



WORKFORCE DEVELOPMENT SURVEY REPORT

WORKFORCE REPORT

2017



IN PARTNERSHIP WITH THE



SONOMA COUNTY
**WORKFORCE
INVESTMENT BOARD**



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EXECUTIVE SUMMARY

December 2017

The 2017 Workforce Development Survey Report is intended as a tool to align local workforce development efforts with employer needs. This year's report summarizes findings obtained from the collective input of more than 200 Sonoma County organizations. Taken together these findings are used to evaluate current workforce realities and develop programs relevant to employers' needs and opportunities. This survey was conducted before the recent North Bay fires. In light of recovery efforts, the findings below remain of particular importance in developing a strong, resilient workforce.

2017 KEY FINDINGS & OPPORTUNITIES

80%
of respondents
are facing hiring
difficulties

In-Demand Skills

- Interpersonal
- Knowledge-Based
- Motivation

60%
of respondents need
some form of hiring
assistance

Finding #1

Over 80% of businesses are facing difficulties finding employees, citing an insufficient number of applicants and a lack of relevant work experience among those that do apply as major causes.

Opportunity: The EDB and Workforce Investment Board (WIB) offer workforce services and training resources for local employers. Many organizations have indicated that they have not yet used these resources. Connecting employers with EDB and WIB services can help alleviate concerns and address workforce needs.

Action: The EDB and WIB are strengthening their partnership by publishing new sector specialist reports and other projects that will make our resources more accessible, insightful, and useful in the current hiring market.

Finding #2

Hiring difficulties are often acting as an impediment to potential economic growth. Employers expressed major concern over housing and living costs in Sonoma County and their effect on labor availability. While more than half of surveyed businesses have responded to hiring difficulties with increased recruiting efforts, almost 40% of respondents have recruited from outside of Sonoma County or simply not filled open positions.

Opportunity: Sonoma County has a diverse range of employers with a strong presence in manufacturing, healthcare, professional services, and other industries along with educational resources to help connect students with job opportunities.

Action: The EDB is working on talent attraction projects that will showcase and support Sonoma County's key organizations and industries. Through Strategic Sonoma, Sonoma County Connections, and other initiatives, key employers and community stakeholders are now working together to address hiring challenges.

Finding #3

Employers express having the most difficulty finding qualified applicants with education beyond the high school level. Postsecondary education—including apprenticeships, vocational training, Associate, Bachelor's, and advanced degrees—remains essential to developing a skilled workforce.

Opportunity: Education is a top priority, and Sonoma County offers a wealth of local educational resources. Responses reveal that aligning educational programs with labor market opportunities can lead to a stronger local workforce.

Action: The EDB and WIB are working on new initiatives aimed at bringing educational institutions and private industry together to identify career pathways that will both address skills gaps in the workforce and provide local talent with programs that will help them to thrive throughout their professional careers.



OPPORTUNITIES

KEY OPPORTUNITIES AND RESOURCES

New resources are available to help employers find qualified applicants:

- The EDB has partnered with the WIB to offer valuable, free support services for local employers including talent recruitment and retention, customized employee trainings, specialized hiring events through Job Link, Sonoma County's One-Stop career center, and more.
- **Job Link** is pioneering monolingual and bilingual job fairs to help keep employers attuned to demographic shifts in Sonoma County and the rapid growth of the Hispanic population. To meet employers' specialized needs, Job Link has also launched industry-specific job fairs to spotlight critical industries and match employers with enthusiastic candidates that have the right skill sets.
- With the launch of **Sonoma County Connections**, a new online talent attraction hub, the EDB is working to address concerns over the lack of qualified candidates in specialized fields.
- The EDB provides **customized and industry-specific business intelligence** around HR and labor market trends including the number of job postings for a position and the top skills employers are looking for.

Training resources are closing the skills gap between the skills workers bring to the labor force and the skills most sought-after by employers.

- The EDB and WIB are developing the **Strategic Sonoma initiative**, a new regional program that brings together stakeholders from around the County to identify and effectively address critical local economic development issues.
- Programs that emphasize filling specialized skills gaps are now available. For example, the **Work Experience Department** at Santa Rosa Junior College (SRJC) helps develop desirable work habits, attitudes, and soft skills through internships, apprenticeships, community involvement and other opportunities.
- Work-based learning opportunities are offered through a number of sources; see the resource matrix on page 12 of this report for a list of programs.

Employer expectations are rising, reflected by the growing demand for top candidates with an advanced degree. Education is a top priority for Sonoma County and resources for continuing education programs are vital to success.

- Sonoma County offers a number of top-rated K-12 schools and a variety of innovative charter schools as well as higher education institutions such as SRJC, Sonoma State University, and Empire College.
- Apprenticeship programs, service opportunities, and internships are offered at **SRJC** and **SSU** to supplement students' education and allow students to gain valuable technical experience in their chosen field.
- The **Career Technical Education Foundation** (CTE) integrates educational opportunities with technical and STEM-related skill development. CTE courses provide curriculum and experiences that engage high school students in exploring their interests and preparing for college and careers.

RECRUITMENT

NEW EMPLOYEES

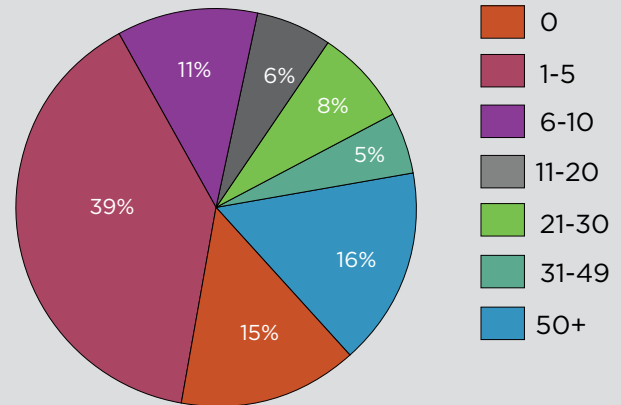
This year's survey revealed a continued trend of job growth, economic activity, and general optimism for future hiring prospects. 85% of employers hired employees in 2016, up 6% from 2015. Just over half of employers reported 10 or fewer hires. The share of organizations hiring 50 or more employees has also grown: 16% of employers reported 50 or more new hires in 2016. These findings suggest that a variety of businesses, both large and small, experienced job growth last year. Data from California's **Employment Development Department** suggest that unemployment trends are mirroring those of job growth. Sonoma County maintains the state's 5th-lowest unemployment rate at 3.6%, 1.3% below the statewide average.

Projections through the end of 2017 are also promising. 85% of organizations expect to hire employees in 2017, showing a consistent level of confidence in the labor market. 45% of the total number of respondents expect to hire 1-5 employees and 16% of respondents project 50+ new hires.

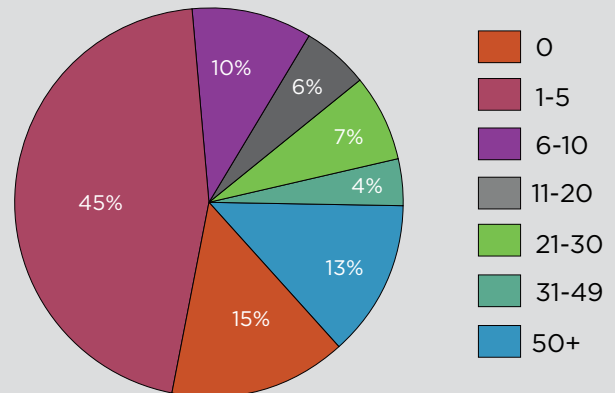
Top-Ranked Resources Used by Organizations to Hire New Staff

	Resource	% of Organizations Using Resource
1	Craigslist	60%
2	Internal Referrals	58%
3	Word of Mouth	55%
4	Company Website	48%
5	LinkedIn	32%
6	Staffing Agency	32%
7	Hiring/Recruitment Fairs	31%
8	Social Media	29%
9	College Boards	27%
10	Indeed	18%

How many new full-time employees did your organization hire in 2016?



How many new full-time employees does your organization expect to hire in 2017?



HIRING RESOURCES

The top three resources that respondents use the most for recruiting remains unchanged from last year. 60% of respondents reported using Craigslist while 58% used internal referrals. 55% reported using word of mouth to hire employees. One of the most commonly used digital hiring resources was a company website (48%) while 32% of respondents used LinkedIn. 29% of respondents used social

media while 18% used Indeed. Staffing agencies (32%) and hiring fairs (31%) were also popular resources among employers. While employers are taking advantage of digital resources in increasing numbers, traditional hiring methods still rank among the most popular ways organizations conduct their search. In a lean labor market, recruiters and HR professionals should increasingly invest in digital platforms that can reach larger and more specific audiences.

HIRING DIFFICULTIES

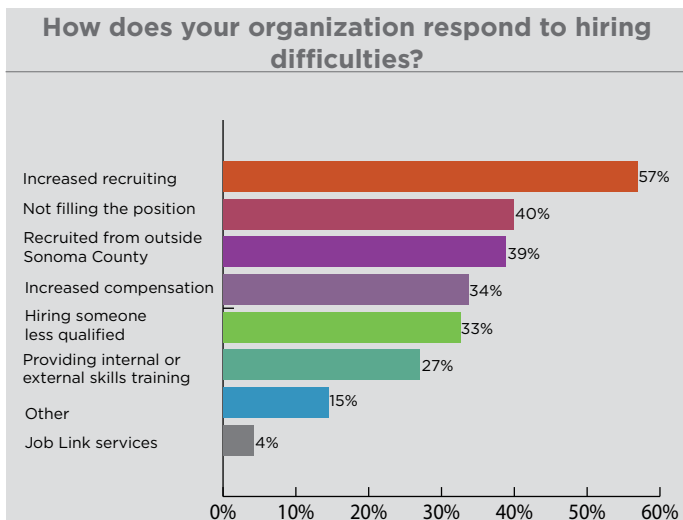
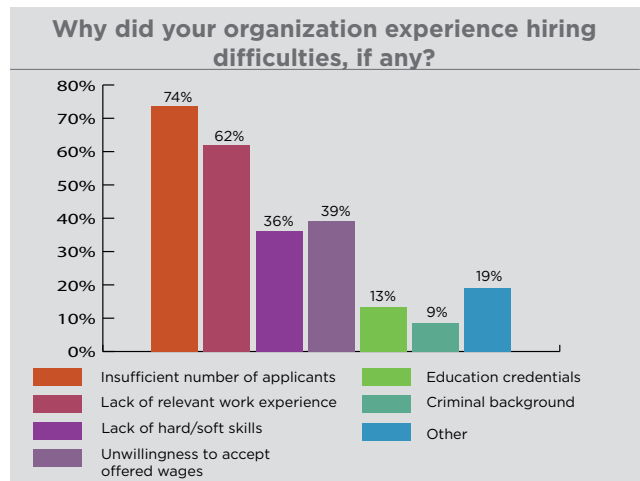
HIRING DIFFICULTIES

Despite consistent projections for 2017, 83% of employers reported hiring difficulties in 2016. Only 18% reported no difficulty while 33% experienced great difficulty in filling open positions. These findings suggest that the labor market has become significantly more competitive. The specific difficulties employers face are varied. 74% of respondents reported an insufficient number of applicants as a significant cause of hiring difficulties. A lack of relevant work experience (62%) and hard and soft skills (36%) were also reported as major causes of hiring difficulties. 39% of employers reported an unwillingness to accept offered wages as an additional source of hiring difficulty. Taken together, the data reveal that employers are having a hard time finding employees with the relevant skill sets and a willingness to accept wages offered.



“Waiting until the right candidate comes along...brings stress on existing staff.”

“For lower-level jobs, the salary expectation is higher than we can offer; for higher-level jobs, the skills required are sometimes missing from the applicant pool.”

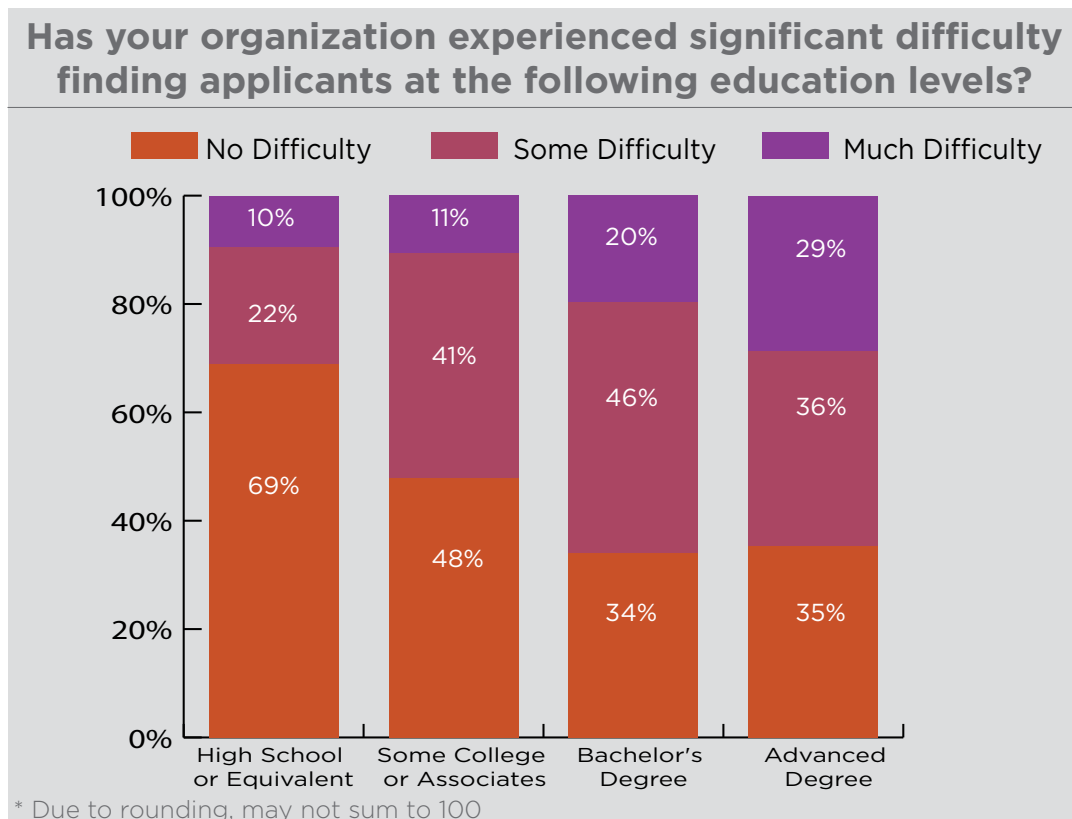


The majority (57%) of employers respond to hiring difficulties with increased recruiting. Some methods respondents mentioned included using an external hiring agency, offering relocation stipends, buying ads and intensifying networking and word of mouth efforts. A similar portion of employers responded to difficulties by increasing compensation or hiring someone less qualified (34% and 33% respectively). 39% of respondents resorted to hiring from outside Sonoma County while 40% did not fill open positions, showing that, in some cases, hiring difficulties have become an impediment to local growth.

EDUCATION

EDUCATION

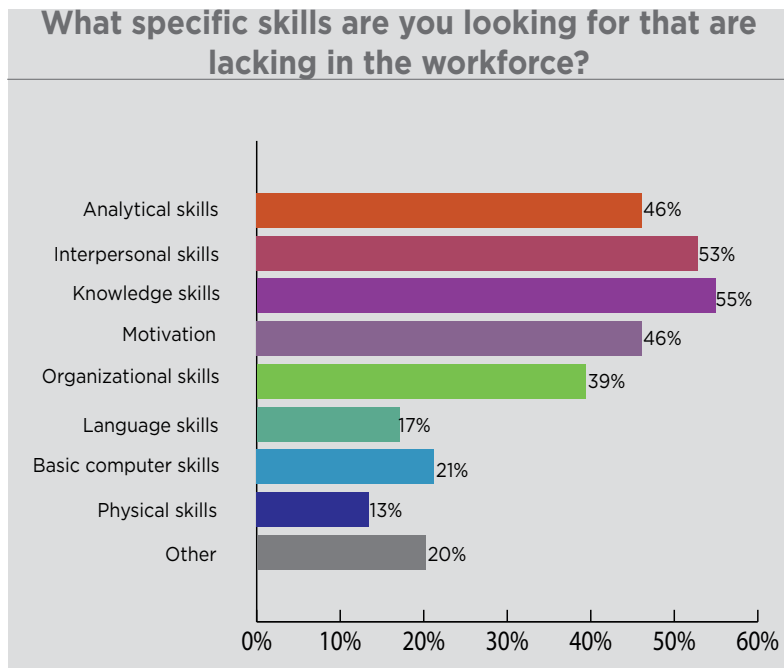
While only 13% of respondents cited a lack of educational credentials as a barrier to hiring, the data reveal that hiring becomes increasingly difficult when searching for more educated applicants. More than half (52%) of respondents had difficulty finding employees with some college experience or an Associate's degree. Employers reported even greater difficulty finding applicants with a Bachelor's (66%) or advanced (65%) degree.



“Our positions are predominately specialized engineering. Most of our candidates end up being from out of the area.”

Difficulty finding applicants at higher education levels highlights a need for stronger career pathways. Greater awareness and clarity surrounding workforce needs can help provide job seekers with the opportunity to pursue degrees in relevant fields. Additionally, apprenticeships and certificate programs can help offset education-related hiring difficulties. Communication between job providers and educational institutions can lead to more streamlined talent pipelines, further reducing difficulties in the job search. Providing the kind of education that meets labor market needs also helps local job seekers remain competitive with talent from outside the county, strengthening local economic prospects.

SKILLS AND TRAINING



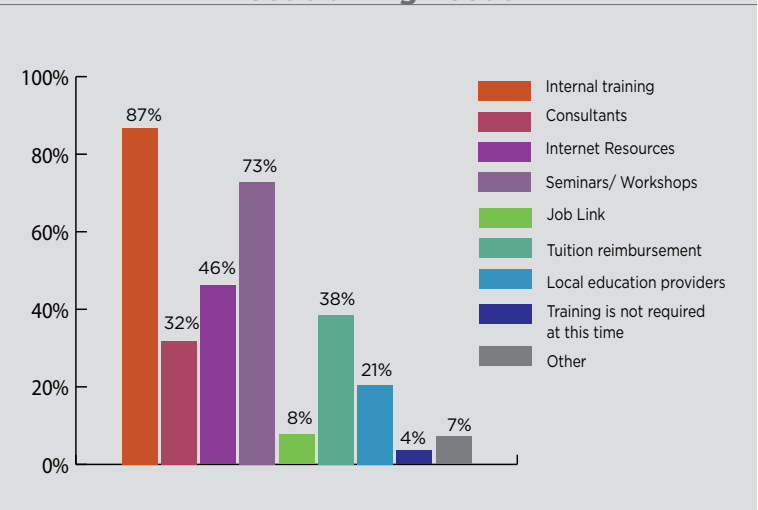
SKILLS

Employers continue to emphasize the need for applicants with “soft skills”. In particular, the majority of respondents (53%) noted that they are looking for interpersonal skills (e.g. communication and teamwork) that are lacking in the workforce. Other soft skills that rank high among employers are analytical skills (46%), such as critical thinking and problem solving, and motivation-centric skills, including traits like attention to detail and initiative. Employers continue to look for hard, knowledge-based skills (e.g. literacy, numeracy, and industry-specific skills) in addition to soft skills. 55% of respondents expressed that they are looking for these knowledge skills that are currently lacking in the workforce. Specific hard skills that are in especially high demand include sales, customer service and management. Many highly desired skills can be obtained through educational or on-the-job training programs. Employers recognize this and are taking proactive steps to address skills gaps in the workforce.

TRAINING RESOURCES

27% of employers respond to hiring difficulties by providing internal or external skills training (see graph on page 7). The vast majority (87%) of employers surveyed provide internal training to employees. In addition, 73% use internal seminars or workshops and 46% use Internet resources to meet their training needs. Other popular training methods include tuition reimbursement (38%) and hiring consultants (32%). These training methods provide viable alternatives to finding elusive candidates that come pre-equipped with all the right skills for a particular position.

What resources are used by your organization to meet training needs?



WORKFORCE CONCERNS & ASSISTANCE

WORKFORCE CONCERNS

An overwhelming majority of survey respondents are concerned about local housing and living costs for employees. 96% of employers expressed general concern with housing and living costs, while 77% noted that they were very concerned about the issue. The lack of qualified applicants is also a major concern, with 43% of respondents expressing some concern and 49% identifying as very concerned. 92% of employers noted concern over the increased cost of labor. 70% of employers expressed concern with the regulatory costs of doing business while 62% responded that they were concerned with an aging workforce and the need to train employees. These findings suggest that businesses generally are anticipating high costs of attracting and retaining their workforce.



ASSISTANCE NEEDS

Despite these concerns, nearly 40% of surveyed employers responded that they do not need employment-related assistance at this time. This supports the trend of organizations choosing to address hiring and training needs internally. Of those organizations that did express the need for support, many cited the need for hiring assistance (30% of total respondents). 21% of respondents expressed the need for assistance in staff development and training, while hiring events and networking opportunities both ranked third at 18% each.



RECOMMENDATIONS AND RESOURCES

RECOMMENDATIONS

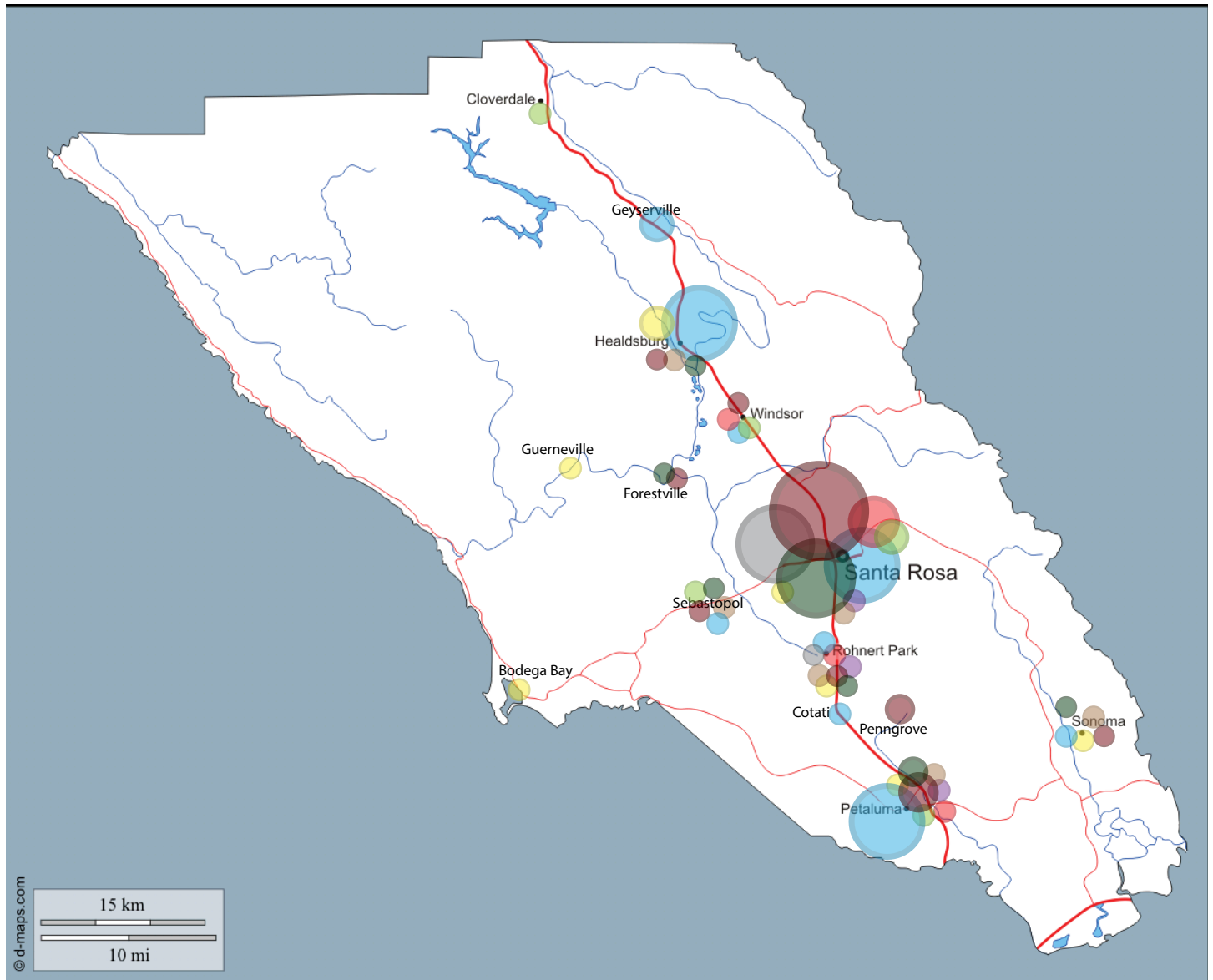
A lack of relevant work experience in the labor market persists as one of the most important issues for employers.

- This concern highlights the need for curriculum that continually adapts to reflect current and long-term workforce needs. To address these needs, the EDB and WIB are launching a new talent attraction and development initiative to bring employers and leaders in education together with the goal of identifying stronger career pathways that highlight professional opportunities with high lifetime career value.
- This year's survey has shown that many businesses already demonstrate the readiness to directly address many workforce training issues. In addition to internal training, businesses can take full advantage of local workforce development resources (see below) and clearly communicate to educational and regional partners which skills are most needed in the workplace. The EDB and WIB are making services more accessible and helping employers identify persistently hard-to-fill positions and build training programs around the skills needed in those critical jobs. Through industry and business-specific spotlights, the EDB and WIB plan to further assist employers in navigating labor market challenges.
- Workforce support and development agencies play a central role in supporting small business talent attraction and retention efforts. By coordinating the efforts of individual businesses, agencies can help programs achieve the scale needed for success. The EDB is working to enhance the design and broaden the participant pool for the 2018 Workforce Development Survey and, through the Strategic Sonoma initiative, is currently engaging local stakeholders to create an economic development action plan. In addition, the Workforce Investment Board is adapting its workshops and job fairs to reflect current workforce needs.

"With this level of vacancy we will try anything!"

RESOURCES	SERVICES
Sonoma County Job Link (WIB)	Hosts job fairs to connect employers to a pool of qualified job seekers, screens candidates, offers support and financial assistance for workforce development and training, customized training in hard and soft skills and staff development. Job Link also provides layoff support and prevention and labor market information.
Career Technical Education Foundation	Offers grants to enhance or expand in-school programs for career technical education and training in Sonoma County that align with the economic development and workforce needs of local employers such as Advanced Technology and Manufacturing, STEM, and Sonoma Specialities.
Sonoma County Office of Education	Established Maker Certificate Program, oversees Maker Design Lab in Santa Rosa, holds conferences on maker education movement to train educators, offers a California Career Pathways Trust Grant to support strong, integrated career pathways from high school through Community College.
Santa Rosa Junior College	Offers around 150 skills certificates and certificates of achievement to prepare students for an entry level job or for career advancement in a chosen field and prepares students for employment in current or emerging jobs. SRJC's Contract Education Department provides training needs assessments, on-site customized training, seminars, and workshops.
Sonoma State University	Partners with Sonoma County Office of Education to implement the Maker Certificate Program and hold the Summer High School Internship Program, a science research program for students.
Empire College	Offers career training for in-demand careers in top industries including Law, Hospitality and Tourism, Accounting, and Business.

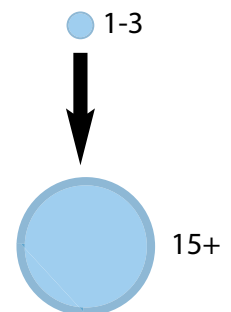
INDUSTRY PROFILE OF RESPONDENTS



Respondent Industry



Number of Respondents



SURVEY NOTES & METHODOLOGY

NOTE ON DATA SOURCES

The 2017 Workforce Development Survey Report provides a detailed overview of the workforce needs of Sonoma County employers. Data utilized in the report was obtained through the creation and distribution of an online survey to a diverse sample of Sonoma County businesses, non-profits, and public agencies.

The 2017 Workforce Development Survey Report is not intended to provide a complete analysis of the needs of Sonoma County employers. The EDB and WIB believe that the information contained within this report is accurate and reflective of the most current data available, but this does not guarantee accuracy or completeness. Use of data from an outside source does not represent an endorsement of any product or service by the EDB, WIB, or any of their members or affiliates.

Interested readers are encouraged to contact data resource agencies for further research or to visit the EDB website, www.sonomaedb.org for more information. Readers are also encouraged to direct all inquiries or suggestions for future reports to the EDB by calling (707) 565-7170 or emailing edb@sonomacounty.org.

Sources

2017 Workforce Development Survey

California Employment Development Department (EDD)

Economic Modeling Specialists International (EMSI)

(All quotes are from 2017 Workforce Development Survey respondents)

Survey Methodology

Invitations to complete the 2017 Workforce Development Survey were emailed to businesses identified by the EDB and WIB. The 14 question survey was administered using SurveyMonkey, and 212 responses were received. Survey answers are equally represented and are not weighted. Graphs and percentages may not add up to 100%, as survey respondents were able to select multiple answers per question in order to accurately reflect their employer needs.

Acknowledgements

Kanny Morgan, Workforce and Public Policy Project Coordinator (2016-17), was responsible for the management of this report including the preparation, development and distribution of the survey.

Jake Belding, Workforce and Public Policy Project Coordinator (2017-18) was responsible for data collection, data cleaning, statistical analysis, and finalization of the 2016 Workforce Development Survey Report.

The EDB offers business tools that include assistance in talent attraction, navigating the permit process; market research tools to identify growth potential; site selection assistance to help locate a site to meet business needs; customized demographic and psychographic information to help identify customers; and connections to additional resources to help local business grow and expand. Sonoma County Job Link, the one-stop career center administered by the WIB, offers job counseling, training, financial assistance for employers, scholarships, hiring events and job fairs, and business referral services. Employers and job seekers are encouraged to take advantage of these resources.

ACKNOWLEDGMENT

The 2017 Workforce Development Survey Report was produced on behalf of the Sonoma County Board of Supervisors by the Sonoma County Economic Development Board (EDB) and the Sonoma County Workforce Investment Board (WIB) to assess current workforce realities and determine employer needs. The EDB provides information and referral services for local businesses; research and reports on local economic activities, trends and projections; and provides market analysis. The WIB works to ensure Sonoma County's residents have the skills, training, and education to achieve their career goals and local employers are able to hire, develop, and retain outstanding employees.

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