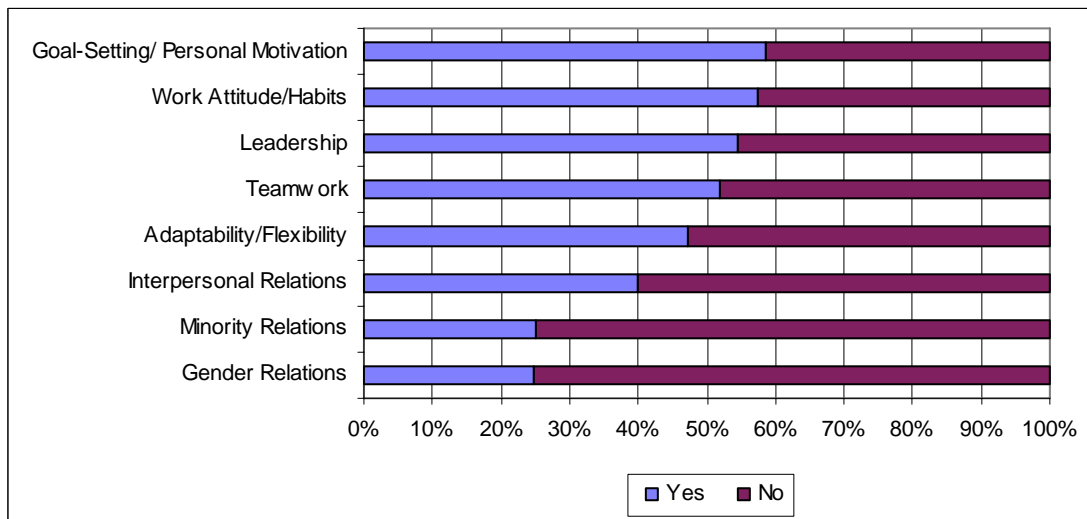
Figure 18 shows employers' anticipated need for additional employee training in thinking skills. More than 50% of the respondents anticipate the need for training in problem solving and decision making, each. About 50% anticipate training in comprehension/understanding and creative thinking, each.

**Figure 18: Employees Will Need More Thinking Skills Training**



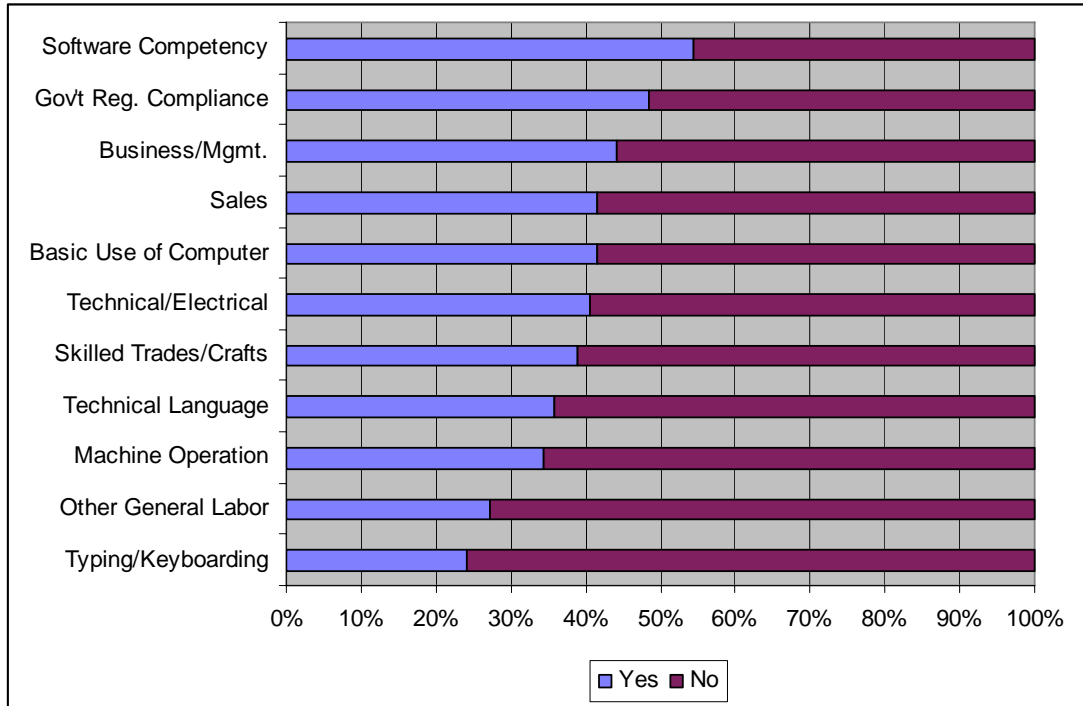
Turning to findings in Figure 19, about 58% of employers anticipate a need for training in goal-setting/personal motivation, and about 56% anticipate a need for work attitude/habits training. Leadership and teamwork are the other two personal quality skills areas in which over 50% of respondents anticipate greater training need.

**Figure 19: Employees Will Need More Personal Quality Skills Training**



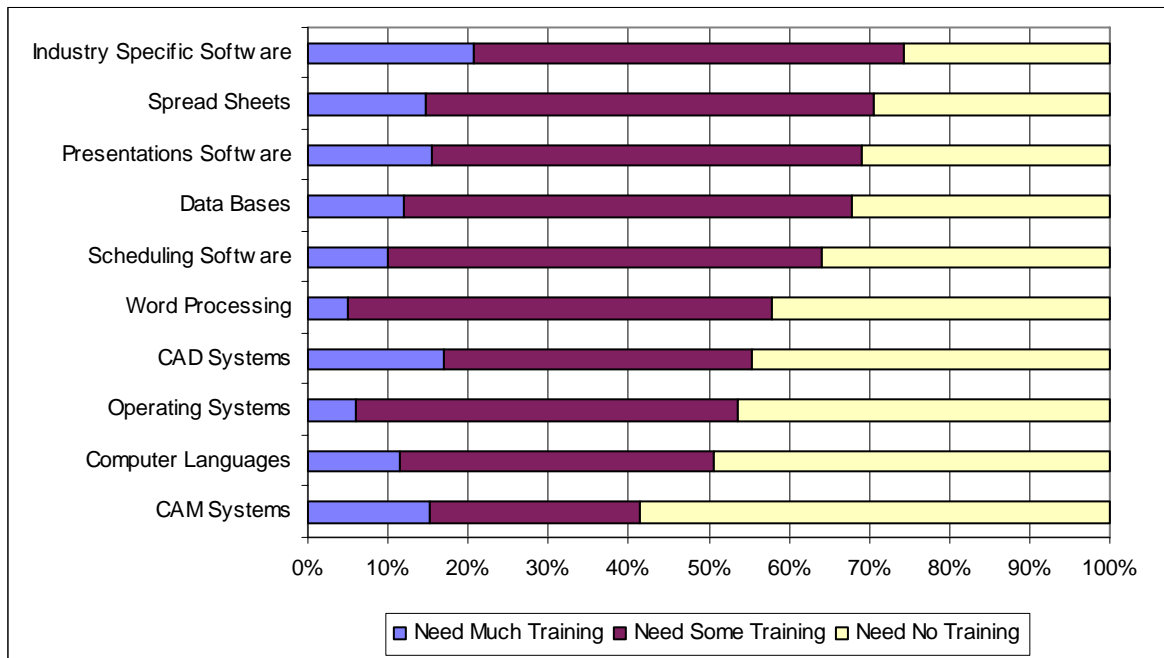
The final skills area assessed is technical skills reported in Figure 20. About 54% of employers anticipate a need for additional training in software competency, and nearly half (48%) anticipate that future training will be needed in government regulation compliance.

**Figure 20: Employees with Need More Technical Skills Training**



Concerning specific training needs, employers were asked the extent to which training for various types of software packages and operating systems needs to be implemented in their organization. Results for each item reported in Figure 21 pertain to only those respondents whose organization uses the respective type of software or operating system. The areas in which employers perceive the greatest organizational need for training are industry specific software and spreadsheets, with 70% of those that use industry specific software and spreadsheet packages in their organizations indicating that at least some training is needed in order to fully use the software's capability. With the exception of CAM (computer aided manufacturing software) at least 50% of all respondents feel that at least some training would be necessary among their employees to use the software's full capability for software and operating system items listed.

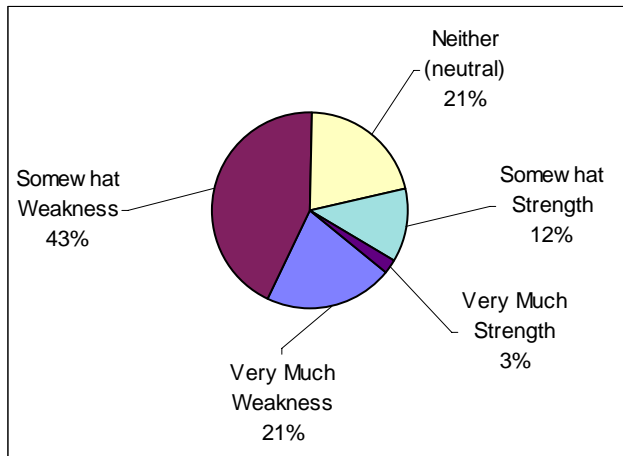
**Figure 21: Employee Need for Computer Software Training**





On the issue of labor force skills, respondents were asked whether they would rate the area's labor force as a strength or weakness of its business environment. Figure 22 shows that a combined total of 64% felt it to be somewhat of a weakness or very much a weakness, compared to only 15% who felt it to be somewhat of a strength or very much a strength. About 21% responded that the area's labor force is neither a strength nor a weakness of its business environment.

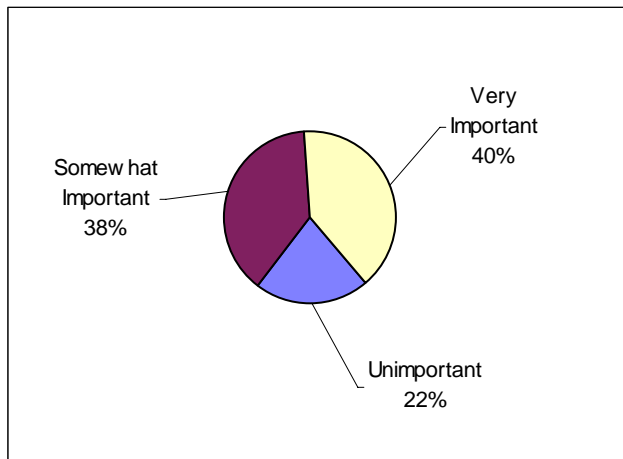
**Figure 22: Region's Labor Force as a Strength of Local Business Environment**



## Public Education and the Business Environment

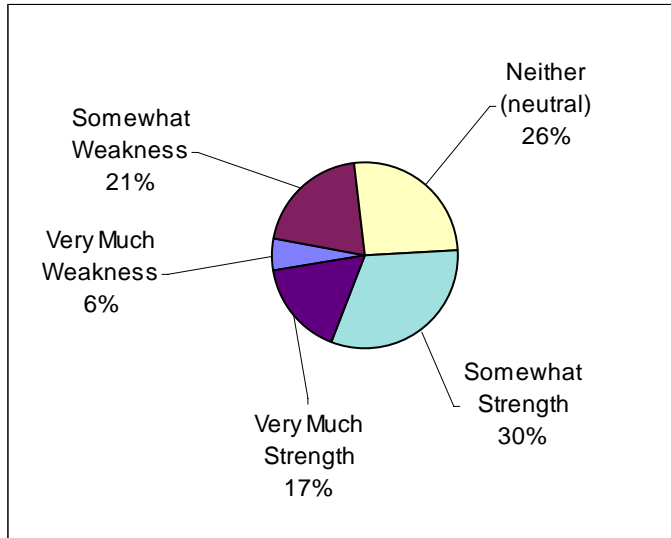
The public education system is a crucial provider of skills that businesses and organizations seek in a workforce. To determine the extent to which area employers rely on public education to provide important background skills for their own business/organization, the survey asked employers to assess the importance of the public education system in a community to their firm's decision to expand or invest in the area. Figure 23 shows that most employers consider the quality of the public education system to be an important factor in local expansion and investment decisions, with 78% considering it somewhat or very important. Only 22% indicate that the community's public education system is unimportant in such decisions.

**Figure 23: Importance of Public Education or Organization Expansion and Investment**



As a follow-up, employers were asked, "Would you rate public education as a strength or weakness of the area's business environment?" Figure 24 shows that a combined total of about 47% consider the local public education system to be somewhat of a strength or very much a strength of the local business environment. A combined total of about 27% consider the public education system to be somewhat of a weakness or very much a weakness. Employers' views of the existing public education system in the area tend to be favorable.

**Figure 24: Public Education as Strength of the Local Business Environment**



## Wage and Benefit Levels

Employers were asked to provide wage and benefit information for the various occupational categories found in Table 3. In terms of median hourly wages, engineers (\$22.00), business/management professionals (\$18.50), and other advanced professionals (\$18.00) command the highest compensation. The lowest hourly wages tend to be found among unskilled labor (\$8.00), customer service staff (\$10.00), and clerical positions (\$10.00). The percentage of employers providing vacation benefits across the occupational categories ranges from 92% in business and management to 50% for computer support. The percentage providing health care coverage ranges from about 81% for other advanced professionals to 46% for unskilled labor. Finally, the percentage of employers providing retirement benefits across the occupational categories ranges from 80% among skilled trade/crafts occupations to about 40% for unskilled labor.

**Table 3: Wage and Benefit Levels by Occupational Category**

Position	Average Hourly Wage (Median)	Range of Hourly Wage Rate	Vacation Benefits (%)	Health Care Benefits (%)	Retirement Benefits (%)
Engineers	\$22.00	\$10.00 to \$38.50	77.8%	66.7%	51.9%
Business/Mgmt	\$18.50	\$5.15 to \$60.00	92.1%	75.8%	61.1%
Other Adv Prof	\$18.00	\$7.00 to \$65.00	87.9%	80.6%	72.9%
Chem Proc/Lab Tech	\$17.00	\$7.00 to \$27.00	73.1%	56.0%	64.0%
Designer/Draftsmen	\$15.60	\$10.00 to \$25.00	75.0%	58.3%	41.7%
Lic Care Prov	\$15.00	\$5.15 to \$35.00	75.7%	56.8%	48.6%
Skilled Trades/Crafts	\$14.00	\$7.00 to \$35.00	90.0%	73.6%	80.0%
Computer Support	\$13.00	\$6.50 to \$50.00	50.0%	79.0%	67.5%
Sales Operatives	\$12.00	\$5.15 to \$50.00	83.8%	62.6%	44.6%
Truck/Heavy Equip Op	\$11.00	\$5.15 to \$50.00	75.8%	66.7%	52.4%
Clerical	\$10.00	\$5.15 to \$17.75	86.4%	66.9%	54.2%
Cust Serv Staff	\$10.00	\$5.15 to \$22.00	76.0%	60.9%	52.5%
Unskilled Labor	\$8.00	\$5.15 to \$19.00	65.2%	46.0%	39.5%