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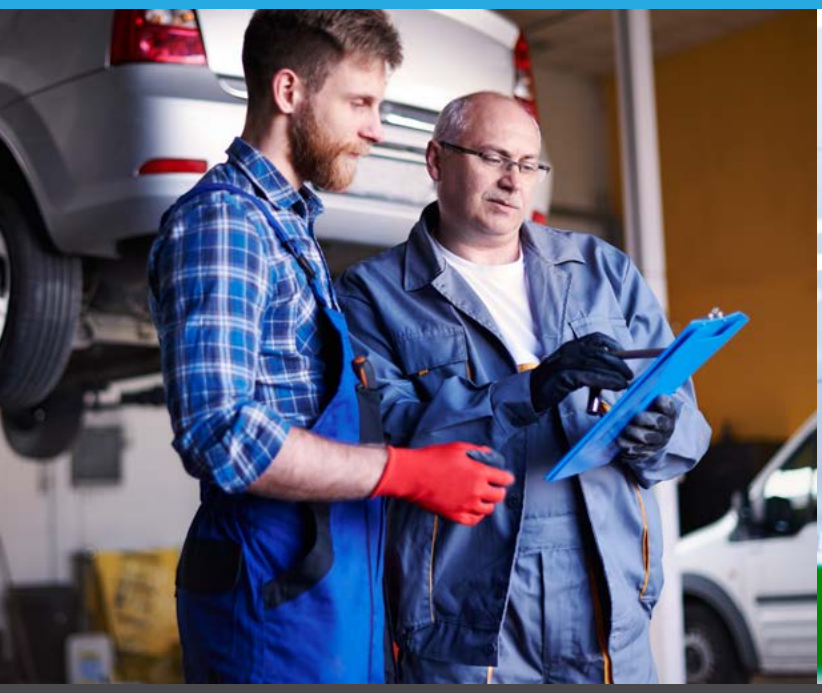
SMALL BUSINESS LABOR MARKET NEEDS ASSESSMENT

FAR NORTH REGION



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Prepared by:

Centers of Excellence

Los Rios Community College District

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INTRODUCTION

Small businesses employ the majority of the labor force in the Far North Region.[1] To better understand the diverse workforce and training needs of this cluster, the Small Business Center at Shasta College and the Center of Excellence at Los Rios Community College District conducted a workforce needs assessment survey with the following research objectives:

- **Identify potential skill gaps among mid-level workers,**
- **Identify training needs of incumbent workers, and**
- **Identify businesses interested in partnering with community colleges.**

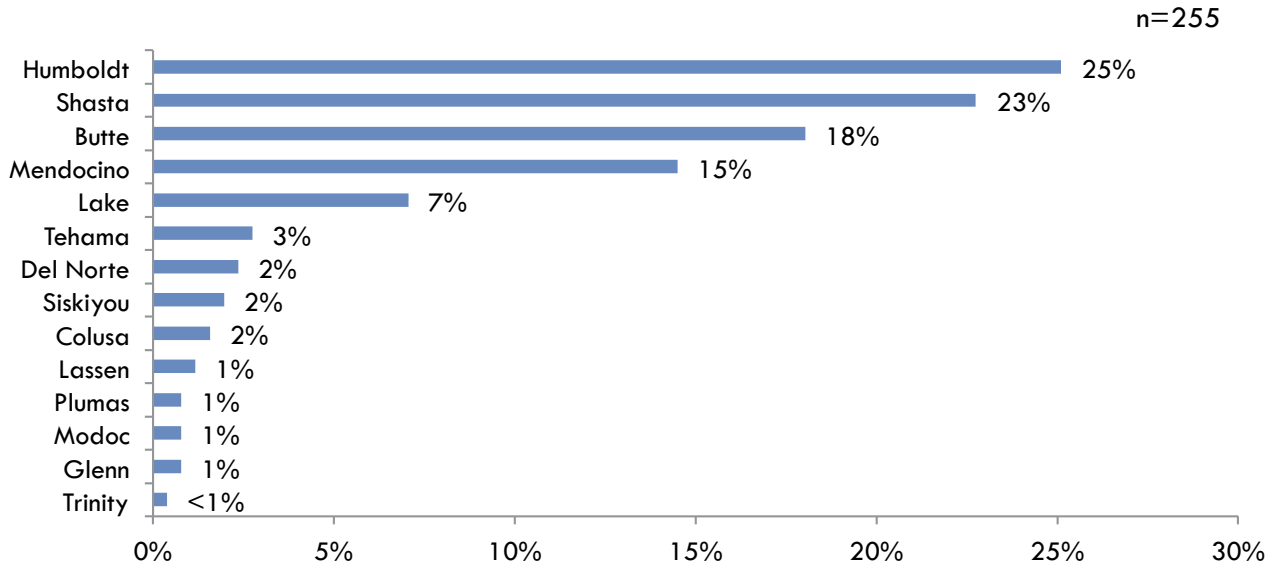
For purposes of this study, small business is defined as a for-profit business with fewer than 100 employees. The Far North Region includes: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity counties.

[1] ReferenceUSA, Business Database, 2016.

SURVEY DEMOGRAPHICS

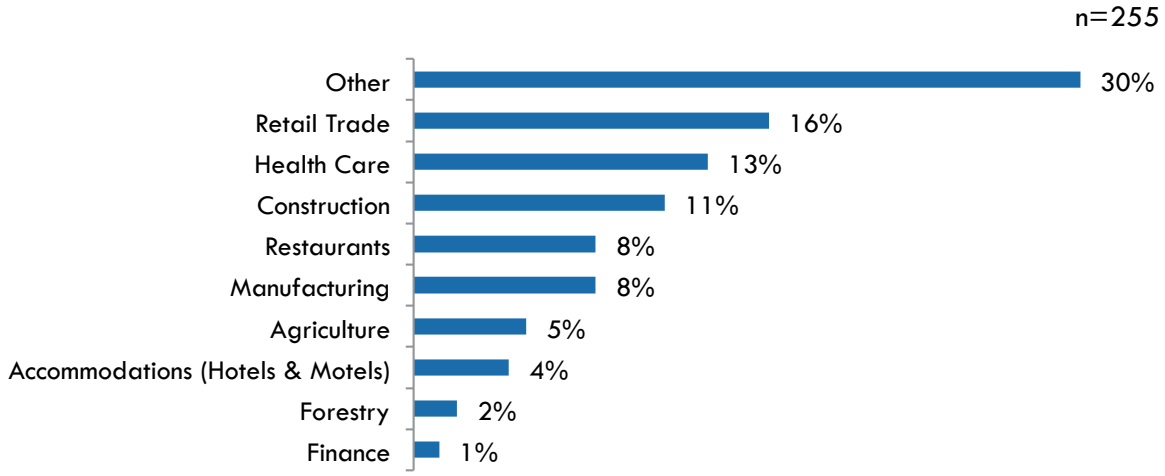
In spring 2016, 255 small businesses from throughout the Far North Region participated in the workforce needs assessment survey. All of the respondents were knowledgeable about their organization's hiring and staffing needs: 79 percent were very knowledgeable, and 21 percent were somewhat knowledgeable. As shown in Exhibit 1, businesses from every county, except Sierra, participated in the survey. The counties with the largest populations achieved the highest response rate, including Humboldt, Shasta, Butte, and Mendocino counties.

Exhibit 1: Location by County



Businesses from a wide range of industries participated in the survey, from retail trade and finance to health care and construction (Exhibit 2). In the 'other' category, firms reported working in industries such as social services, transportation, engineering services, law, insurance, real estate, utilities, and radio/broadcasting, among others.[2]

Exhibit 2: Industry Type

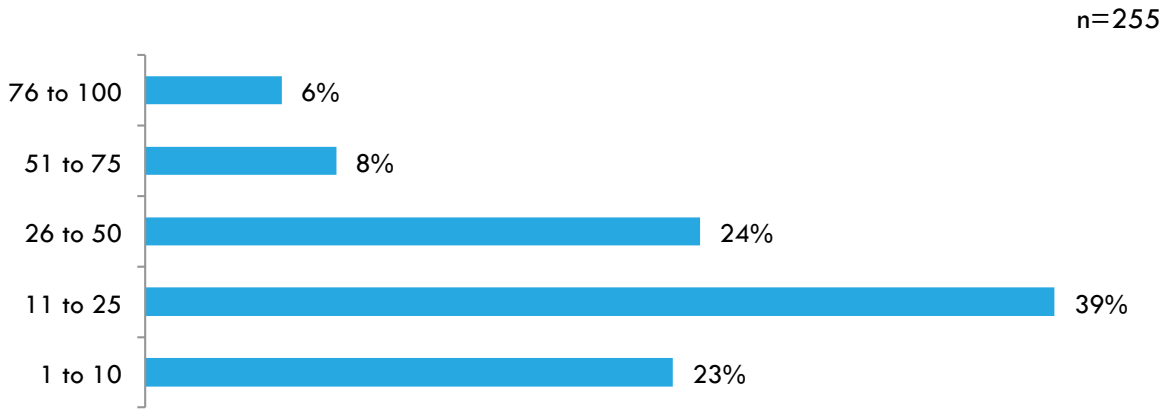


[2] Based on write-in responses in the 'other' category.

SURVEY DEMOGRAPHICS

In aggregate, the 255 businesses that completed the survey employ more than 7,000 workers. Every firm employed at least one worker, excluding the owner(s), and the majority of respondents employed between 11 and 25 workers (Exhibit 3).

Exhibit 3: Size by Number of Employees

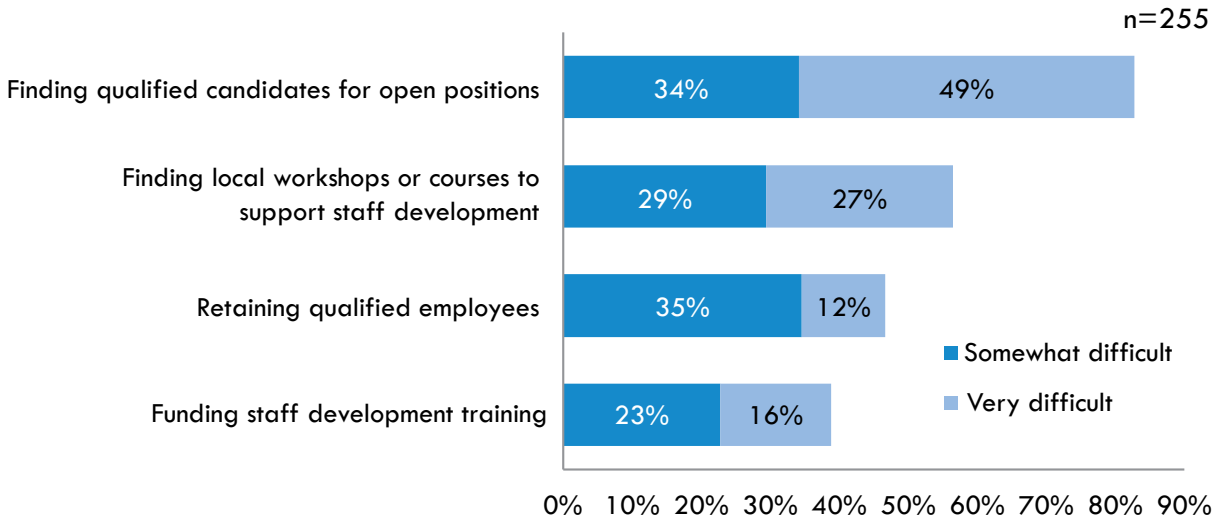


When asked about growth trends during the last 12 months, 59 percent of firms had remained the same size, 30 percent increased the size of their workforce, and one-tenth decreased the number of workers at their businesses. With three times the activity in growth compared to workforce loss, the Far North Region is showing continued recovery from the recession.

WORKFORCE CHALLENGES

Four out five employers experience difficulty finding qualified candidates for open positions (Exhibit 4). This suggests that there may be an insufficient supply of qualified and trained applicants entering the job market. In addition, more than half of the respondents reported difficulty finding local workshops or courses to support staff development, indicating that local employers are not aware or do not have access to local training opportunities that could improve operations at their location.

Exhibit 4: Employer Workforce Challenges



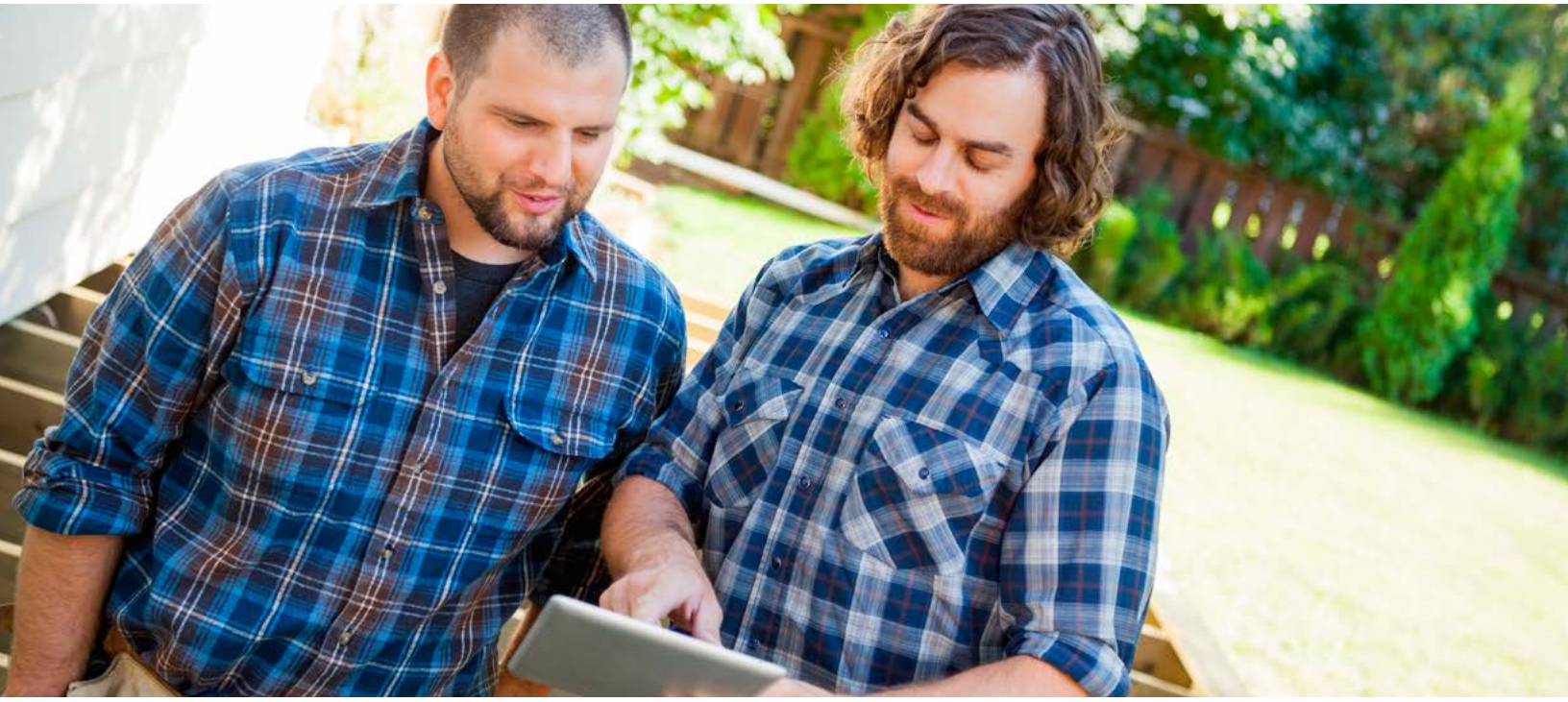
MID-LEVEL POSITIONS

The majority of respondents (72%) employ mid-level positions, which are defined as positions that require more than a high school diploma, but less than a bachelor's degree (e.g. short-term certificate, some college, or associate degree). Below are the common job titles for these mid-level positions.

Exhibit 5: Common Job Titles for Mid-Level Positions

n=182

Positions	Count	Percent	Sample Titles
Management	104	57%	Assistant manager, case manager, director, field manager, finance director, floor manager, general manager, maintenance manager, marketing director, office manager, marketing manager, production manager, project manager, sales manager, supervisor
Accounting	41	23%	Accounting assistant, accounts payable, accounts receivable, billing staff, bookkeepers, controller, payroll, tax preparer
Office Administration	37	20%	Administrative assistant, office personnel, office support staff, receptionist, secretary
Health Care Support	35	19%	Certified nursing assistant, licensed vocational nurse, medical assistant, medical technician, paramedic, physical therapy assistant, registered nurse, surgical technician
Construction Trades	20	11%	Brick mason, carpenters, welders
Technician	19	10%	Installer, field technician, field data collection technician
Mechanic	16	9%	Diesel technician, auto mechanic, pilot mechanic
Food Service	15	8%	Chef, cook, hostess, server
Sales	12	7%	Sales associate, sales representative, sales support
Social Services	11	6%	Addiction counselors, caregiver, patient resource advocate, peer specialists, social worker, wellness coordinator
Coordinator	10	5%	Logistics coordinator, marketing coordinator, service coordinator, program coordinator



SKILL REQUIREMENTS FOR MID-LEVEL POSITIONS

When small businesses in the Far North are evaluating applicants for mid-level positions, 41 percent say that technical knowledge and skills obtained through previous work experience, education, and/or certification would give applicants an edge in the hiring process (Exhibit 6). One out of five employers cited communication – oral and written – as a must-have skill. In addition, many employers also require computer literacy, dependability, and self-direction.

Exhibit 6: Desired Skills for Mid-Level Positions

n=182

Skill Category	Count	Percent	Description
Technical Knowledge & Skills	75	41%	Industry specific skills and knowledge obtained through related work experience, education/training, or professional certifications
Communication	40	22%	Oral, written, presentation skills, correct spelling and grammar, articulate, and phone etiquette
Computer Applications	26	14%	Basic computer literacy as well as advanced knowledge and expertise
Dependable/ Reliable	24	13%	Punctual and consistently shows up for work
Self-Direction	24	13%	Self-motivated, takes initiative, ambitious, willing to learn, and proactive
Interpersonal Skills	18	10%	Compassionate, people skills, relationship development, influencing skills, and ability to interact with diverse groups
Work Ethic	15	8%	Honesty, integrity, moral character
Leadership	13	7%	Supervisory skills, ability to lead groups, general management
Customer Service	11	6%	Commitment to providing good quality service
Math	9	5%	Basic to advanced math skills
Positive Attitude	9	5%	Friendly, can-do approach

SKILL REQUIREMENTS FOR MID-LEVEL POSITIONS

The respondents were asked to think about their high performing employees in mid-level positions and describe the skills that make these employees excel in their positions. Similar to the skills desired of new hires, top performing employees have advanced technical knowledge and skills, excellent communication skills, and self-direction (Exhibit 7). Employers also noted that their high performing employees are well organized, good at multi-tasking, adaptable to changing business conditions, and have strong attention to detail that limits errors and rework.

Exhibit 7: Skills of High Performing Mid-level Workers

n=159

Skill Category	Count	Percent	Description
Technical Knowledge & Skills	42	26%	Technical expertise and knowledge specific to the position
Communication	35	22%	Written and verbal communication
Self-Direction	34	21%	Time management, takes initiative, ability to work independently, follows through on commitments, self-starter, willingness to learn, proactive, learns quickly
Multi-tasking/ Organization skills	32	20%	Ability to multi-task, organized, effective time management
Dependable/ Reliable	30	19%	Accountable, punctual, exemplary attendance, dedicated
Interpersonal Skills	21	13%	Advanced social perceptiveness, compassionate, diplomatic, patient, people skills
Adaptability	16	10%	Flexible, ability to adapt to changing client requirements, open mindedness
Computer Applications	16	10%	Computer literate and savvy; knowledge and fluency with computer applications such as Outlook, Word, and Excel
Attention to Detail	15	9%	Attentive to detail, accurate, precise
Work Ethic	15	9%	Possesses honesty and integrity, respects confidentiality, professional
Teamwork/ Collaboration	14	9%	Works well with other employees

Next, respondents were asked to think about their mid-level employees who do not perform well or could use improvement. These poor performers need the most improvement with their self-direction, leadership, and work ethic (Exhibit 8). Fewer than one in five poor performers need a lot of improvement with technical skills and computer applications. This suggests that the lack of 'soft skills,' such as self-direction and oral communication, presents more of a challenge than technical competency.

Exhibit 8: Skill Deficiencies of Poor Performing Mid-Level Workers

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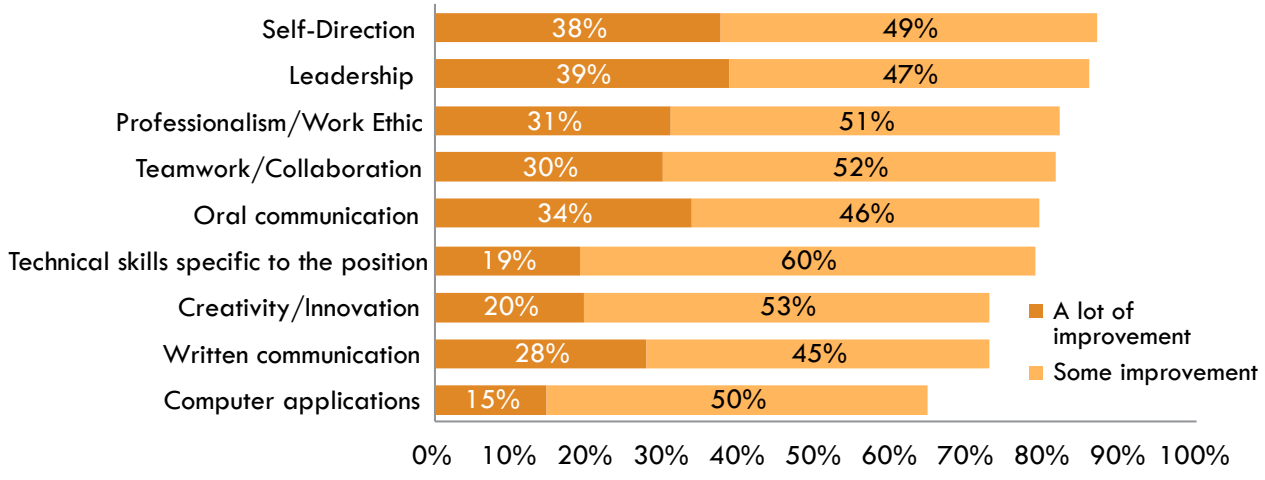
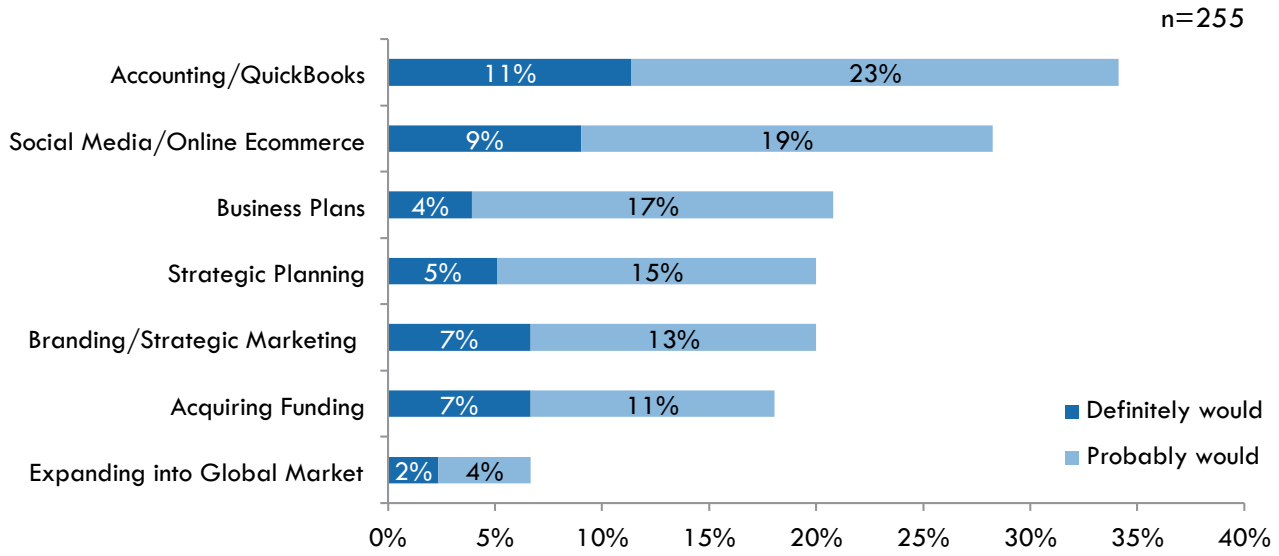


TRAINING NEEDS

More than half of the respondents reported that they would attend one or more workshops offered by Shasta College's Center for Economic and Workforce Development. Accounting/Quickbooks, social media/online ecommerce, and business plan development were of most interest to the respondents (Exhibit 9). Expanding into global markets was of little interest to the respondents.

When asked if there were any other training topics that would be useful to their organization, the majority of responses were specific to the industry, such as automotive mechanics, certified nurse assisting, and welding. In addition, several respondents identified topics that are transferable among a wide range of occupations and industries, including customer service, basic computer applications (MS Word, Excel & Outlook), leadership and supervisory skills, and human resource management.

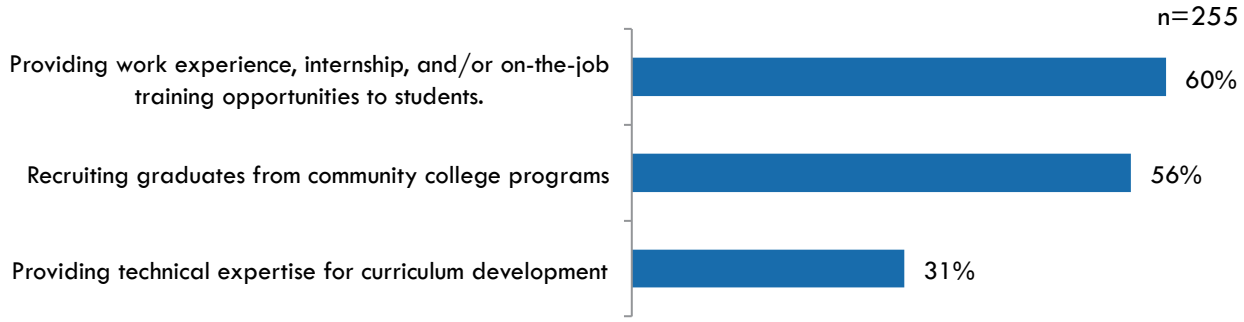
Exhibit 9: Level of Likelihood of Attending Free to Low-Cost Workshops



PARTNERSHIP OPPORTUNITIES

Local businesses would like to develop partnerships with local community colleges. Three out of five respondents expressed interest in providing work experience, internships, or other job training opportunities to students (Exhibit 10). More than 50 percent of local businesses are interested in recruiting graduates for open positions. Another 31 percent have interest in providing technical expertise for curriculum development.

Exhibit 10: Interest in Partnering with Local Community Colleges



SUMMARY

In the Far North Region, the majority (83%) of small businesses surveyed experience difficulty finding qualified applicants for mid-level positions, suggesting a skills gap in the region. Small businesses give applicants an edge in the hiring process if they possess the prerequisite technical knowledge and skills demonstrated through previous work experience, education, and/or industry certification. Of equal importance and consideration are transferable workplace skills, such as oral and written communication, computer literacy, dependability, and self-direction.

While technical knowledge and skills are top considerations for evaluating new hires, technical competency is not the highest ranked deficiency of low performing employees. Rather, poor performers need the most improvement with their self-direction, leadership, and work ethic. Self-direction involves the ability to learn from mistakes, as well as manage and monitor one's own performance. Effective leadership is the ability to leverage strengths of others to achieve common goals, and work ethic is the demonstration of personal accountability and effective work habits, as well as integrity and honesty.

To address the skills gap in the Far North Region, local community colleges can implement the following:

- **Integrate workplace skill training into existing career and technical education (CTE) programs and/or add workplace skill courses to CTE programs as a requirement or prerequisite.**
- **Strengthen partnerships with local businesses to increase the number of internships or job training opportunities to students. Work experience gives students an edge in the hiring process by giving them the experience needed to demonstrate technical skills. It also gives students a chance to practice and apply soft skills learned in the classroom in the work environment.**
- **Create and promote a mechanism that connects community college graduates with local small businesses that have open positions, such as a job board, career fairs, or direct announcements targeting specific industry groups.**
- **Offer and promote free or low-cost workshops or training seminars for the incumbent workforce to raise skills of 'poor performers' and those interested in advancing in their careers. Topics of most interest to local employers include: accounting/Quickbooks, social media/online ecommerce, and business plan development. Other workshops of interest include: customer service, basic computer applications (MS Word, Excel & Outlook), leadership and supervisory skills, and human resource management.**

MORE ABOUT THE CENTERS OF EXCELLENCE

The Centers of Excellence (COE) for Labor Market Research deliver regional workforce research and technical expertise to California community colleges for program decision making and resource development. This information has proven valuable to colleges in beginning, revising, or updating economic development and Career Technical Education (CTE) programs, strengthening grant applications, assisting in the accreditation process, and in supporting strategic planning efforts.

The Centers of Excellence Initiative is funded in part by the Chancellor's Office, California Community Colleges, Economic and Workforce Development Program. The Centers aspire to be the leading source of regional workforce information and insight for California community colleges. More information about the Centers of Excellence is available at **www.coeccc.net**.

For more information on this study, contact:

Theresa Milan, COE Director
Northern California Region
(916) 563-3221
milant@losrios.edu

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