

Workforce Review

A monthly review of labor market information for Northern Santa Clara County

June 2014

Did you know?

Workers Finally Feel Optimistic Enough to Jump Ship Here's How to Keep Them Aboard

Question: As a small business, I get my best employees leaving for jobs at our bigger competitors. What's my best strategy for keeping them on board with me?

Answer: With Americans increasingly optimistic about the job market, more individuals are gaining the confidence to leave unsatisfactory positions to find new work. The Bureau of Labor Statistics reports that the national [quit rate](#) has risen significantly over the past year.

That means small employers will have to work harder than ever to retain their best workers, says Tom Gimbel, president and chief executive of Chicago's LaSalle Network, a staffing and recruiting company. "Workplace culture is playing a bigger role in overall job satisfaction and is a reason why smaller companies are losing key players to the Googles of the world," Gimbel says.

Quit rate is "the number of quits during the entire month as a percent of total employment." According to the BLS, there was a 13% increase in this rate between May 2013 and May 2014 across all industries and geographic regions of the U.S.

At MBX Systems, a 125-employee custom server manufacturer in the Chicago area, Chief Information Officer Justin Formella recently lost one member of his seven-person IT team to Amazon.com (AMZN) and nearly lost another to Google (GOOG). "It's been a lot harder for us to compete on a salary standpoint" when larger outfits will pay moving costs for new hires or allow them to work remotely, he says.

Another challenge for smaller companies is giving employees exciting work. "Big tech companies have a lot of fresh projects," Formella says. "I can't always compete with that. But employees don't want to be working on boring stuff. They want to make a difference."

He tries to balance those inherent disadvantages with such perks as flexibility. "As a small business, we have the luxury of telling employees they can decide whenever they want to start work and leave. And if they want to work from home a couple days a week, I can leverage that if they're not working directly with customers," he says.

Small business owners should also form personal relationships with their employees and learn what makes them tick. "Happy people rarely get poached," says Jon Lal, founder and chief executive of Boston's BeFrugal, an online coupon site. Of his 25 employees, more than half have been with his 13-year-old company more than eight years. The best staffers are "almost never motivated 100 percent by money," he says.

He has been able to nurture employees by bringing them up through his company's ranks and, in some cases, building job duties around their strengths. Promoting from within is cost-effective, too. "I can bring in new people at lower levels, and that way I'm not competing for talent in the same way larger companies are," Lal says.

When it comes to compensation, pay fairly and investigate long-term incentive plans that give employees a stake in your company's future growth — and give them pause about walking away, says Mae Lon Ding, a compensation consultant and president of Personnel Systems Associates in Anaheim, Calif. "Make sure you're giving superior compensation for superior performance," she adds.

Don't forget that for most people, emotions play a large part in employment. Employees who have fun with their colleagues and look forward to being at work will be much more likely to stay than those whose managers are grouchy or unreasonable. "Understand if someone is going through something personally and offer to take something off their plate. Small gestures like that come full circle," Gimbel says.

And in the long run, don't forget that staff turnover isn't the end of your business. "You want fresh employees to revitalize the place," Lal says. "Zero turnover is not an ideal goal."

Source: BusinessWeek "Smart Answers" (07/14/14)
<http://buswk.co/W415sU>

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Labor Force Statistics (San José–Sunnyvale–Santa Clara MSA)

Unemployment Rate	June 2013	May 2014	June 2014	Percentage Point Change	
				Monthly	Annual
San José–Sunnyvale MSA	7.3%	5.3%	5.5%	+ 0.2	- 1.8
California	9.2%	7.1%	7.3%	+ 0.2	- 1.9
United States	7.8%	6.1%	6.3%	+ 0.2	- 1.5

Labor Force	June 2013	May 2014	June 2014	Percentage Change	
				Monthly	Annual
San José–Sunnyvale MSA	950,100	955,000	955,800	+ 0.1%	+ 0.6%
Civilian Employed	881,000	904,400	903,600	- 0.1%	+ 2.6%
Civilian Unemployed	69,100	50,500	52,100	+ 3.2%	- 24.6%

Industry Statistics (San José–Sunnyvale–Santa Clara MSA)

Change in Employment	June 2013	May 2014	June 2014	Percentage Change	
				Monthly	Annual
Total Nonfarm	964,500	991,600	997,700	+ 0.6%	+ 3.4%
Mfg: Electronic Computer	37,100	39,300	40,100	+ 2.0%	+ 8.1%
Information	58,900	62,700	64,200	+ 2.4%	+ 9.0%
Employment Services	21,100	22,500	22,800	+ 1.3%	+ 8.1%
Healthcare & Social assistance	103,000	111,300	112,200	+ 0.8%	+ 8.9%
Government: City	12,600	12,500	12,900	+ 3.2%	+ 2.4%

NOTE: San José–Sunnyvale–Santa Clara MSA (Metropolitan Statistical Area) = Santa Clara and San Benito Counties

Source: California Employment Development Department, LMID

Labor Force by County (Nine-county San Francisco Bay Area)

	Labor Force			Unemployment			Unemployment Rate		
	June 2013	June 2014	Annual Change (%)	June 2013	June 2014	Annual Change (%)	June 2013	June 2014	Annual Change (%age point)
California	18,673,800	18,600,300	- 0.4%	1,718,700	1,356,700	- 21.1%	9.2%	7.3%	- 1.9
Alameda County	782,300	780,600	- 0.2%	60,700	45,300	- 25.4%	7.8%	5.8%	- 2.0
Contra Costa County	538,000	538,500	+ 0.1%	41,400	32,400	- 21.7%	7.7%	6.0%	- 1.7
Marin County	141,800	142,700	+ 0.6%	7,600	5,700	- 25.0%	5.4%	4.0%	- 1.4
Napa County	79,800	79,600	- 0.3%	4,900	3,700	- 24.5%	6.1%	4.7%	- 1.4
San Francisco County	487,000	489,500	+ 0.5%	29,400	22,300	- 24.1%	6.0%	4.5%	- 1.5
San Mateo County	403,200	405,500	+ 0.6%	22,900	17,200	- 24.9%	5.7%	4.2%	- 1.5
Solano County	218,500	216,400	- 1.0%	18,900	14,600	- 22.8%	8.6%	6.7%	- 1.9
Sonoma County	260,700	261,800	+ 0.4%	18,300	13,800	- 24.6%	7.0%	5.3%	- 1.7
Santa Clara County	924,000	929,600	+ 0.6%	66,500	50,100	- 24.7%	7.2%	5.4%	- 1.8

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

Regional Layoff Activity: June 2014

Company	WARN *	City	Affected	Cause	Layoff Summary	
Symantec Corp.	Yes	Mountain View	54	RIF	Individuals Affected YTD [†] :	2,897
Company confidential	No	Sunnyvale	20	RIF	Events Current YTD [†] :	86
Company confidential	Yes	Sunnyvale	15	RIF	Events Previous YTD [†] :	71

* **WARN: Worker Adjustment and Retraining Notification**
(notice of mass layoff or closure)
† **YTD: Year to Date**
(Program year: July 1–June 30)

NOTE: Layoff data are reported by NOVA staff responding to layoff events and should be considered only an estimate of regional activity

Source: NOVA's internal Rapid Response database