



Workforce Development Survey Report

2016
SONOMA
COUNTY

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Acknowledgment

The 2016 *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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Executive Summary

October 2016

The 2016 Workforce Development Survey report recognizes the importance of aligning employer needs with local workforce development efforts. This report summarizes the findings obtained from the collective input of 200 Sonoma County organizations. This information is used to evaluate current workforce realities and understand employer's workforce needs.

Key Findings

- I. 65% of surveyed employers experienced **hiring difficulty** in 2015, listing **insufficient number of applicants** as the main cause, in addition to a tightening labor market. Surveyed employers also expressed concern over the **lack of qualified candidates** in Sonoma County.
- II. Employers across all industries cited a lack of relevant work experience among applicants and a **lack of hard/soft skills**. The top 5 skills found to be lacking in the workforce are: Interpersonal Skills, Motivation, Knowledge Skills, Analytical Skills, and Organizational Skills.
- III. **Postsecondary educational attainment is essential** to filling high skilled positions, especially in the Health Care and Social Assistance, Finance and Insurance, and Professional, Scientific, and Technical Industries.

Key Opportunities

- I. The EDB offers business tools that include assistance in talent attraction and has partnered with the WIB to offer workforce services for local employers.
- II. Training resources are now available to close the skill gap and help applicants develop hard/soft skills .
- III. Education is a top priority, and Sonoma County offers a wealth of local educational resources.

This study reveals the ongoing need for hiring assistance as the local labor market tightens; improved experience and skills training to adapt to and attract well-paying jobs; and tackling barriers to hiring in Sonoma County, especially with wider housing and wage issues. While the survey is not exhaustive, the findings in this report underscore pressing workforce issues.

The report will be used for the future strategic direction of the Sonoma County Economic Development Board and Workforce Investment Board to enhance workforce development programs in partnership with the wealth of local educational resources.

Sincerely,

Ben Stone
EDB Executive Director

Sherry Alderman
WIB Director



Opportunities

Key Opportunities and Resources

- I. New resources are available to help employers find qualified applicants:
 - 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 employers take advantage of the demographic shift in Sonoma County and the rapid growth of the Hispanic population.
 - EDB is in the process of supporting its Talent Attraction Program to address the concern over the lack of qualified candidates in Sonoma County.
 - EDB provides customized and industry specific business intelligence around HR trends including number of job postings for a position and the top skills employers are looking for.
- II. Training resources are closing the skill gap between the sought-after skills found to be lacking in the workforce and the skills potential employees possess.
 - The EDB is working to develop a new regional program modeled after successful soft skills training programs for work readiness.
 - Programs that emphasize soft skill development are now available. For example the Work Experience program available at Santa Rosa Junior College (SRJC) helps develop desirable work habits and attitudes by enhancing on-the-job soft skills such as time management and ability to work in a team environment.
 - Work-based learning opportunities are offered through a number of resources; see resource matrix on page 11 for a list of programs.
- III. Employer expectations are rising and demand for top candidates with an Advanced degree mirrors this trend; therefore, continuing education resources are critical and education is a top priority for Sonoma County.
 - Sonoma County offers a number of top-rated K-12 schools and a variety of innovative charter schools in addition to higher education resources 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 academic curricula with technical and occupational knowledge applicable to work world skill requirements. CTE courses provide curriculum and experiences that engage high school students in exploring and preparing for college and careers.

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.

Recruitment

Hiring

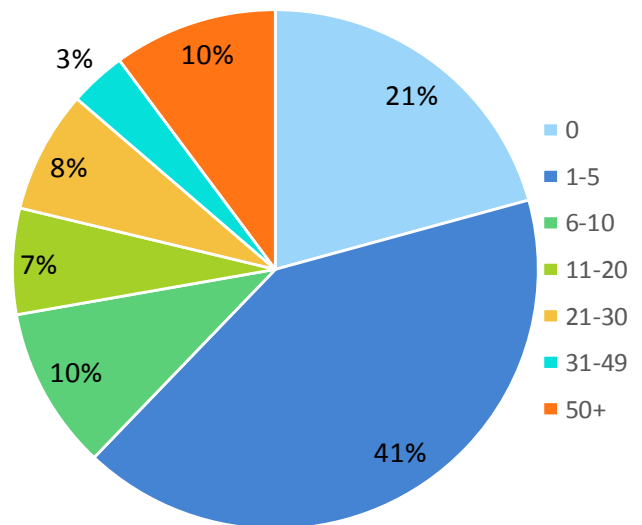
79% of employers hired new employees in 2015, further evidence that 2015 was a healthy year of job growth and economic activity. 41% hired 1-5 new employees in 2015, 10% hired 6-10 new employees, and 10% hired 50 or more new employees. Meanwhile, 21% of employers reported no new hires. The Educational Services sector experienced the strongest hiring in 2015; 57% of employers in that industry hired 50+ new employees and 28% of Educational Services employers hired 21-49 employees. Public Administration, and Accommodation and Food Services, also exhibited strong hiring trends. 90% of Accommodation and Food Services employers hired new employees in 2015 and only 10% of employers in this industry did not hire in 2015, indicating a sign of positive tourism and hospitality growth. Data from California Employment Development Department (EDD) further confirms that local job growth has gained momentum in the past few years, growing at 2.3% in 2015, outpacing job growth rates in California and the U.S.

Employers express a steady level of optimism through 2016, with 75% of respondents expecting to hire new full-time employees. The majority of employers (55%) plan to hire 1-10 new employees. Plans to hire in Educational Services yet again stays strong with 85% expecting to hire over 20 new employees in 2016. Accommodation and Food Services, Health Care and Social Assistance, Manufacturing, Finance and Insurance, Other Services (excluding Public Administration), Professional, Scientific, and Technical Services, also display promising outlooks for job creation in 2016. Large employment gains can also be expected in the Government, Leisure & Hospitality, Construction, Manufacturing, and Educational & Health Services industries.

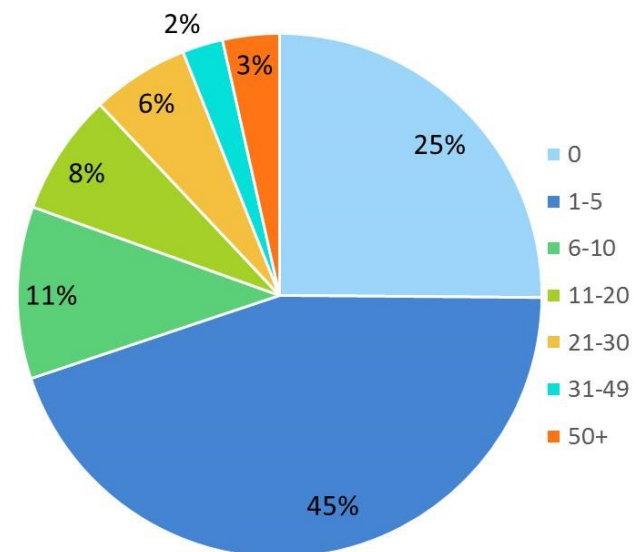
Recruitment Resources

According to employers, the Top 3 recruitment resources are: Craigslist (51%), Word of Mouth (48%), and Internal Referrals (42%). These recruitment resources continue to be the most effective resources for hiring new employees as shown through previous Workforce Development Survey Reports. The use of Company Websites, Staffing Agencies, and Social Media were also popular amongst employers. "Other" resources mentioned were LinkedIn, Beyond.com, Banners, and Industry Specific Sites. 6% of employers cited industry specific sites such as Winejobs, Edjoin, and EnergyCentralJobs, as the most effective resource for hiring new employees. Job Link is selected as a top resource for 6% of employers, while CalJOBS for only 2% of employers. Survey results suggest the underutilization and unfamiliarity of Job Link, Sonoma County's one-stop job center, that provides free services to employers.

How many new full-time employees did your organization hire in 2015?



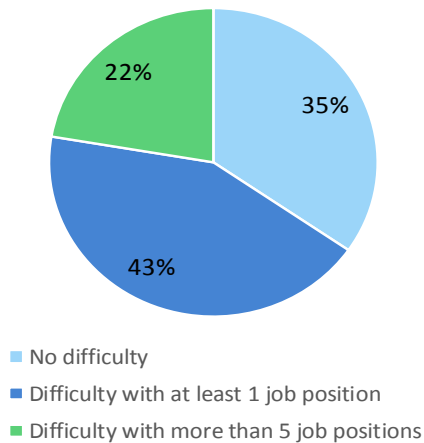
How many new full-time employees does your organization expect to hire in 2016?



Rank	Resource
1	Craigslist
2	Word Of Mouth
3	Internal Referrals
4	Company Website
5	Staffing Agency
6	Social Media - Facebook, Twitter etc.
7	College Boards
8	Hiring/Recruitment Fairs
9	indeed.com
10	Newspapers/Publications/Broadcast Media
11	Job Link
12	CalJobs

Hiring Difficulties

Did your organization experience any hiring difficulties in 2015?



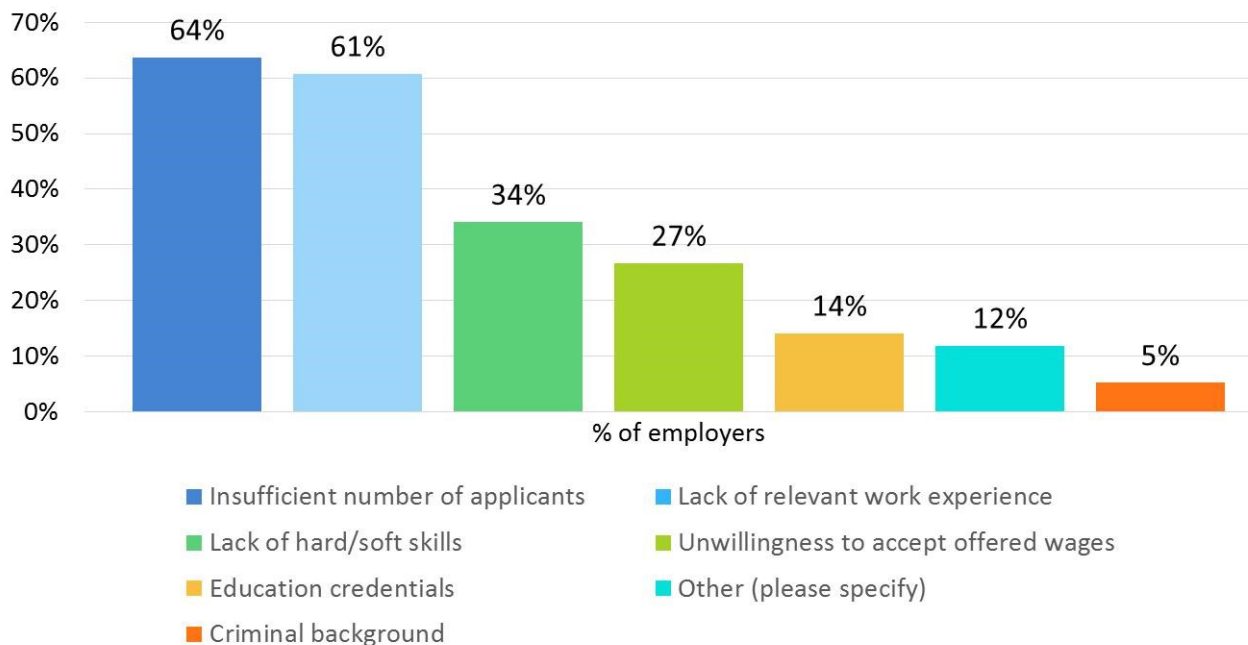
Hiring Difficulty

As Sonoma County moves into full employment, recruiting in a tight labor market has become increasingly difficult for employers. While 35% of surveyed employers did not experience any hiring difficulties in 2015, the majority of employers experienced some hiring difficulty – 43% had difficulty with at least 1 job position, and 22% had difficulty with more than 5 job positions. Employers that reported the most hiring difficulty were in the Accommodation and Food Services, Health Care and Social Assistance, and Information industries. It was especially difficult for Educational Services, Health Care, and Social Assistance employers with more than 5 job positions.

Reasons for Hiring Difficulties

64% of employers cited an insufficient number of applicants as the main cause for hiring difficulty, which reflects a tightening labor market as indicated by an unemployment rate as low as 3.5% at the time of the survey. Employers across all industries also cited a lack of relevant work experience among applicants (61% of employers) and a lack of hard/soft skills (34% of employers) as main causes for hiring difficulties. 27% of employers were challenged by an unwillingness to accept offered wages, likely due to high housing costs, a high cost of living, and relocation costs as brought up by several employers in “Other”.

Why did your organization experience hiring difficulties, if any? (Select all that apply)



Responding to Hiring Difficulties

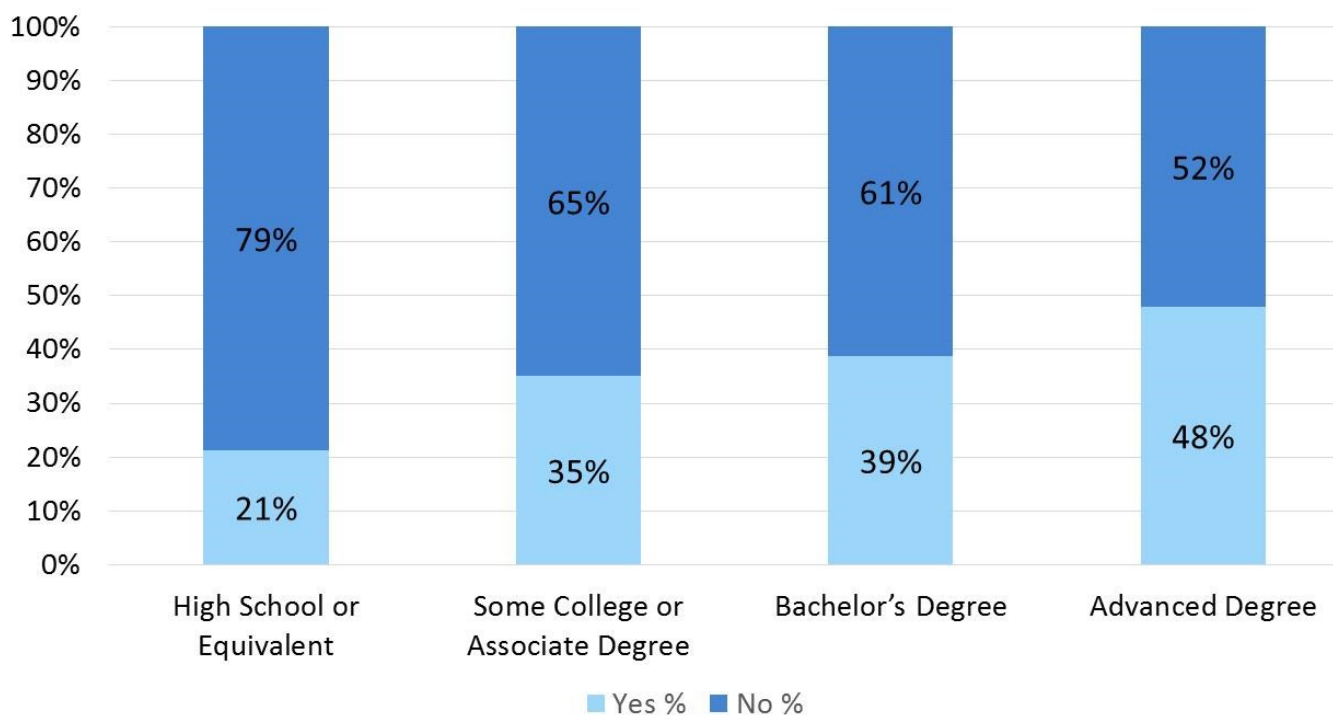
In response to hiring difficulties, employers choose to increase recruiting efforts (61%) or not fill the position (48%). Another popular approach taken by 35% of employers is to recruit from outside of Sonoma County. Less common responses include providing internal or external skills training (28%), hiring someone less qualified (26%), and utilizing Job Link services (3%).

Education

Education Level

48% of employers experienced significant difficulty finding applicants with an Advanced Degree, the highest and most difficult education level to hire. This pressure likely stems from increasing employer expectations and demand for top candidates to fill high-skilled positions as the economy rebounds. Employers from the Health Care and Social Assistance, Finance and Insurance, and Professional, Scientific, and Technical industries in particular, reported more difficulty finding applicants at the Advanced Degree level, reflecting the importance of advanced degrees for careers in those industries. Meanwhile, 39% of employers experienced significant difficulty with finding applicants with a Bachelor's Degree, 35% of employers with finding applicants with Some College or Associate Degree, and 21% of employers with finding applicants at the High School or Equivalent level.

Has your organization experienced significant difficulty finding applicants at the following education levels?



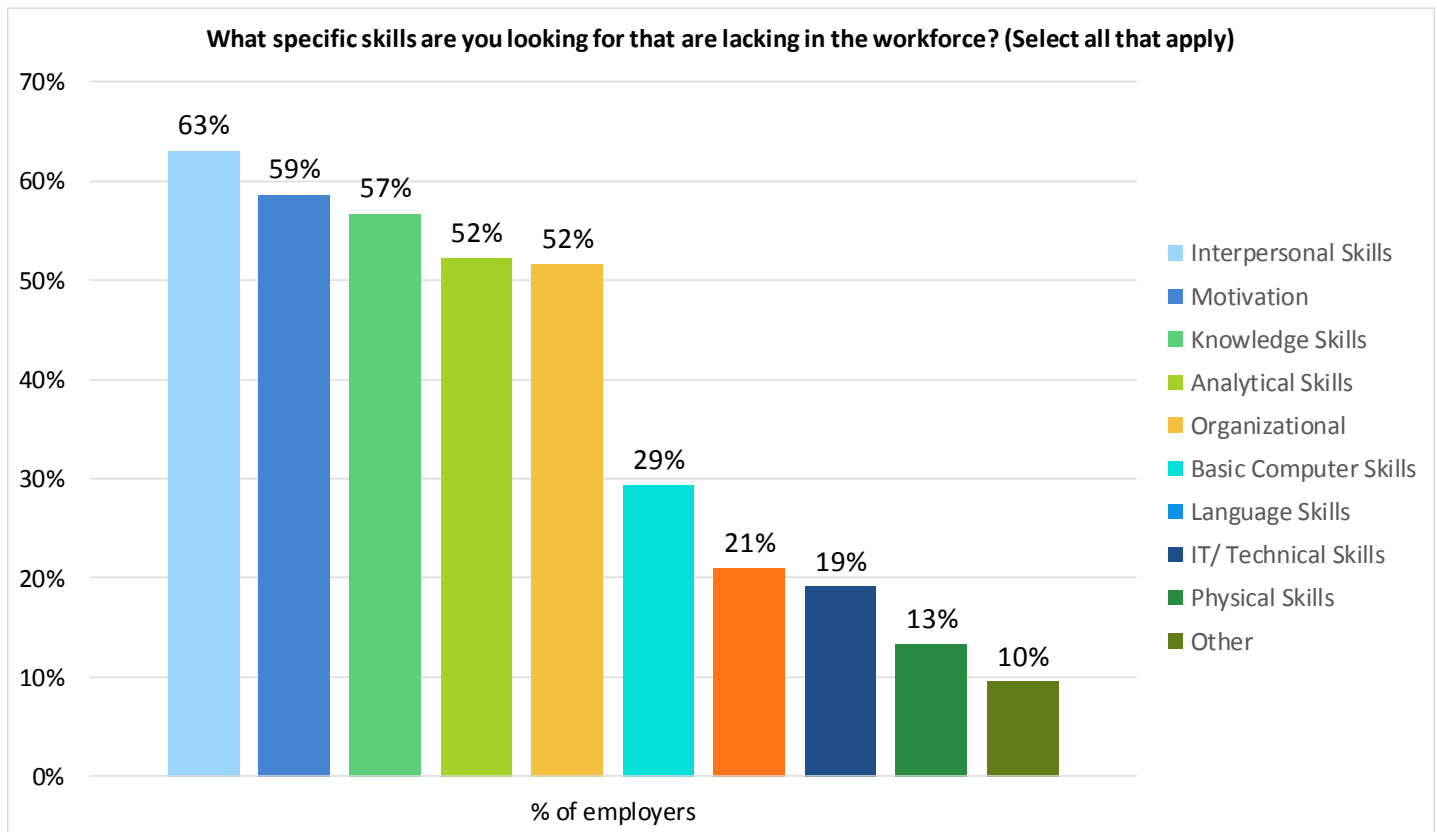
Employers express a steady level of optimism for hiring through 2016 with 75% of respondents expecting to hire new full-time employees.

Data from U.S. Census Bureau reveals a clear positive correlation between educational attainment and earnings in Sonoma County. Higher education corresponds to higher median earnings, with local college graduates making 69% more on average than a High School graduate in 2014. Additional data from California EDD display a high need for postsecondary education to fill projected job openings in Sonoma County. This reflects the value employers place on education, and illustrates the need for highly educated candidates.

Skills and Training

Work Skills

Similar to results from the previous year, Interpersonal Skills (e.g. communication, teamwork) and Motivation (e.g. attention to detail, initiative) prove to be essential soft skills that the majority of employers – 63% and 59% respectively – representing a broad range of industries, find to be lacking in the workforce. Knowledge Skills (e.g. literacy, numeracy, industry specific), classified as a hard skill, is another sought-after skill that 57% of employers find lacking in the workforce, particularly within Construction, Retail Trade, Information, and Finance and Insurance. These industries often require higher literacy and numeracy abilities, as well as industry specific knowledge. This is followed by Analytical Skills (e.g. critical thinking, problem solving) and Organizational Skills (e.g. time management, punctuality) both at 52%. Under “Other”, employers emphasized industry specific skills and knowledge in Engineering, Construction, Solar, Mechanics, Manufacturing, and Automotive fields. Several employers also expressed concern over the lack of applicants with relevant licenses and certifications, including a Commercial Driver’s License, Cosmetology, Nursing Assistants, and Computer-aided design (CAD). Online job posting data from CEB TalentNeuron™ shows that the demand for hard skills has only climbed this year. Survey responses reveal that employers did not find Basic Computer Skills (e.g. Microsoft Office, PowerPoint, Excel), Language Skills (e.g. bilingualism), and IT/Technical Skills (e.g. programming, technical support), as much of a concern as other skill deficiencies in the local workforce.



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This is a reassuring sign that local employers are willing to invest in and develop talent internally.
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Training Resources

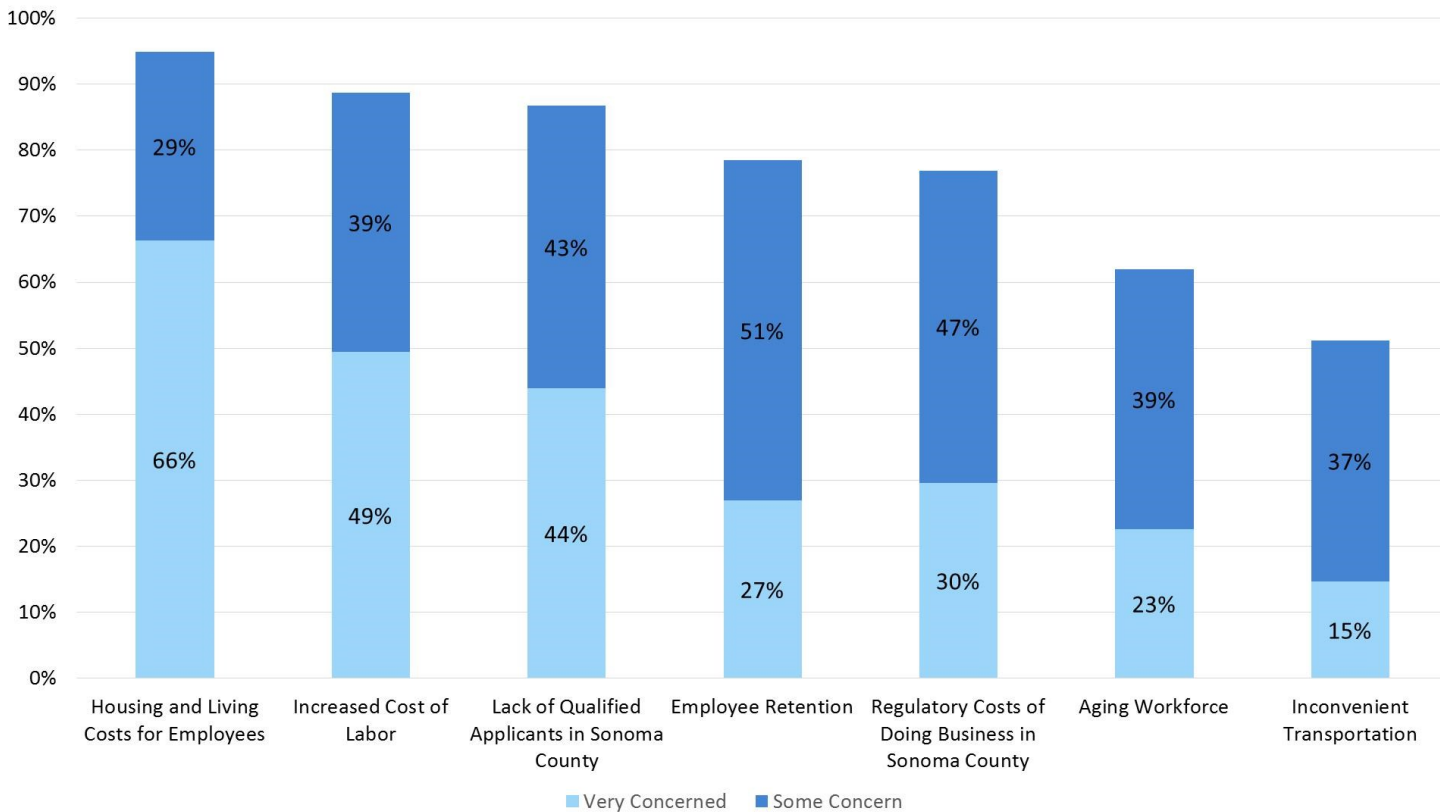
An overwhelming 92% of employers rely on Internal Training to meet training needs in their organization. This is a reassuring sign that local employers are willing to invest in and develop talent internally. Seminars/Workshops are also popular resources used by 69% of employers to support training needs. Other training resources used by organizations include consultants, internet resources, Job Link (e.g. On-the-job Training, Customized Training), and tuition reimbursement.

Workforce Concerns and Assistance

Workforce Concerns

Employers were most concerned about Housing and Living costs for Employees (66% were very concerned, 29% had some concern, while only 5% expressed no concern at all over this issue). This is followed by the Increased Cost of Labor with (49% very concerned, 39% had some concern), and the Lack of Qualified Applicants in Sonoma County (44% very concerned, 43% had some concern). The results reflect similar concerns in 2015 and 2014. Transportation, an Aging Workforce, and the Regulatory costs of Doing Business in Sonoma County appeared to be the least concerning workforce issues amongst employers. Other concerns raised by employers included a lack of interest amongst young applicants and preparing students for future careers.

How concerned is your organization with the following workforce issues?



Workforce Assistance

44% of employers indicated they need assistance at this time to address their workforce needs. 23% of respondents indicated the need for assistance with hiring and 19% needed assistance with staff development and training. Only 17% of survey respondents have utilized Job Link, which is a free local resource offering assistance in these areas. Businesses that have used Job Link in the past have participated in Job Link job fairs, utilized their layoff prevention and support, accessed financial assistance for their workforce training, and/or used the statewide CalJOBS website to help identify candidates.

“
Employers need assistance with hiring (23%) as well as staff development and training (19%), services that Job Link can provide.
 ”

Recommendations and Resources

Strengthen Career Pathways

An emphasis on career readiness programs and relevant work experience in the workforce through internship and apprenticeship opportunities, encouraging the workforce to gain relevant work experience, learn on the job, and develop professional skills in a work context, would ensure a workforce that is prepared for future careers. Providing opportunities for employers to engage with future candidates through networking, job fairs, mentorship programs, or information sessions would allow employers to convey their workforce needs as well as allow students and workers to develop their professional networks.

Boost Training Efforts and Support Upskilling

Building programs that establish training initiatives and close the skill gap between the skills present in the workforce and the top hard and soft skills employers are looking for is imperative. Increasing the diversity of experience and skills present in the workforce ensures an adaptable workforce. Focusing on training efforts can cultivate a qualified workforce that satisfies employer demand and meets current and future job requirements.

Encourage the Use of Available Resources

EDB has partnered with the Workforce Investment Board (WIB), to offer valuable free support services for local employers including talent recruitment and retention, customized employee training, subsidized hiring incentives, specialized hiring events, and more. Resources are available to assist employers with recruiting efforts and help find qualified candidates with the necessary hard and soft skills. Workforce development resources are also available at local educational institutions including Sonoma County Office of Education, Santa Rosa Junior College, Sonoma State University and Empire College.

Resources	Services
Sonoma County Job Link	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 Specialties.
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 career technical education, supports strong integrated career pathways from high school through Community College through California Career Pathways Trust Grant.
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.
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 Survey Respondents

The 200 Sonoma County organizations that participated in the survey represent a diverse range of industries, sizes, and years of operation. These organizations were classified into industry groups by the North American Industry Classification System (NAICS), including 20% from the Manufacturing sector, 19% from the Professional, Scientific, and Technical sector, and 9% from Health Care and Social Assistance sector, some of the larger represented industry groups. A breakdown of the 2-digit NAICS industry sectors represented by the 200 surveyed organizations is displayed below.

NAICS Industry	Includes
Manufacturing	Wineries, Breweries, Commercial Printing, Electronic Component Manufacturing, Surgical and Medical Instrument Manufacturing, Plastics Manufacturing, Retail Bakeries, Food Manufacturing
Professional, Scientific, and Technical Services	Architectural and Engineering Services, Accounting Services, Legal Services, Environmental Consulting, Advertising and Public Relations, Veterinary Services
Health Care and Social Assistance	General Medical and Surgical Hospitals, Nursing Care Facilities, Individual and Family Services, Continuing Care Retirement Communities, Child Day Care Services, Assisted Living Facilities for the Elderly, Offices of Optometry, Offices of Dentists
Other Services (except Public Administration)	Civic and Social Organizations, Social Advocacy Organizations, Beauty Salons, Pet Care, Automotive Repair and Maintenance
Construction	Building Equipment Contractors (including Electrical, Plumbing, Renewables), Building Construction, Land Subdivision
Finance and Insurance	Commercial Banking, Insurance Agencies and Brokerage, Financial Investment
Accommodation and Food Services	Hotels, Restaurants, Drinking Places
Retail Trade	Department Stores, Health and Personal Care Stores, Grocery Stores, Specialty Food Stores, Direct Selling Establishments
Educational Services	Elementary and Secondary Schools, Junior Colleges, Colleges, Universities, and Professional Schools
Arts, Entertainment, and Recreation	Golf Courses and Country Clubs, Gambling Industries, Independent Artists, Writers, and Performers, Spectator Sports
Real Estate and Rental and Leasing	Lessors of Real Estate, Commercial and Industrial Machinery and Equipment Rental and Leasing, Activities related to Real Estate, Real Estate Agents and Brokers
Information	Newspaper, Periodical, Book, and Directory Publishers, Telecommunications
Administrative and Support and Waste Management and Remediation Services	Services to Buildings and Dwellings, Business Support Services, Employment Services, Facilities Support Services
Transportation and Warehousing	General and Specialized Freight Trucking, Local Messengers and Local Delivery, Couriers and Express Delivery, Warehousing and Storage
Public Administration	Executive, Legislative, and Other General Government Support, National Security and International Affairs, Justice Public Order, and Safety Activities
Utilities	Electric Power Generation, Transmission and Distribution, Water, Sewage and Other Systems

Methodology, Sources, and Notes

Note on Data Sources

The *2016 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 *2016 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 information to include in proximate reports to the EDB by calling (707) 565-7170 or emailing edb@sonoma-county.org.

Sources

2016 Workforce Development Survey
California Employment Development Department
CEB TalentNeuron™
United States Census Bureau

Survey Methodology

Invitations to complete the 2016 Workforce Development Survey were emailed to businesses identified by the EDB and WIB. The 14 question survey was administered using SurveyMonkey, and 200 responses were received, survey answers are equally represented 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

Amelia Yim, Workforce and Public Policy Project Coordinator, was responsible for the management of this report including the preparation and distribution of the survey, data collection, data cleaning, statistical analysis, and development of the *2016 Workforce Development Survey Report*.

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