Business in the Northwest 2019

Insights from the Carson College of Business

Carson College of Business
Washington State University
In our second annual Business in the Northwest report, the Washington State University Carson College of Business sheds light on the growing confidence among the business community in the region, specifically focusing on three key areas:

- Opportunity: The prospect of growth and general optimism felt by the business community
- Community: The mutually beneficial relationships companies have with the cities and towns where they operate and the consumers they serve
- Capability: The workforce and skills essential to turning the Northwest’s opportunities into reality

This year, we extended the survey to include employees – the heartbeat of the Northwest economy. While employees and business leaders have their disagreements on some business and workforce issues, there were areas of clear alignment – both groups want the Northwest to be a great place for families, and they want to drive growth and help local communities. In addition, concerns over issues such as traffic congestion, automation, and the talent pipeline are on the minds of both business leaders and their employees.

Key Findings

**Opportunity: The prospect of growth and general optimism felt by the business community**

**Business leaders’ optimism booms**

Business leaders in the region are feeling even more confident than last year about the business climate in the Northwest. This year, 61 percent of business leaders reported they felt that the business climate is steadily strengthening — an 11-point increase from 2018. Moreover, business leaders are less worried about the growth potential of business in the Northwest than last year, with 57 percent reporting they aren’t worried.

When asked why they feel the business climate is strengthening, many business leaders attributed it to advances in technology (38 percent) and improved efficiency (25 percent).

**Growing opportunity in the Northwest may not be limited to technology**

While many business leaders and employees attribute the strengthening business climate to advances in technology, they also see growing opportunity elsewhere. Specifically, business leaders and employees think the “next big thing” the region will be known for is:

![Bar chart showing 2019 and 2018 percentages of business leaders and employees feeling business climate is strengthening.]

- 2019: 61% for business leaders, 49% for employees
- 2018: 50% for business leaders, 23% for employees

% of business leaders that feel business climate is steadily strengthening

![Bar chart showing business leaders and employees perception of next big thing in the Northwest.]

- The Marijuana Industry: 32% for business leaders, 32% for employees
- World-Class Wine Production: 23% for business leaders, 32% for employees
Community: The mutually beneficial relationships companies have with the cities and towns where they operate and the consumers they serve

Growth spurs community benefits but lack of promotion may cause doubts among employees

Business leaders increasingly believe their individual companies are supporting the community by improving economic growth, quality of life, job growth, and income stability. In a year-over-year comparison, more business leaders this year (58 percent) feel their organizations are positively contributing than last year (54 percent), but only 40 percent of employees believe their company is helping the community.

This may be related to a lack of awareness among employees about the community-focused programs offered by their employers. For example, while most business leaders (58 percent) report their company has a corporate social responsibility (CSR) program, only 18 percent of employees reported their company had a program, and most (52 percent) were not sure.

Business leaders are relying on brand reputation to help them withstand changes

Far above other priorities, business leaders (41 percent) and employees (45 percent) agree that a good brand reputation will be key in helping their company withstand changes in the next few years.

What will be key drivers for maintaining and improving brand reputation?

Capability: The workforce and skills essential to turning the Northwest’s opportunities into reality

Money matters most to employees, while business leaders turn toward other perks

Employees are highly focused on salary and would prefer more money over other benefits. Across the board, salary is prioritized over benefits like paid or unpaid vacation time, a higher ranked title, a flexible work schedule, and a more manageable workload. Business leaders, however, think their employees would prefer some benefits more than a higher salary.

Universities need to train more students and help businesses find them

A strong talent pipeline and workforce are key concerns for many business leaders and employees. Although 85 percent of business leaders agree that graduates in the area are typically prepared and qualified to fill entry-level positions, more than half are finding it difficult to find qualified undergraduates from area universities or colleges to fill their company needs for long-term talent development and growth.

To find more talent, an increasing number of business leaders (79 percent) want to collaborate with community leaders, organizations or higher education institutions to find qualified applicants.

To learn more about the Business in the Northwest 2019 report, please contact:

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Methodology

To learn more about how business leaders in the Northwest (Washington, Oregon, Idaho) perceive the health of the region and key issues impacting businesses and communities, Washington State University’s Carson College of Business commissioned Edelman Intelligence to survey 500 business leaders age 18 or older living in the region, who hold an upper management level position, have decision making or hiring responsibilities at their company, and have at least three years of management experience, along with 500 employees age 18 or older with at least one year of experience.

The survey was conducted online from February 22 to March 11, 2019. The margin of error was calculated at ± 3.1 percent at the 95 percent confidence level.