

Hampton Roads Workforce Report: Executive Summary of Challenges, Trends, and Opportunities for Human Resource Management

Presented by the Strome College of Business
Department of Management and Hampton
Roads Society for Human Resource Management

Hampton Roads Workforce Conference



OLD DOMINION UNIVERSITY

Strome College of Business

Friday, January 24, 2020
Sheraton Norfolk Waterside Hotel
Norfolk, VA 23510

Speakers:



Ryan Klinger, PhD

Associate Professor of Management, Old Dominion University

"Comprehensive Regional Workforce Analysis and Study: Strategic Recommendations for Organizations"



Kathy Woollum

Principal, Mercer

"The Evolving Employee Value Proposition for Strategic Organizations"



Mark Buehlman

Regional Program Manager, Virginia Values Veterans (V3)

"Solving Regional Workforce Challenges through V3"



Bruce Christian

Chairman, NB Handy Company

"How Human Resources is Navigating Today's Changing Workforce: A Distributor's Challenge"

CONTEXT & SUMMARY

IN FALL 2019, THE STROME COLLEGE OF BUSINESS AT OLD DOMINION UNIVERSITY (ODU) SURVEYED 414 INDIVIDUALS REGARDING THE HUMAN RESOURCES (HR) PRACTICES OFFERED BY REGIONAL ORGANIZATIONS AS WELL AS THE BENEFIT PREFERENCES OF TOMORROW'S WORKFORCE (GRADUATING ODU BUSINESS STUDENTS). KEY FINDINGS FROM THIS DATA COLLECTION ARE PRESENTED IN THIS EXECUTIVE SUMMARY WITH CONSIDERATION OF THE CURRENT HAMPTON ROADS ECONOMIC CONTEXT. ADDITIONALLY, WE MAP THESE FINDINGS ONTO NATIONAL TRENDS FROM THE SOCIETY OF HUMAN RESOURCE MANAGEMENT (SHRM) BENCHMARKING SURVEYS, WHERE POSSIBLE.

Context

While Hampton Roads has experienced 3 years of consecutive economic growth, our region is not immune to national economic challenges. The Virginian-Pilot reports that Hampton Roads organizations are facing labor shortages. Reasons for such shortages are complex. Similar to the nation, Hampton Roads boasts low unemployment rates (3% locally). Yet, paired with gaps in candidate skill sets (e.g., cyber security), regional brain drain, and a slowed population growth, regional organizations struggle to recruit high-quality candidates locally and nationally.

Summary

Findings can be summarized into three categories:

1. Organizational changes
2. Recruiting challenges
3. Benefits packages

Organizational Changes. Organizations regionally and nationally believe their workforce is going to grow. Regionally, organizations predict they will follow more hybrid employment models and most (51%) of regional HR managers are confident in their organization's ability to navigate the changing nature of HR.

Recruiting Challenges. Only 14% of regional HR managers reported that the quality of candidates is increasing. The three skills where organizations reported the biggest gap between what they needed and what they were seeing in candidate pools were professionalism, critical thinking, and strategic planning.

Benefits Packages. Regional organizations appear to offer more benefits than organizations do nationally. However, many benefits identified as highly important to tomorrow's workforce are infrequently offered by regional organizations.

NOTABLE RESULTS



53% OF REGIONAL ORGANIZATIONS DO NOT BELIEVE THEIR HR FUNCTION WILL CHANGE, COMPARED TO 29% NATIONALLY



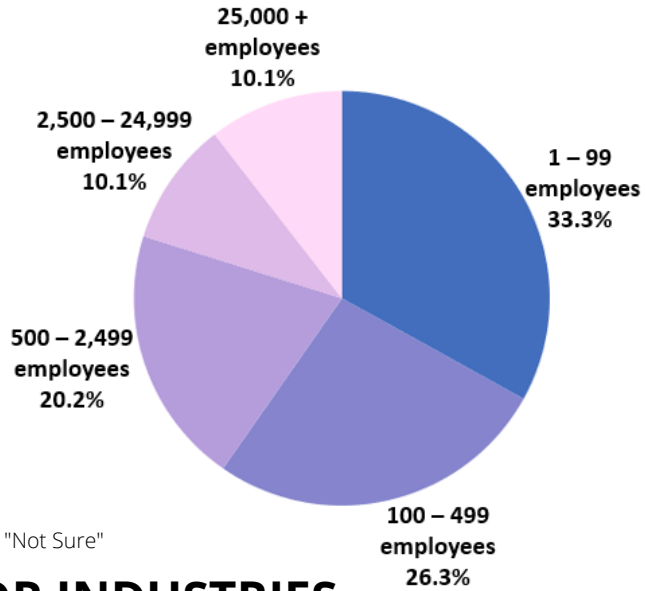
56% OF REGIONAL HR MANAGERS REPORTED THAT CANDIDATES LACK NECESSARY LEADERSHIP SKILLS



91% OF TOMORROW'S WORKFORCE WANTS STUDENT LOAN REPAYMENT ASSISTANCE; ONLY 12% OF ORGANIZATIONS OFFER IT

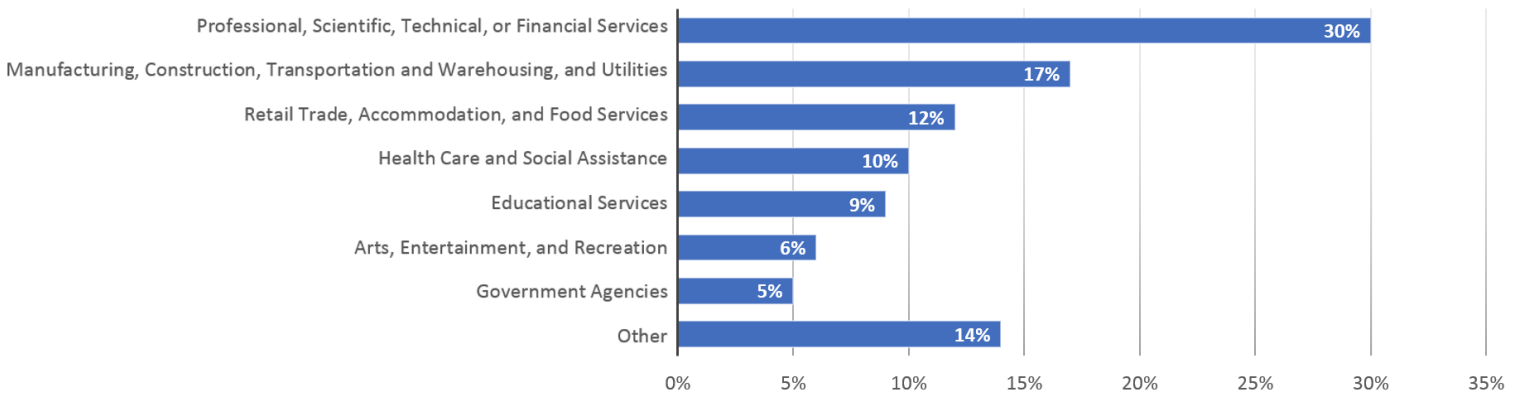
DEMOGRAPHICS

ORGANIZATION SIZE



*1% reported "Not Sure"

MAJOR INDUSTRIES



ORGANIZATION TYPE



Privately Owned For-Profit **36%**



Non-Profit **25%**



Government **18%**



Publically Owned For-Profit **17%**

*4% reported "Other" or "Not Sure"

METHODOLOGY

We sampled from three groups: Human Resource Managers, employed persons, and "Tomorrow's Workforce." In total, we gathered data from **414** participants. All responses were anonymous.

HR Subject Matter Experts

Sources:

- Hampton Roads SHRM
- Hampton Roads Chamber of Commerce
- Professional Networks

Questions Asked:

- What is the future of HR?
- Where are there gaps in skills?

Total = 92

Employees, Non-HR SMEs

Sources:

- Hampton Roads Chamber of Commerce
- Professional Networks

Questions Asked:

- What benefits are offered by your organization?

Total = 78

Tomorrow's Workforce

Sources:

- Graduating Old Dominion University Students

Questions Asked:

- What benefits would you find attractive on the job market?

Total = 244

Spotlight #1: What are the biggest changes HR managers anticipate in the region?

58%

of HR managers regionally and nationally predict their organization will grow over the next 10 years.

32%

of regional HR managers anticipate greater use of hybrid employment models in the future.

51%

of regional HR managers report feeling "confident" or "very confident" in managing changing nature of HR.

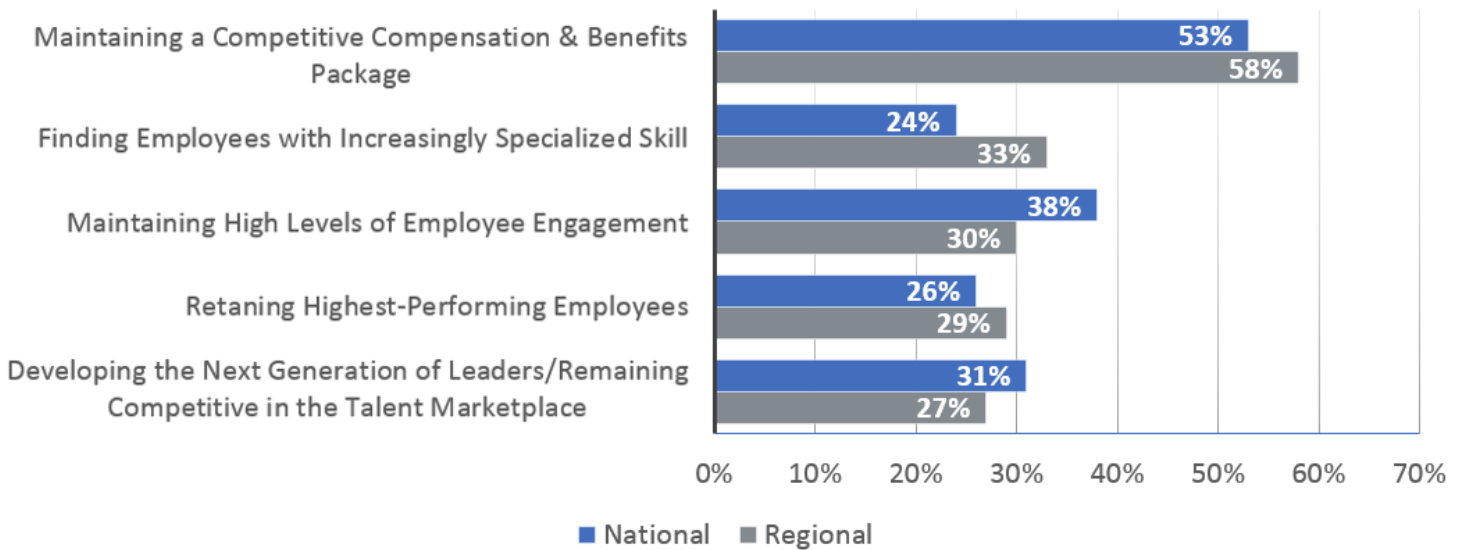
Such changes in organizational size and employment models will require modifications of the HR function. However, regionally, more than half of the sample (53%) reported that their HR function (generally seen as more transactional and administrative) will not change, compared to only 29% of the national sample.



Spotlight #2: What are the biggest challenges HR managers anticipate in the near future?

Only 40% of regional HR managers reported feeling "confident" or "very confident" they can handle challenges presented by the changing workforce. Maintaining a competitive compensation and benefits package was noted as the top challenge both regionally and nationally.

TOP HUMAN CAPITAL CHALLENGES



Spotlight #3: What are the recruitment- and selection-related challenges HR managers face regionally?

While more than half of respondents (55%) reported feeling "confident" or "very confident" with their organization's ability to handle recruitment and selection challenges, they also noted issues with finding suitable candidates.

HR managers regionally and nationally appear to struggle finding candidates with the right skills, but regional HR managers report more talent competition and trouble providing a competitive salary and benefits package.

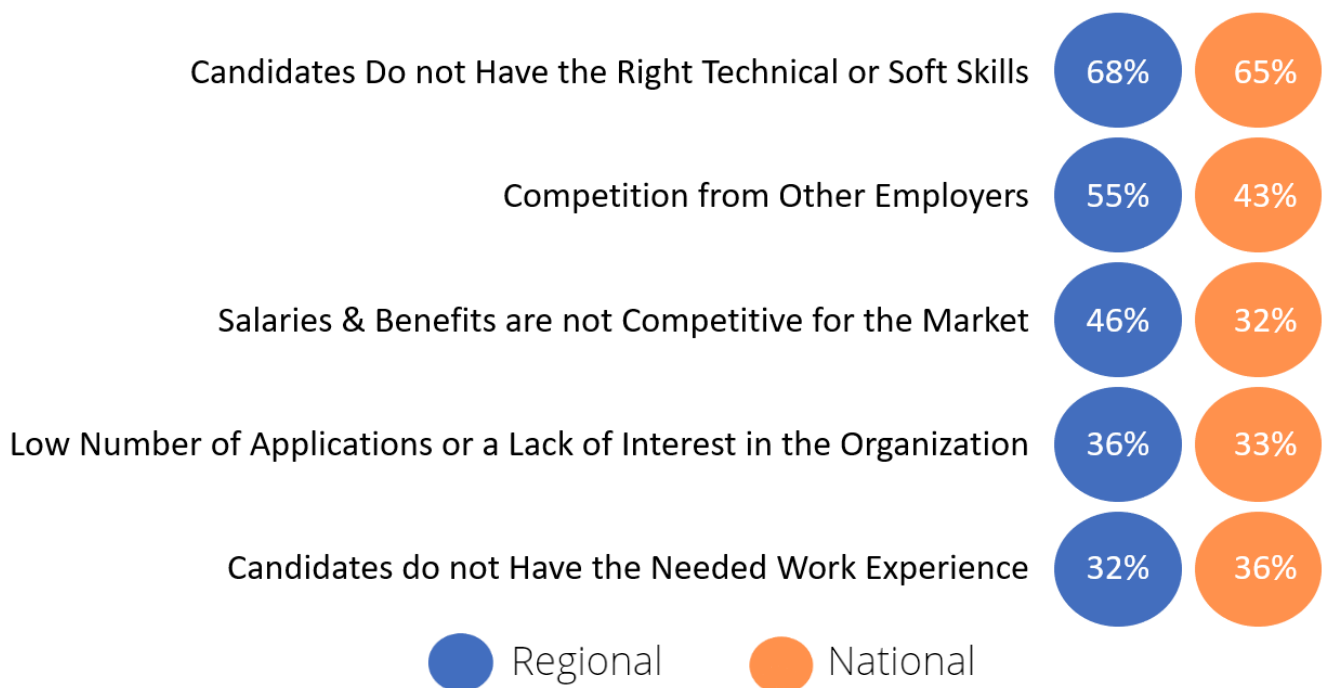
82%

of respondents reported difficulty recruiting quality candidates over the past 12 months.

14%

of respondents reported the quality of candidates was increasing.

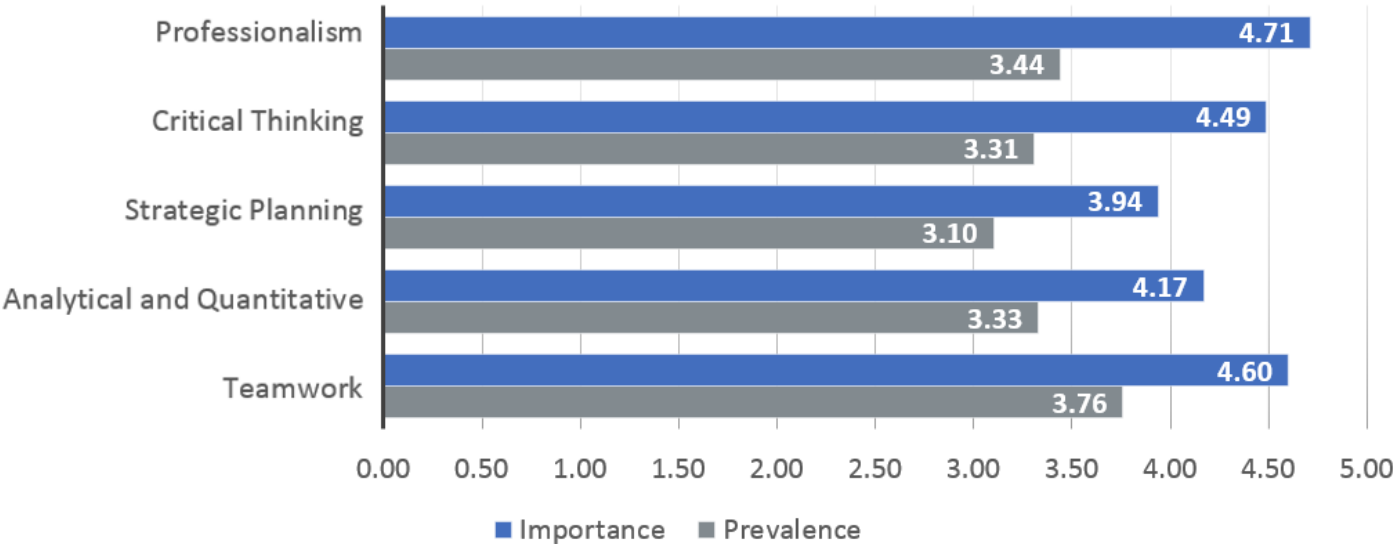
TOP REASONS ORGANIZATIONS STRUGGLE TO HIRE SUITABLE CANDIDATES



Spotlight #4: What skills are lacking in tomorrow's leaders?

All skills surveyed were less prevalent than regional HR managers desired. The two skills with the largest gap were professionalism and critical thinking, which were also rated as the most important skills for employees to have. However, there was a relatively smaller gap for technical skills and digital skills (not shown). Participants indicated the importance (1 = least important to 5 = most important) and prevalence (1 = least prevalent to 5 = most prevalent) of all skills. The gaps between importance and prevalence are illustrated in the chart below.

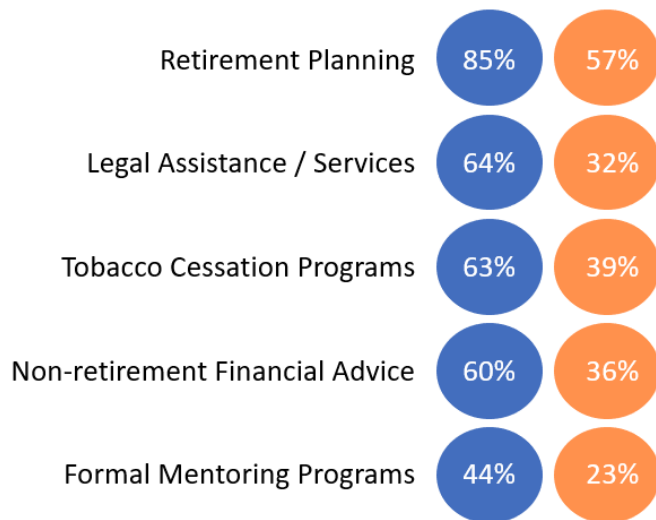
LARGEST SKILL GAPS



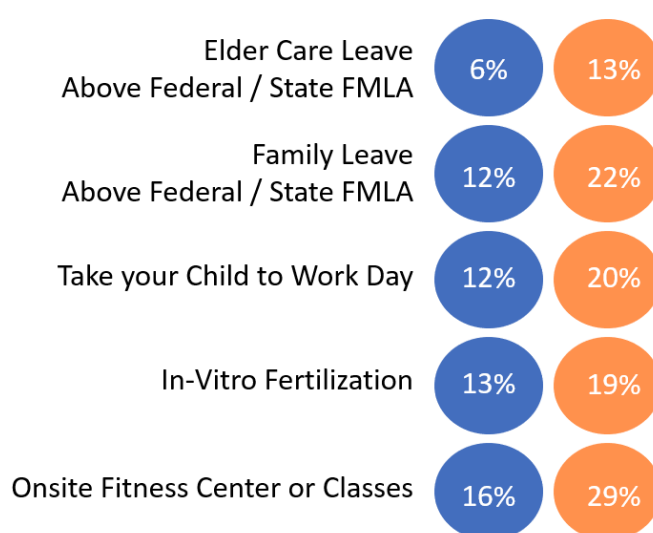
Spotlight #5: How do regional benefits packages compare to national benchmarks?

Broadly speaking, organizations in Hampton Roads appear to be "ahead of the curve" on benefits. Out of the 157 benefits included in the survey, 124 benefits were offered *more* frequently in regional organizations than in organizations nationally.

BENEFITS OFFERED MORE FREQUENTLY



BENEFITS OFFERED LESS FREQUENTLY



Regional

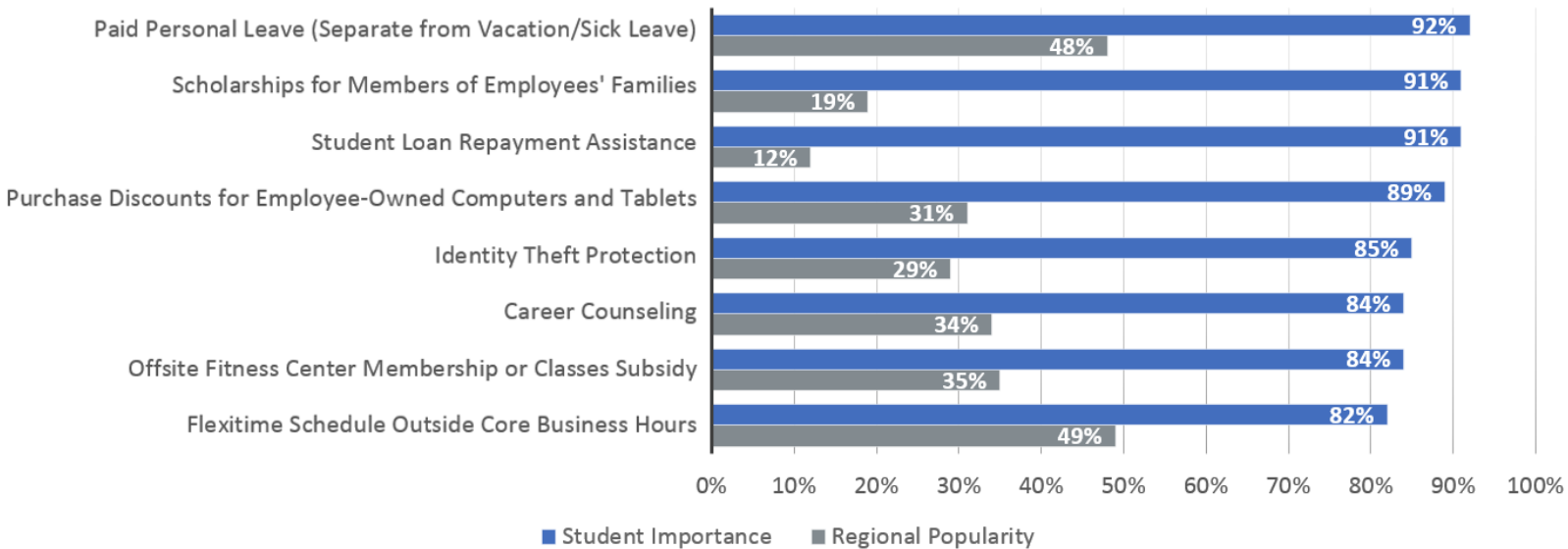
National



Spotlight #6: How do regional benefits packages compare to "what tomorrow's workforce" desires?

There appear to be several opportunities where organizations can create more competitive benefits packages. For example, although 91% of tomorrow's workforce says that student loan repayment assistance is important, only 12% of regional organizations in our sample reported offering this benefit.

OPPORTUNITIES





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