



HUMBOLDT COUNTY  
**2017 Workforce  
Development**  
SURVEY REPORT

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# Introduction/Executive Summary

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## DECEMBER, 2017

For at least the past year, Humboldt County has been in what most economists would call full employment. Businesses and other employers are finding it difficult, sometimes very difficult, to recruit, hire and keep the employees they need.

While the employer perspective is only one way to look at labor markets, it is a crucial view. Business and community leaders in Humboldt County have long recognized the benefits of aligning economic and workforce development, and in having workforce development initiatives be informed by and responsive to employer needs.

In 2017, the Humboldt County Workforce Development Board initiated a new online survey approach to better understand the needs of employers. The online survey complements the results of over 70 interviews of employers performed in the preceding 12 months. This report highlights those survey results for employers, policy makers and those interested in economic development for Humboldt County.

Community leaders and economic development practitioners have typically described a large part of their roles as helping to create jobs. In the current environment, and given the results of this survey, that energy might better be deployed in helping to create an up-skilled workforce.

## HIGHLIGHTS/KEY FINDINGS

1. 55% of employers reported difficulties in hiring.
2. Those difficulties became more pronounced as skills for the jobs increased, with the most difficulty being reported for positions that require an advanced degree. While less than 30% of Humboldt employers report difficulty in hiring workers with a high school diploma or less, nearly 80% report either major or moderate difficulty in finding people with advanced degrees.
3. Employers report skills gaps between what they seek and what applicants bring to the table. Over 50% of employers report that the following skills are lacking: analytical skills, interpersonal skills, industry-specific skills, organizational skills and, most commonly, motivation.
4. Employers most commonly address the gaps in their entry and mid-level workforce with internal training customized to their needs.
5. While employers predominantly stated that external training assistance was not required, those who do desire help look to improve computer/software use, supervisory/management training, and customer service.
6. According to employers in Deep Dive interviews, the “Big 5” identified years ago in Humboldt County remains critically important. In simple terms, the “Big 5” states that employees need to 1) show up, 2) on time, 3) ready to work, 4) eager to learn, with 5) a positive attitude.
7. In the interviews, employers report that succession planning for the retirement of seasoned, knowledgeable leadership remains an issue, and we noted that a number of employers were deep into succession currently, rather than conducting succession planning processes for the future.

## Opportunities and Recommended Outcomes

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As this report goes to print, Humboldt County is embarking on the 5-year update of its Comprehensive Economic Development Strategy (CEDS). With this timing, we have an opportunity to use the industry-driven CEDS process to further align workforce development with employer needs, such as to:

- Further elicit employer workforce and training needs as part of CEDS input.
- Use employer CEDS involvement to connect them to education and training partners. For example, invite employers to become partners in the Humboldt County Office of Education's (HCOE) Education at Work program.
- Include housing availability of various levels in economic development planning.

Other opportunities:

- Support the teacher task force convened by HCOE and Humboldt State University. Local schools having a sufficient supply of well-qualified teachers is a critical workforce issue, and the county is facing a continuing shortage of them.
- Continue health career pathways work supported by the Slingshot grant. Use the career pathways and employer engagement model of Slingshot in future career pathways efforts.
- Address the “I wish they knew” nugget of an idea in the career orientations of students. (This has to do with the sentiment of employers in diverse fields wishing young people knew that there are good careers available in their industries.)
- Perform Deep Dive interviews of cannabis employers. As a workforce issue, the endemic nature of the industry in Humboldt County and the changes underway have strong implications for employers in general. Seek to understand the amount to which cannabis industry employment competes for workers and pays arguably higher wages.
- Use the Humboldt Workforce Development survey and first year Deep Dive interviews as a baseline for future work. Continue these efforts to stay in contact with employers and their needs.
- Explore opportunities to make Humboldt communities more attractive to, and better known by, individuals with needed specialized skills and advanced degrees.
- Offer additional training and support for organizational succession processes.
- Consider options for first line supervisor and mid-management training, including options beyond short term training but less than a degree.
- Publicize the Job Market and its offerings for employers.
- Accelerate the Humboldt Regional Trades Project (HRTP), a partnership of the Humboldt Workforce Development Board and the Humboldt County Office of Education, modeled after the successful Slingshot Healthcare Project. The HRTP aims to increase awareness of living wage opportunities and a recognition that Trades careers are a viable, credible option. The development of a Regional Training Program will provide a direct pipeline to meeting the growing demand for and access to good paying jobs and purposeful careers.

# Recruitment and Hiring

## HIRING

79% of employers participating in the survey hired new employees in 2016. 50% hired from 1 to 5 employees; 11% hired 6 – 10 employees; 4% hired 11 – 20 employees; 9% hired from 21 – 50 employees; and 7% hired over 50 employees. This activity comports well with other indicators of a robust hiring market in 2016.

Looking at 2017, and looking forward to 2018, these patterns largely hold with respect to employers' expectations of hiring, with minor to moderate movement among the percentages and a few people answering "unsure."

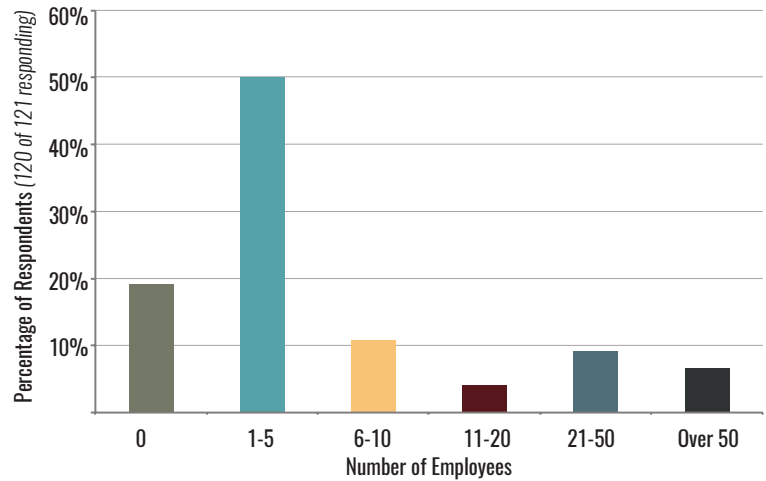
### QUALITATIVE DEEP DIVE INTERVIEWS

*amplified and supported survey findings. According to employers, spending more time on workforce recruiting, hiring and training is a clear trend.*

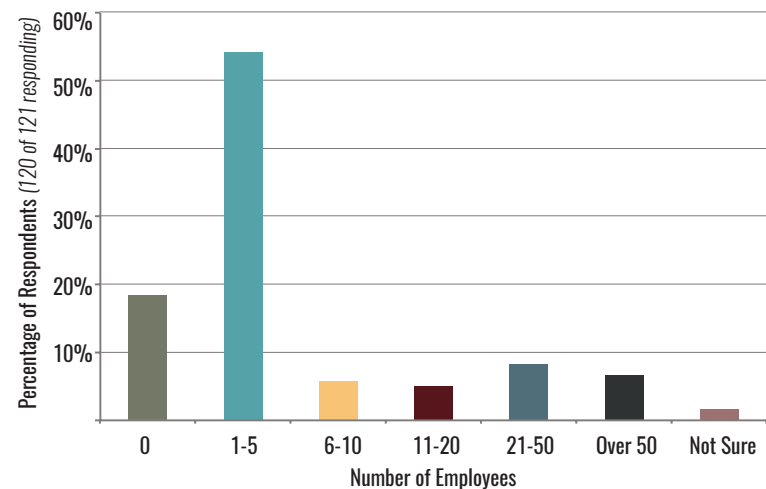
*"For us, it is finding skilled people. On the other hand it is hard to find unskilled applicants who are willing to put in the work to learn and move up. We constantly have openings."*

*- Services and manufacturing industry employer*

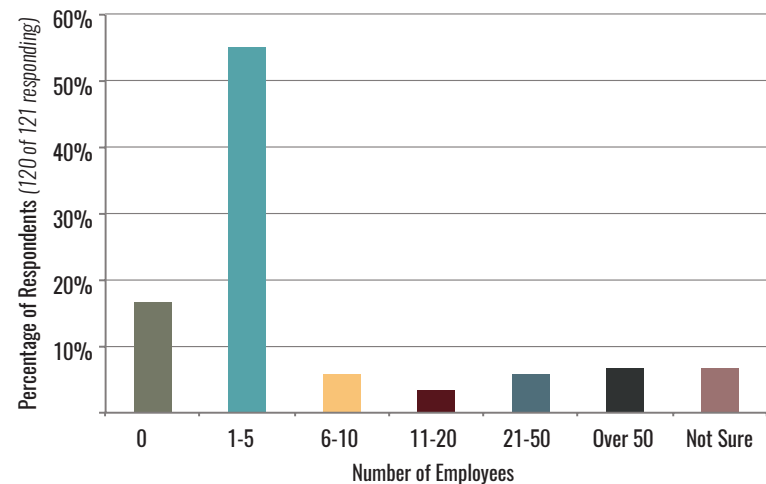
NUMBER OF NEW EMPLOYEES HIRED IN 2016



EXPECTED NUMBER OF NEW EMPLOYEES HIRED IN 2017



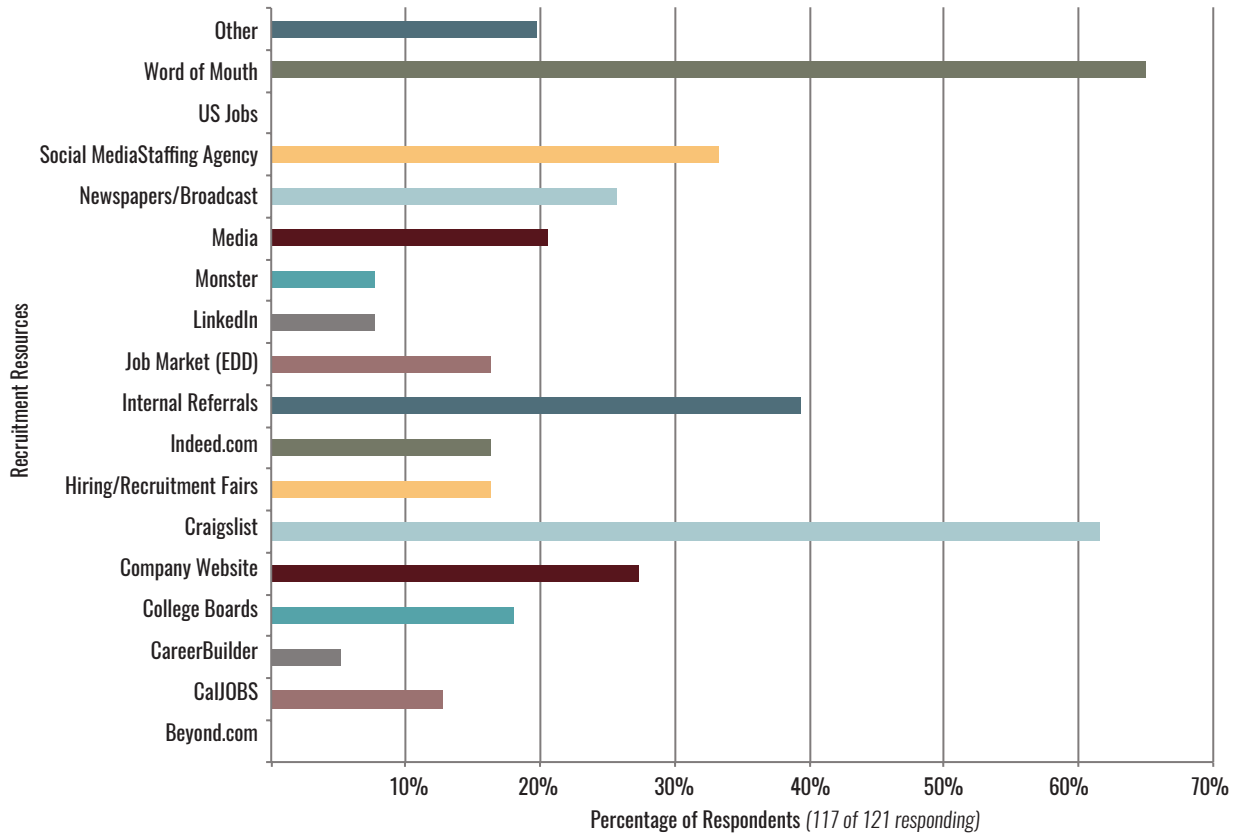
EXPECTED NUMBER OF NEW EMPLOYEES HIRED IN 2018



## RECRUITMENT RESOURCES

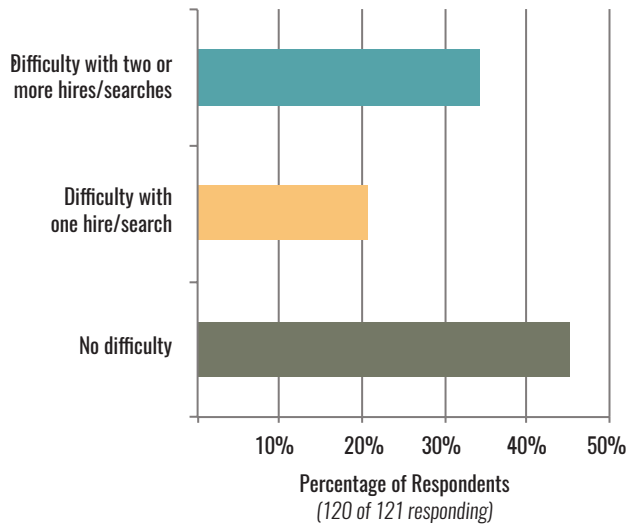
Employers report in survey results that Word of Mouth and Craigslist are their largest recruitment resources by a significant percentage, with 65% and 62% respectively. The next tier down includes Internal Referrals (39%), Social Media (33%), Company Website (27%) and Staffing Agencies (26%).

### RESOURCES UTILIZED TO HIRE NEW STAFF



# Hiring Difficulties

## EXPERIENCED HIRING DIFFICULTIES IN 2016

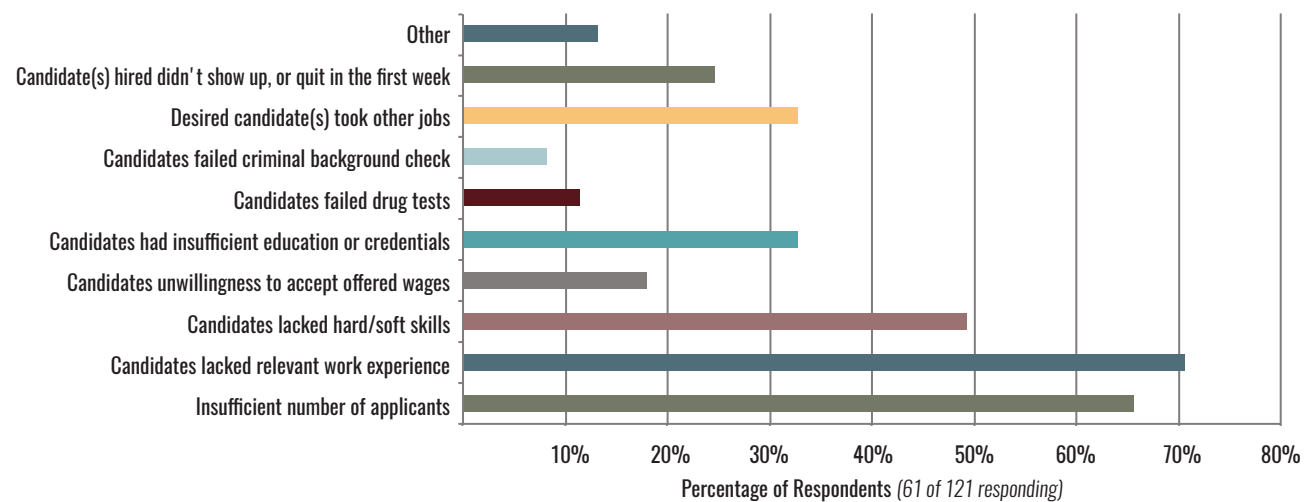


*In interviews, employers were candid when asked to describe hiring challenges. “There is a lack of work ethic, showing up on time, with the right attitude.” “Able to operate software or machinery not just phone apps,” “understanding and delivering customer service,” “understanding how to work in a team,” “a lack of qualified applicants and the need to invest more time, energy and money in training is directly stifling business, economic and job growth.” These are all direct responses from employers across services, retail, manufacturing, and distribution industries. Similar concerns were expressed by employers building state-legal, cannabis industry businesses.*

## REASONS FOR HIRING DIFFICULTIES

Many economists describe Humboldt County as being at full employment, with the unemployment rate sitting at or below 5% for the 12 months leading up to the writing of this report. The most recent data as of this writing was for October of 2017, with an unemployment rate of 3.6%, a lower rate than California or the US. In this environment, we can expect hiring to be difficult and competition and wages for workers to increase. 55% of employers surveyed reported difficulties with at least one hire.

## HIRING DIFFICULTIES EXPERIENCED BY ORGANIZATIONS



When asked why their organization experienced hiring difficulties, the most common answers were Insufficient Number of Applicants (66%), Candidates Lacked Relevant Work Experience (70%), and Candidates Lacked Hard/Soft Skills (49%).

*When interviewed, employers noted shortages in advanced specialized skills such as K-12 teachers, Certified Public Accountants, various engineering related jobs and head brewers.*

Feedback provided by the Slingshot Healthcare Initiative industry group consistently acknowledges shortages in occupations across the spectrum, from entry-level positions to physicians. These positions vary in education requirements and skillsets but all have career pathway opportunities that lead to living wage careers.

The Diversified Healthcare Industry also has the most jobs advertised in the local community and experiences a workforce shortage for a variety of careers. Access to healthcare is seen as a critical issue that is having a direct impact on the growth of other industries in the region.

In the Deep Dive interviews, interviewees often mentioned that candidates failed drug screening or criminal background checks. While survey respondents report that as well, the percentages are low relative to these other hiring difficulties – 11% reported Failed Drug Tests and 8% reported Failed Criminal Background Checks.

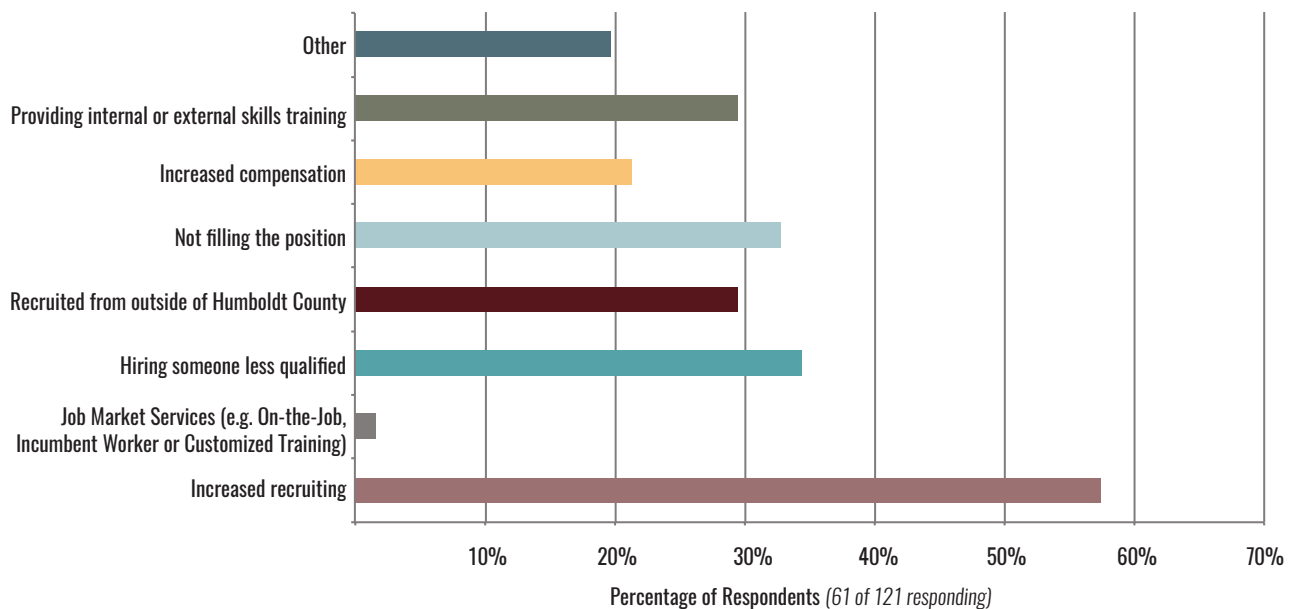
According to employers who were interviewed, the cannabis industries continue to impact the available pool of entry-level employees. They also report questions related to what changes in cannabis industries mean for the larger economy and employment over time.

In interviews, employers often mentioned shortages in middle-skill trades (those requiring education beyond high school but less than a bachelor’s degree).

They also reported that shortages are increasing for labor in manufacturing, building, aquaculture, horticulture and other highly physical industries. Living-wage, entry-level jobs not requiring post-high school education are going unfilled. This phenomenon includes jobs that pay \$15 to \$20 an hour to start in the forest products industry.

The survey identified additional patterns where employers experienced difficulties in searches and hiring, which we will explore more deeply in the Education and Skills and Training sections.

## RESPONDING TO HIRING DIFFICULTIES





When faced with challenges in recruiting, the majority of organizations--57%-- recruited harder. 34% reported Hiring Someone less Qualified than originally envisioned, and roughly 30% each reported that they Recruited from Outside Humboldt County, or by Providing Internal or External Skills Training. 33% didn't fill the position.

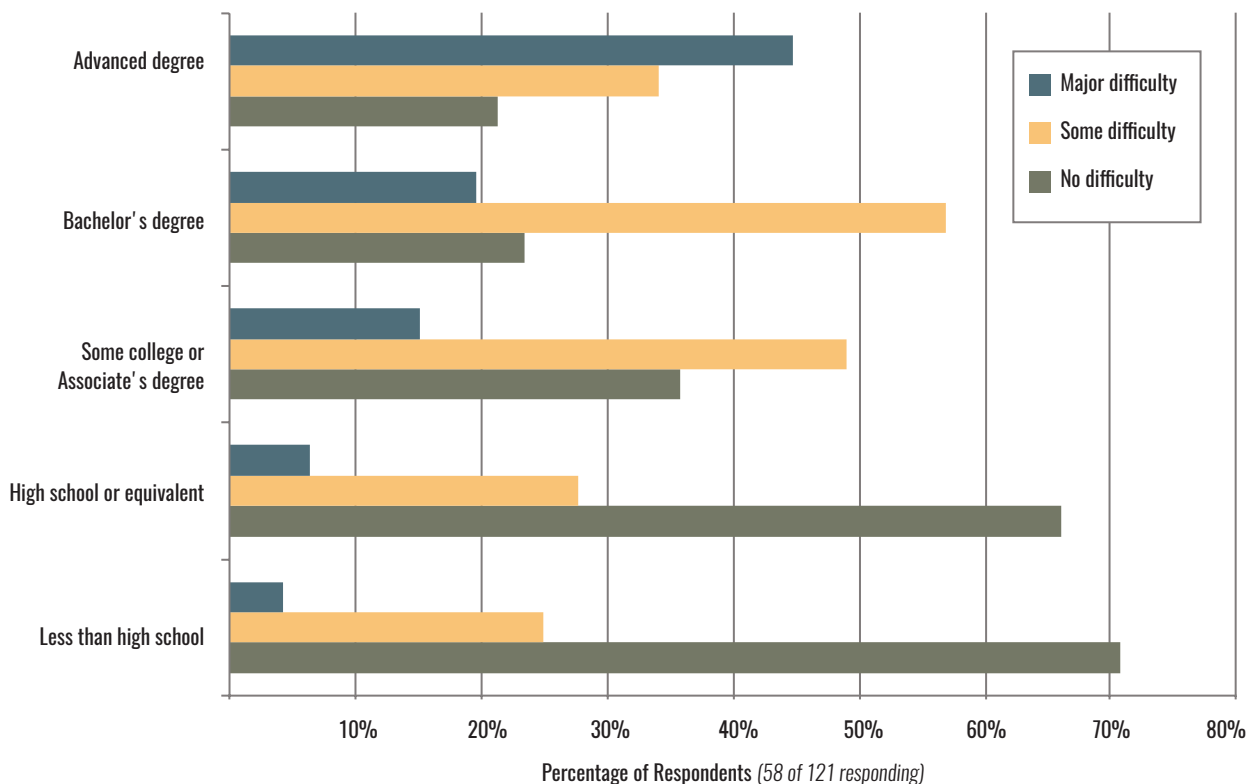
In interviews, employers shared solutions that helped them respond to hiring difficulties. Hiring bonuses, relocation assistance and internship programs that entice four year degree candidates into full-time positions were noted.

## Education and Training

### EDUCATION LEVEL

There is a strong tendency reported in survey results that the more advanced the skills and education for the job is, the more difficulty employers had filling that job. 45% report having major difficulty hiring at the Advanced Degree level. 20% say they have major trouble recruiting people at the Bachelors Degree level, and 15% report large challenges at the Some College or Associate's Degree level.

### DIFFICULTY FINDING APPLICANTS AT VARIOUS EDUCATION AND SKILL LEVELS



We found one shortage reported in our interviews to be particularly concerning. K-12 education in our region faces a new risk. Humboldt State University, long the recruiting ground for Humboldt's teachers, is now producing far fewer teachers than they used to and fewer than local schools need. The reasons for this are complex, but both leaders in K-12 education and key people at HSU report it. This is doubly troubling as K-12 education is one of the four key factors that professionals and businesses report that they consider when determining where to locate (the others being housing, crime, and health care, all issues where our region has challenges).

At one level, our shortage of high-skill talent fits a nationwide pattern; it's not just Humboldt County. At another, Humboldt County does appear to have a more severe case of the problem. In a 2016 nationwide survey by SHRM (the Society of Human Resource Professionals), 46% percent report difficulty filling high-skilled medical positions – nurses, doctors and specialists – relatively smaller numbers were reported for scientists and mathematicians (33%), engineering and architects (31%), and executives (24%). With 45% of Humboldt's employers reporting major difficulty in filling positions with advanced degrees across the board, our local employers' struggles look high relative to this national yardstick.

In Deep Dive interviews, education and training were topics employers felt deserved significant discussion. Many employers say that they are ready and eager to identify, design and possibly pay for on-site-site training in areas such as customer service, supervision, software knowledge, computer and business communication, languages and technical skills. Employers would like education providers to design, improve and increase job readiness and professional certification courses that attract bigger pools of candidates, or keep people on the job while training. Some voiced a need to work around the labor shortage trend, providing training that kept employees at the job site, while keeping and promoting employees is seen as essential.

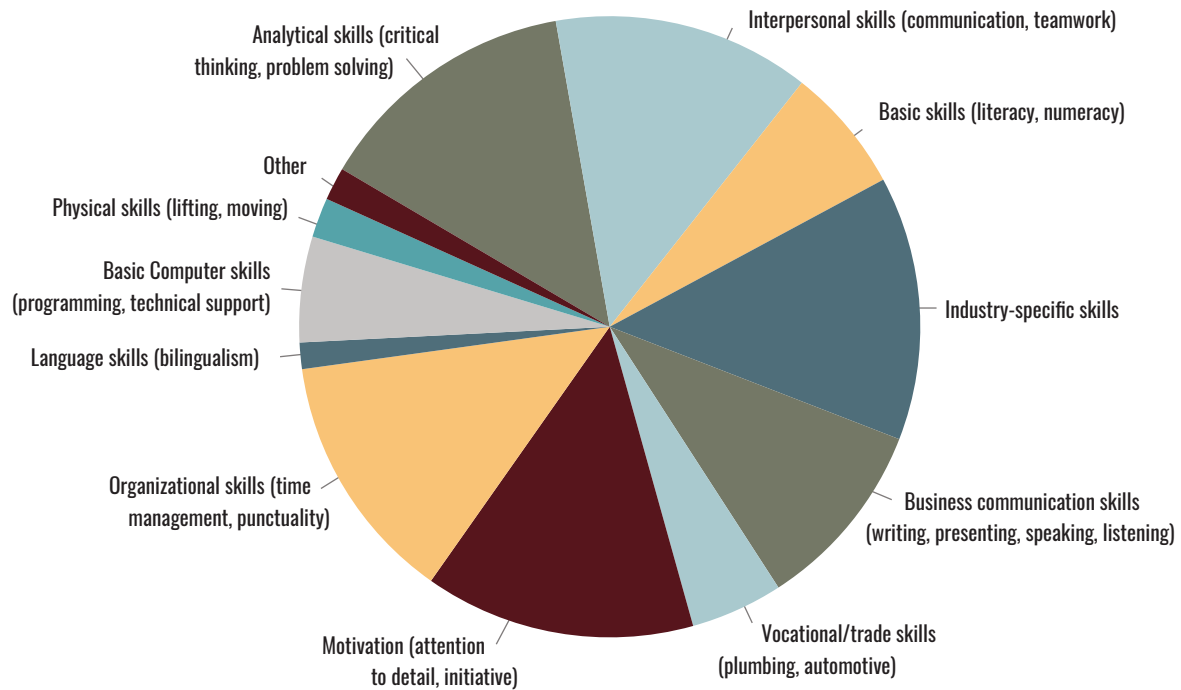
The need for required computer skills has increased to include many/most jobs, including more labor positions. These jobs don't necessarily require post-high school training, but do require some facility for both specialized and standard software and keyboarding.

In the interviews, employers also mentioned that both cross training and an increased use of technology has made organizations leaner since the Great Recession.

## WORK SKILLS/TRAITS

Clearly, employers seek a broad set of skills when they hire. 66% of survey respondents look for Analytical Skills, 66% also seek Industry-Specific skills, 64% seek Interpersonal Skills and 62% want Organizational Skills such as time management and punctuality.

### SPECIFIC SKILLS ORGANIZATIONS ARE SEEKING THAT ARE LACKING IN THE WORKFORCE *(61 of 121 responding)*



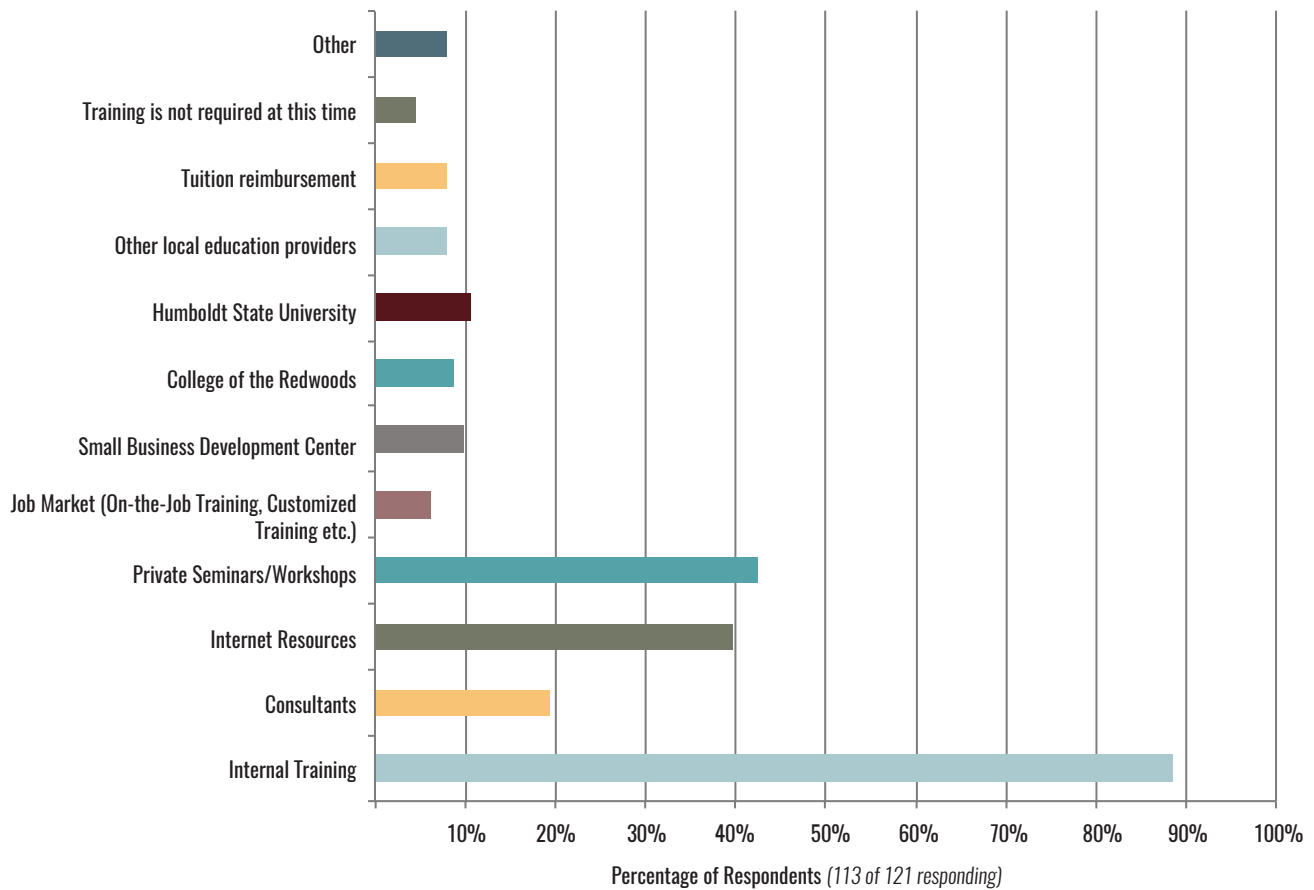
A significant number of employers are frustrated by the work ethic of many younger workers. In some cases, this frustration extends to others in the local workforce, not just younger workers.

More generally, employers report that a surprising number of employees do not want or do not seek to advance. This applies, for example, to production workers who want to stay near the bottom rung rather than cross train and/or take on increased responsibility.

## TRAINING NEEDS

By a wide margin, survey results reveal employers looking to train their employees rely on Internal Training, with nearly 9 out of 10 survey respondents answering this way. The next largest sources are Private Seminars/Workshops at 43%, and Internet Resources, at 40%. Other sources included Consultants (19%), Humboldt State University (11%), College of the Redwoods (9%), the Small Business Development Center (10%), and the Job Market (6%). 8% of respondents indicate that they provide Tuition Assistance.

## RESOURCES USED TO MEET TRAINING NEEDS



When asked if they would benefit from assistance in training, 40% said yes and 60% said no. The 40% who answered yes were then asked what areas of assistance they would like to see. 43% of employers indicated that First Line Supervisor Training and Mid-Level Management Training would be beneficial. 38% named General Computer Use. 38% also identified Customer Service Training. 31% named Industry-Specific Software training.

Those respondents seeking training were given the opportunity to provide contact information so that a member of the Job Market consortium could reach out to them to follow up.

# Workforce Concerns and Assistance

## WORKFORCE CONCERNS

Given the hiring challenges reported in surveys, it's not surprising that the top workforce concern is a lack of qualified applicants, with 70% of respondents saying they are Very Concerned, and only 5% reporting that they are not concerned. The next two items may well be interlinked, as employers say they are both worried about Labor Costs (with 85% being at least somewhat concerned), and Housing and Living Costs of their employees (with 90% reporting being at least somewhat concerned).

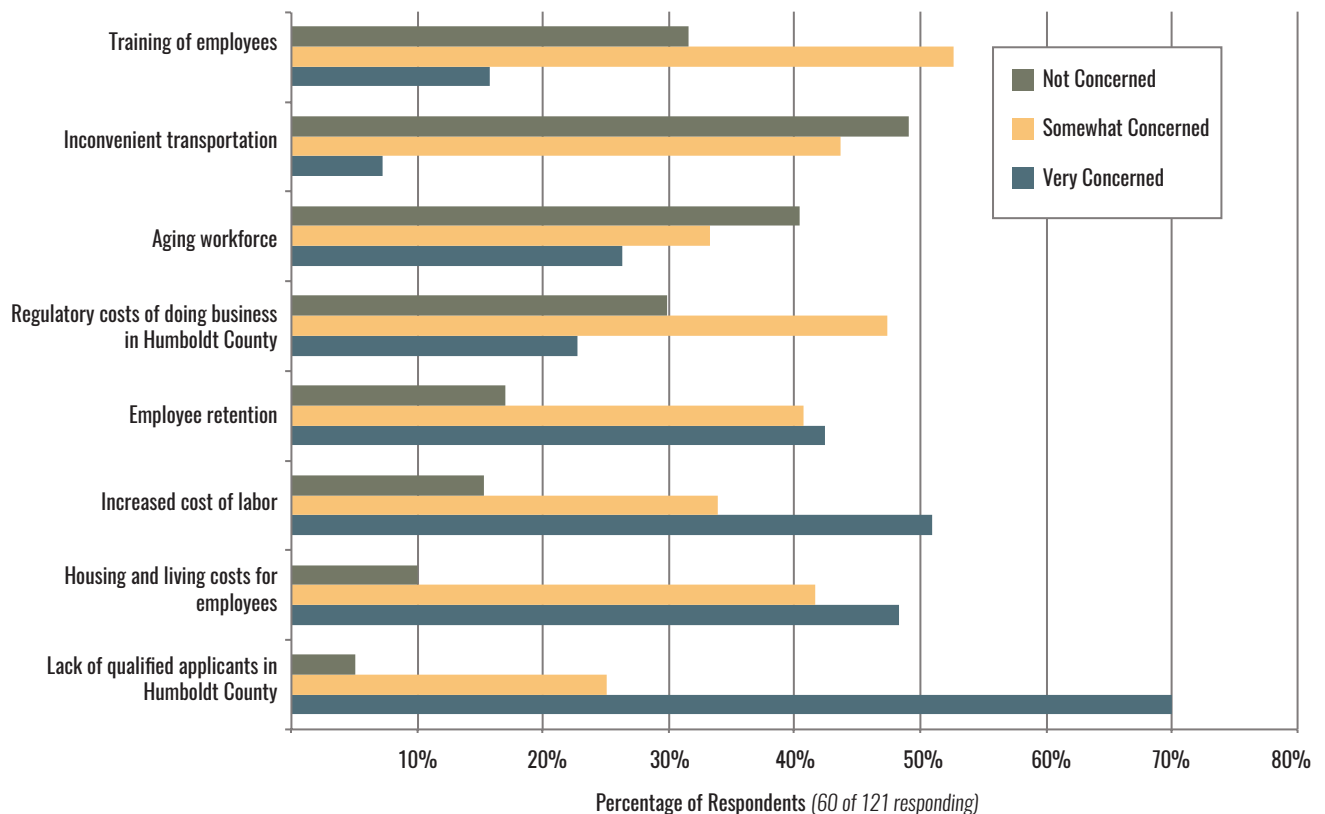
In the Deep Dive interviews, we heard employers from multiple sectors of the economy started sentences with the words "I wish they knew..." This sentiment has to do with people, especially young people, understanding that productive careers are available in the respondents' industries. We heard this from education, city government, and multiple private companies.

*When given a chance to reflect on workforce concerns and assistance during Deep Dive interviews, employers identified an undergrowth of common concerns. "Our living wage entry-level jobs not requiring post-high school education are going unfilled. The work may be just too hard." This phenomenon includes jobs that pay up to \$20.00 per hour to start in the forest products industry. Employers noted a surprising number of employees who do not want to advance, settling for a "just now" perspective that sometimes leads to missed shifts or quitting without notice after a month on the job.*

*"For the first time in my twenty years, we have had people start a job and not come back the next day."*

*- Financial services employer*

## LEVEL OF CONCERN REGARDING VARIOUS WORKFORCE ISSUES



## WORKFORCE ASSISTANCE

Asked if they would benefit from help with their workforce issues, a plurality (46%) indicated that Assistance is not Required at this Time. About one in five respondents indicated that assistance in these areas would be helpful: Hiring, Internships, and Networking Opportunities. 16% reported that they would benefit from assistance with Hiring Events and Job Fairs.

In interviews, employers indicated that they are interested in knowing to what extent Job Market partners (including College of the Redwoods) and Humboldt State University can customize and deliver training based on more specific rather than general needs.

Given that a key audience for this report is Humboldt’s Workforce Development Board, and this board has fiscal oversight of federal funds that flow to The Job Market, we asked survey takers about their experience using The Job Market. The majority, 79%, reported that they had not used a Job Market service. Of those who had utilized a Job Market Service, 10% had held or participated in Job Fairs, 8% had posted jobs on CalJobs, and 6% had taken a Workshop for Employers. 63% found the service they used at least somewhat useful, 19% said the service was not very useful, and 19% answered the question as not applicable.

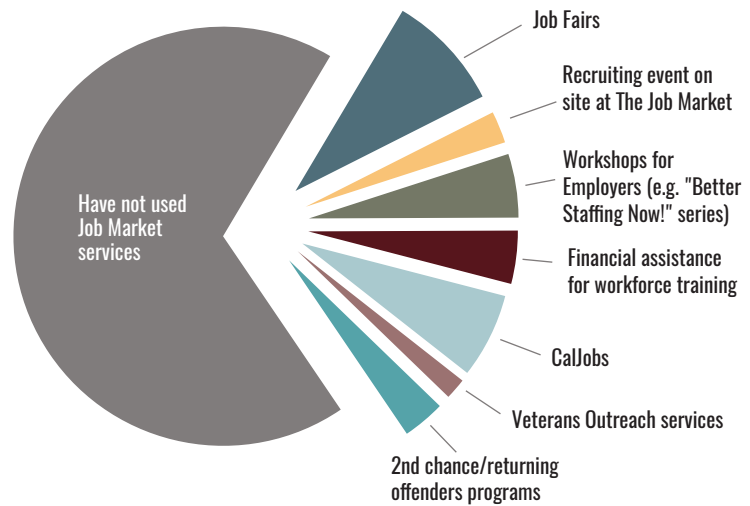
## WORKFORCE ISSUES WITH WHICH HELP WOULD BE USEFUL

(92 of 121 responding)



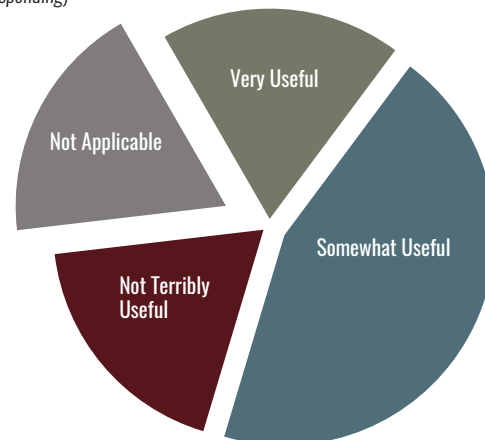
## JOB MARKET SERVICES UTILIZED

(105 of 121 responding)



## PERCEIVED USEFULNESS OF SELECTED JOB MARKET SERVICES

(27 of 121 responding)



*“Now that you have shared with me all the Job Market services available to me as an employer, I have to say I am impressed. The reminder is valuable and I’ll bet I am not the only employer who feels that way.”*

*- Housing services employer*

## WORKFORCE RESOURCES

The following organizations are resources for employers with needs such as education and training, labor market information, hiring assistance and layoff response.



### **The Job Market**

The Job Market is a consortium of workforce and economic development organizations coordinated to provide programs and resources to: support employers finding skilled workforce; and job-seekers access to education or occupational skills training, earning a postsecondary certificate or degree, finding a job and making career choices. The Job Market assists employers in multiple ways, including job postings, staff recruitment, staff training, labor market information, wage subsidizes for qualifying job candidates, or with support and consulting during layoffs or times of business difficulty. The operators are the County of Humboldt's Education Training Division, College of the Redwoods, Redwood Community Action Agency, The North Coast Small Business Development Center, and Sequoia Personnel Services. They make a point of saying "we are here to help."

409 K Street, Eureka, CA 95501

707-441-5627

[www.thejobmarket.org](http://www.thejobmarket.org)

### **College of the Redwoods**

7351 Tompkins Hill Road, Eureka, CA 95501

707-476-4100

[www.redwoods.edu](http://www.redwoods.edu)

### **Employment Training Division**

409 K Street, Eureka CA 95501

707-441-5627

<http://www.thejobmarket.org/>

### **Employment Development Department**

409 K Street, Eureka, CA 95501

707-441-5627

[www.edd.ca.gov](http://www.edd.ca.gov)

### **Humboldt County Office of Education**

For information on the Education at Work program, see

<http://humboldt.k12.ca.us/education-at-work.php>

901 Myrtle Avenue, Eureka, CA 95501

707-445-7000

[www.humboldt.k12.ca.us](http://www.humboldt.k12.ca.us)

### **Humboldt State University**

1 Harpst Street, Arcata, CA 95521

707-826-3011

[www.humboldt.edu](http://www.humboldt.edu)

### **The North Coast Small Business Development Center**

520 E. Street, Eureka, CA 95501

707-445-9729

[www.northcoastsbdc.org](http://www.northcoastsbdc.org)

# Notes, Sources, Methodology, and Acknowledgements

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## NOTES ON DATA SOURCES

There are two primary sources of data for this report. One is a SurveyMonkey survey sent out in September of 2017. The other is a set of “Deep Dive” interviews conducted by Sequoia Personnel Services in 2016 – 2017 of targeted Humboldt County Employers. As of the writing of this report, over 60 interviews have been completed and the project continues.

While both of these provide good information, and were executed in a rigorous way, neither can be considered to be narrowly scientific.

We cannot calculate a response rate for the survey, for example, because we don’t know how many people had the opportunity to participate. Social media allows ease of participation, but sacrifices calculation of the response rate.

Structured interviews, while providing rich input, are by their nature qualitative and lack rigorous validity and reliability measures. In addition, we can claim that a reasonably representative swath of employers was interviewed, but that group can’t be considered a random sample. We also made decisions that affected who was included; for example, to ensure that the managers and business owners we interviewed were likely to have conducted recent hiring searches, we limited our outreach to firms with 10 or more employees. Humboldt County, of course, has many smaller firms. Employer interviews included the question “how many employees do your currently have”? The total employment of those organizations exceeds 6600.

Clearly, too, both of these initiatives delve into the perspectives of employers. Employees, unions, regulators, and other parts of the public would have valid perspectives that might well differ from what we report here. Our goal was to understand what employers are facing.

## SOURCES

SurveyMonkey Survey: 2017 Humboldt County Workforce Survey.

Deep Dive interviews by Michael Kraft and Deborah Claesgens of Sequoia Personnel Services, funded by a contract with the Humboldt County Office of Economic Development and in partnership with The Job Market. Preliminary information from these interviews was published in a May, 2017 report entitled Work to Do: Humboldt Employers Describe Their Workforce Challenges.

The New Talent Landscape: Recruiting Difficulties and Skills Shortages, by the Society for Human Resource Management (SHRM), 2016. Report available at <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRM%20New%20Talent%20Landscape%20Recruiting%20Difficulty%20Skills.pdf>.



## METHODOLOGY

Invitations to participate in the online survey went out in several ways. Email and email newsletters went out from multiple organizations: from several chambers of commerce, from Express Employment Professionals and Sequoia Personnel Services, from RREDC and AEDC, and from the County of Humboldt to licensed businesses in the unincorporated county. Several organizations also promoted the survey on social media. 121 people participated in the survey, with an 88% completion rate. Based on those respondents who entered their contact information, we believe we achieved a valid representation of Humboldt County Employers.

Deep Dive interviews were conducted primarily with employers of 10 or more people. These were key informant, structured interviews.

The primary goals are to:

- Provide deeper/richer labor market intelligence than is available from statistics alone to the Workforce Development Board, Job Market partners and other policy making and workforce practitioners;
- Seek out “red flags” that indicate the threat of potential layoffs at specific employers;
- Provide specific referrals for training and hiring services to Job Market partners;
- Set a baseline of employer issues (2016-2017 only); and,
- Educate employers on the services available to them at the Job Market.

## ACKNOWLEDGEMENTS



The Workforce Development Survey Report was produced on behalf of the Humboldt County Workforce Development Board (HC-WDB). The HC-WDB is a 26-member, business-led board whose members are appointed by the Humboldt County Board of Supervisors. The WDB works to shape and strengthen local and regional workforce development efforts and brings together leaders from business, economic development, education, labor, community-based organizations, and public agencies to align a variety of resources, programs, projects, and initiatives to enhance the competitiveness of the local workforce and support economic vitality in the region.

Michael Kraft and Deborah Claesgens of Sequoia Personnel Services served as researchers, writers and project leaders. Cindy Harrington and Brandi Martindale provided input and edited the report. Jennifer Perez performed all visual design and provided the graphic arts.

