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# ISSUE BRIEF

## *Greater Minnesota's Workers: Reliable, Productive and Willing to Learn*

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—Trade &—  
**Economic  
Development**

## Introduction

For years, Minnesota's workforce has offered the state an important competitive advantage. With employers reporting low absenteeism and high productivity, there is no question that the quality of our workforce is an important reason why businesses locate and expand in the state.

Given the growing interest in business locations in Greater Minnesota<sup>1</sup>, the Minnesota Department of Trade and Economic Development (DTED) recognized the need to facilitate expansions with more specific information on the area's workforce. This report summarizes employers' perceptions of their workers in an attempt to provide policymakers as well as employers with a more accurate snapshot of employee attributes.

Employers in Greater Minnesota were asked to rate their employees on various work-related attributes and answer several comparative questions. Overall, the results indicate that workers in the area:

- are reliable and hard-working.
- are rated highly for willingness to learn new skills.
- may need to upgrade in some areas, such as computer skills and flexibility.

The report does indicate an opportunity for improvement, requiring an investment in available and appropriate training that will allow continued enhancement of the area's workforce and economy.

## Results

This report presents the results of an opinion survey mailed to a sample of businesses in Greater Minnesota. Three groups of businesses were specifically targeted: manufacturers with employment less than 100, businesses in "income-generating"<sup>2</sup> industries with employment less than 100; and all employers with more than 100 employees. Surveys were sent to a total of 4,557 employers (approximately 1,500 in each sub-sample). Responses were received from 833 employers, a response rate of 18.3 percent. This response results in a confidence interval of approximately +/- (plus-minus) 3.5 percent overall and 6 percent for each of the three subgroups.

## Bright spots

Employers who responded to the survey provided ratings for their Greater Minnesota employees for various work-related attributes on a 4-point scale relative to their perception of industry standards, as well as ratings for four other questions on a 10-point scale. The full ratings data are included in the table on the next page.

Overall, the results for attributes rated on a 4-point scale are relatively consistent across the three groups. The five highest-rated attributes were the same for all groups: productivity, work ethic, willing to work extra hours, reliability, and basic literacy (reading). These attributes are critical for high-quality workers. Survey data in this case provides evidence that employers in Greater Minnesota generally find their employees to be reliable and hard-working.

Other questions on the overall quality of Greater Minnesota's workers, especially compared to workers located elsewhere, also provided an optimistic view. In several questions presented on a 10-point scale (with 10 being good), employers' rated their workers in Greater Minnesota higher overall than workers in other areas (both Minneapolis-St. Paul and outside Minnesota). On the whole, these results cast Greater Minnesota's workers in a positive light.

## Warning Signs

When employers were asked to rate their workers in Greater Minnesota on attributes critical to rapidly-changing economies (e.g. creativity, adaptability to change, and computer literacy), the results were less positive. For many of these attributes, ratings were still above the midpoint, but not substantially.

Adding to potential concern was the similarity between employers' perception of their workers in Greater Minnesota and their workers elsewhere, based on responses for the 4-point attribute ratings. In general, ratings for workers in Greater Minnesota were slightly higher than for workers elsewhere, but the differences were neither substantial nor statistically significant.

1. Includes all of the state except the seven-county Minneapolis-St. Paul metropolitan area.

2. Income-generating industries have been defined by DTED as industries that bring income into the state, and include the following 2-digit SIC industries: 42 (trucking), 45 (air transportation), 48 (communications), 50-51 (wholesale trade), 60 (depository financial institutions), 61 (non-depository credit institutions), 62 (security and commodity brokers), 63 (insurance carriers), 64 (insurance agents), 67 (holding and other investment offices), 70 (lodging), 73 (business services), 79 (amusement and recreation services), and 87 (engineering and professional services).

**Employer Ratings of Greater Minnesota Employees**

	Question/Attribute	Total	Subgroup 1 Manufacturing Less than 100 employees	Subgroup 2 Income Generating < 100 employees	Subgroup 3 All > 100 employees
<b>4 - Point Scale</b>	Work Ethic	3.30	3.21	3.41	3.29
	Reliability	3.28	3.23	3.42	3.22
	Productivity	3.23	3.18	3.31	3.20
	Willing to Work Extra Hours	3.20	3.17	3.27	3.17
	Basic Literacy (Reading)	3.20	3.14	3.33	3.15
	Willing to Learn Skills	3.15	3.10	3.22	3.13
	Basic Math Skills	3.05	2.96	3.18	3.02
	Skill Level	3.04	2.98	3.09	3.06
	Cost of Benefits	2.94	2.91	2.86	3.05
	Problem Solving Skills	2.91	2.80	3.02	2.92
	Innovation	2.84	2.76	2.90	2.85
	Creativity	2.84	2.75	2.88	2.88
	Education Level	2.77	2.67	2.80	2.84
	Ability to Deal With Diversity	2.76	2.72	2.85	2.73
	Adaptability to Change	2.75	2.70	2.82	2.74
	Cost of Training	2.73	2.59	2.71	2.90
	Wage Level	2.71	2.75	2.66	2.70
	Computer Literacy	2.68	2.55	2.78	2.72
	Absenteeism (lower is better)	2.41	2.31	2.37	2.53
	Turnover Rate (lower is better)	2.41	2.37	2.36	2.50
<b>10 - Point Scale</b>	Availability of Training	5.48	4.92	5.21	6.25
	Overall Quality of Workforce	7.42	7.11	7.55	7.62
	Compared to Minneapolis-St. Paul	7.53	7.34	7.50	7.73
	Compared to Outside Minnesota	7.65	7.60	7.82	7.56

Note: The natural midpoint of a 4-point scale is 2.5. The natural midpoint of a 10-point scale is 5.5.

Source: Analysis and Evaluation Office, Minnesota Department of Trade and Economic Development.

Flexibility and higher-level skills are critical in that these attributes make existing companies more competitive and create new businesses through entrepreneurialism. Fortunately, employers rated their employees in Greater Minnesota relatively highly (3.15 average rating, ranking sixth among 20 attributes) for their willingness to learn new skills. The critical issue then becomes how to develop the skills of these workers in order to shore up potential weaknesses.

**Implications for Training**

Results of the survey also have implications for training in Greater Minnesota. Employers rated their employees as relatively willing to learn new skills. However, employers rated the availability of company-specific training at roughly the midpoint of a 10-point scale. Small manufacturers rated the availability of training even lower, well below the midpoint. Improving access to appropriate training resources, either through pro-active marketing of current training resources or the development of different training resources, is likely a key element for future economic progress for Greater Minnesota.

Comments from the survey reinforce this finding. Several respondents noted the continuing need for technical education throughout Greater Minnesota, and others noted a generational difference in the skills of younger and older workers. These comments focused on both social and technical skills. Many skills, even so called "soft" skills, can be developed and refined with appropriate training.

**Conclusion**

This survey concludes that while Greater Minnesota's employers generally rate their employees as above average, there is room for improvement that begins in the home, continues through primary, secondary and post-secondary education, and carries over to the working years. Investment in human capital, both public and private, is key to developing a workforce that attracts new businesses and encourages existing businesses to expand in Greater Minnesota.

**The Minnesota Department of Trade and Economic Development is the state's principal economic development agency. The mission of the department is to employ all available state government resources to facilitate an economic environment that produces net new job growth in excess of the national average and to increase non-resident and resident tourism revenues.**

***The department includes:***

**Minnesota Trade Office**

The Minnesota Trade Office is the export and foreign investment development division for the state. It provides information, education, counseling and financial services to Minnesota businesses. Its principal goal is to promote, facilitate and deliver international business export assistance and services to Minnesota businesses.

**Business and Community Development Division**

The Business and Community Development Division provides a variety of financial and technical services to businesses, communities and economic development professionals. This division administers programs which provide business financing, technical assistance, location assistance, capacity building and infrastructure financing.

**Minnesota Office of Tourism**

The Minnesota Office of Tourism promotes the state's tourism industry to increase non-resident and resident tourism revenues. It markets Minnesota's products and services related to travel, conducts organizational partnerships, and provides information to travelers. The office generates travel to and tourism within the state and supports the state's communities and tourism industry.

**Workforce Development Division**

The Workforce Development Division provides training and support services to unemployed and dislocated workers; financial assistance for businesses seeking to upgrade worker skills; grants to help ease a shortage of workers in the health and human services industry; and short-term, no interest loans to businesses for training new or existing employees.

**Communications and Analysis Division**

The Communications and Analysis Division supports department activities through centralized communications, marketing, research, analysis and program evaluation services. Recent publications include *Compare Minnesota*, *Positively Minnesota*, *2001 Progress Report* and *Minnesota: World Competitor*. Recently-completed research covers a wide range of topics including the effects of mergers and acquisitions on the state's economy, the biotech industry, business start-ups, business subsidies, exporter needs, travel and tourism trends, and dislocated workers-turned entrepreneurs. The division also maintains the department's web site.

