



San Fernando Valley Green Employer Report Executive Summary

Conducted for Los Angeles Valley College

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EXECUTIVE SUMMARY

INTRODUCTION TO THE STUDY

Los Angeles Valley College (LAVC) commissioned BW Research Partnership, Inc. and its Green LMI subdivision (BW Research) to gather information from green firms in the San Fernando Valley to better understand their needs for trained, qualified workers. The information gathered will be used to develop training programs to meet workforce needs and place qualified workers in jobs.

For this study, green firms were defined as firms that conduct business related to renewable energy, energy efficiency, green building and design, environmental protection, or any other green-related activity. In the survey, firms self-identified as green.

The San Fernando Valley is an urbanized valley located in the Los Angeles metropolitan area of southern California, defined by the dramatic mountains of the transverse ranges circling it. Home to 1.76 million people, it lies north of the larger and more populous Los Angeles Basin.¹

METHODOLOGY OVERVIEW

The first step in the research process was to collect and analyze secondary data to highlight San Fernando Valley's economic strengths and potential for green firm development and expansion. This allowed the project team to identify green industry sectors in the San Fernando Valley with the largest concentrations and opportunities for growth. A database of these local green businesses was then developed and reviewed. Discussion with LAVC regarding the secondary data analysis and the database findings led the project team to focus on green building and design (including architecture and industrial design), solar and renewable energy, and green consulting and engineering services firms.

A quantitative survey of 98 green firms local to the San Fernando Valley was then undertaken to explore technologies used by these green firms, occupational role types, expectations for job growth over the next 12 months, recent hiring challenges, training preferences, and LAVC awareness and interests. Sixty firms completed the telephone version of the survey and 38 completed the survey online.

A series of 16 qualitative executive telephone interviews with green building design and solar energy firms local to the San Fernando Valley were also conducted. The executive interviews were designed to better understand employers' needs for trained, qualified workers. Specifically, the interviews addressed topics that included;

green services and products that are expected to grow;

importance of green credentials and qualifications;

value of and interest in LAVC green internships; and

¹ http://en.wikipedia.org/wiki/San_Fernando_Valley.



other employer preferences related to hiring, employees, and training.

KEY FINDINGS AND RECOMMENDATIONS

Key Findings

The key findings of the research include:

- Solar and green building and design demonstrate strong growth potential in the region.
- San Fernando Valley has strength in professional services, particularly in relation to mapping, surveying, and consulting.
- Manufacturing and general construction make up relatively small portions of the local economy and are expected to shed jobs over the short-term.
- Firms express a reluctance to hire over the next several months, however, a larger number expect to grow over the next 12 months.
- Most green businesses in the region are small,² and therefore only hire a few employees per year, even when growth is strong.
- Firms express relatively high levels of difficulty in finding qualified workers, indicating a need for additional training and opportunities to gain experience.
- Green credentials and incumbent worker training are both important, but firms – particularly smaller firms – have limited resources to pay for them.
- The vast majority of firms are aware of LAVC, but few are working with the college directly on any program development.
- Smaller companies are more interested than larger companies in low- or no-cost training from community colleges because they are less likely to be able to afford the large investments in training that larger companies make.

Recommendations

Any assessment of the San Fernando Valley economy requires the recognition of fairly stagnant overall job growth in the short-term.³ Though San Fernando Valley green employers report higher than average hiring expectations, the vast majority of these employers are small. As a result, **workforce demand is highly fragmented, with companies looking to hire one or two workers with different skills in multiple areas.**

Green employers across the nation report three primary factors related to their growth prospects: general economic conditions, availability and continuation of federal, state,

² The U.S. Small Business Association defines a small firm as any with fewer than 500 employees. For the purposes of this report, a small firm is any with fewer than 50 employees.

³ 1.1% job growth in San Fernando Valley from Q3 2011-Q3 2012, according to EMSI Complete Employment, 2011.3.



and local incentives, and consumer awareness.⁴ It is evident that economic recovery has been slower than anticipated and that the political will for continued incentives for green technology is uncertain at best. This uncertainty is leading employers to make fewer decisions in the near-term, further complicating the ability of workforce development and training providers to plan accordingly to meet their needs.

Employers also expressed concern about the future, with many interviewees suggesting that their hiring would be more likely to pick up six to 12 months from now and **few reported current openings for jobs.**

To add to this difficulty, occupational titles are becoming less important to employers and a functional approach to hiring seems to be gaining popularity. According to the green employers surveyed for this report, the most promising of these occupational areas, identified by the percentage of firms that employ the position and the difficulty in finding qualified applicants for the position are: **1) administrative and accounting; 2) project management; 3) and sales.**

Employers did give clear guidance, however, in what they would deem most valuable in the workplace. These detailed findings include:

Employers view green training as necessary, but not sufficient, to new hires. Specifically, employers frequently noted that the core skills within each of the categories above were more important than any green-specific knowledge or abilities.

Employers identified both the importance of soft-skills and technical skills. Particularly for the growth areas reported in the survey, respondents noted that communication skills and problem-solving ability are critically important for their workers. Employers also identified technical skills in using software applications for drawing and design programs such as AutoCAD or Building Information Modeling (BIM) applications, which are the next generation of these types of software.

Experience matters. By and large, employers note the importance of both experience and core, foundational skills for their green-related positions. In the surveys and interviews, employers repeatedly suggested that **stand-alone green training programs had little value without on-the-job training or previous experience**, and a solid foundation in the core tasks of the occupation, whether green or not.

The trends discovered in the research highlight the challenges facing many education and training providers, because **current conditions limit the employment prospects of even the best trained job-seekers.** It is apparent that there are no specific green occupations with specific, short-term training requirements that have sufficient demand to require large cohorts of students. However, many of the core skills that are necessary have application beyond the green industries.

As a result and in order to maximize its students' chances for success, BW Research recommends the following targeted actions: 1) Develop contextualized training programs in core occupational categories, including administrative and accounting, project management, and sales; 2) Ensure that the program offers cross-training so that budding project managers learn sales and accounting skills and vice-versa;

⁴ The Solar Foundation, 2011 Solar Jobs Census, available at <http://thesolarfoundation.org>.



3) Incorporate soft-skills training with technical skill development; 4) Offer internship opportunities for trainees, but recognize that interns must have some level of skill to be valued by employers; 5) Market training programs to companies for their incumbent workers; and 6) Focus on small businesses for partnership.

1. Develop contextualized training programs in core occupational categories, including administrative and accounting, project management, and sales.

These occupational categories were reported as the most prevalent and difficult to find among survey respondents. Additional data indicate that these occupational categories are also useful in many other (non-green) fields, further supporting the chances for employment upon completion of the program. The training should include contextualized learning, or green-related examples and modules, to develop the core occupational skills. The programs should incorporate general green-specific knowledge after the core skills are developed. Further technology-specific training can be obtained by any number of industry associations' existing training, such as NABCEP, Building Performance Institute (BPI), or Leadership in Energy & Environmental Design (LEED).

For instance, sales-related skills are more valued by employers than specific green-related knowledge. However, candidates who have learned specific technologies while enhancing their sales abilities will likely have an advantage over other candidates. A sales course should first provide basic sales training, with green examples throughout. It should also incorporate general sustainability principles to aid in the trainees' green knowledge base. Because of the diffuse nature of firms in the region, however, if a trainee wishes to specialize in solar sales, a NABCEP course would be appropriate.

Green accounting and administrative programs refer to the specific technical training concerning incentives, tax regulations, and calculations of return on investment, as well as processing various permits and filings. These programs should include the general federal and state incentives, regulations, and tax policies referring to renewable energy and energy efficiency improvements, as well as an overview of local ordinances, zoning issues, building permits, and other relevant topics.

As another example, Los Angeles Valley College should ensure that short-term green accounting programs or green administrative programs provide students with relevant experience and familiarity with the tools and skills related to accounting or administrative work. Otherwise these programs will not enhance employment prospects with green firms. **The training should be sure to include the various incentive programs that exist, as well as provide real-green world examples for trainees.**

2. Offer cross-training.

- **Los Angeles Valley College should consider designing cross-training programs that provide students with a wide knowledge of sustainability practice and within the four core areas described previously.**



San Fernando Valley has many green firms, but even the largest of the subcategories – solar – suggested that cross-training is important in difficult economic times. Several firms noted the importance for workers to understand energy efficiency, renewable energy, and sustainable practices. A cross-trained worker offers more value to a company, especially during times of economic and technology-related flux.

Furthermore, because the research shows that employers are less interested in occupational titles and more interested in functional abilities, LAVC should consider providing training across each of these important areas. Specifically, it is important for salespeople to have a firm grasp on the management of projects, as well as on the various incentive programs. It is also important for them to be able to calculate a return on investment for green projects. By offering cross-training, graduates of LAVC's programs should have a competitive advantage in the job marketplace.

Some of the specific skills to include in this cross-training should include;

- Communication skills focused on understanding and describing the value of renewable energy, energy efficiency, and other sustainable building practices for both sales and project management.
- Introduction to carbon accounting and other sustainability accounting techniques for accounting, sales, and project management.

3. Focus on soft-skills.

Employers interviewed and surveyed for this study reported the overall importance of soft-skills, particularly problem-solving and communication skills. Too often, technical training programs do not focus on these important attributes.

4. Offer well-trained interns.

According to the survey and interviews, employers clearly prefer hiring workers with experience. **Los Angeles Valley College should offer internships so that trainees can obtain the critical hands-on experience necessary for success.**

However, firms repeatedly reported that interns should bring skills to the worksite and that interns with no background or training in the field would be more of a problem than a benefit for companies. Though a majority of firms would welcome an intern, several suggested a rigorous interview process to ensure that the intern could meet minimum skill, safety, and experience standards.

5. Offer incumbent worker training.

Research results pointed to incumbent worker training as an excellent opportunity for supporting the region's green employers. Employers indicated a need for experienced workers with credentials, deficiencies with current employees, and reluctance to hire new workers. Green employers in building and design specifically noted the importance of LEED training. In general, green employers would be well served by technical upgrade training for their incumbent workers, things like the training in AutoCAD, BIM, or related software applications.



Larger firms can fill many seats at once, but smaller firms also present an opportunity for subsidized training, as many reported that the cost of training programs is prohibitive (see recommendation #6 below).

6. Focus on smaller companies who are more interested in working with community colleges.

Los Angeles Valley College has a strong opportunity to work with the region's small green firms. Larger companies expressed less interest in working with community colleges to satisfy their training needs. Large companies often invest in their own in-house training or recruit private trainers. Smaller firms were much more focused on the high cost of green training programs, often referring to such costs as prohibitive. Because they are less likely to have existing programs, and because cost is a more serious issue for them, smaller firms present greater opportunities for local community colleges.

CONCLUSIONS

BW Research offers the following conclusions based on the research findings.

1. San Fernando Valley's green employers are more likely to be hiring than your typical San Fernando Valley employer but their hiring needs are diverse and fragmented. The region's green employers expect to increase employment by seven percent in the next 12 months, which equates to just over 180 new net⁵ job openings. This seven percent increase in employment is more than five times higher than the overall increase in employment forecasted for the region by Economic Modeling Specialists, Inc. (EMSI). The strong employment expectations are a valuable indicator as to why to focus on this group of employers. However, unlike other industry clusters that are tied together through a common supply chain or shared technologies, employers' workforce needs from this sector are quite diverse. It is also important to note that the region's green employers represent a relatively small percentage of the companies and employees in the region.

2. San Fernando Valley's green employers in many ways reflect the region's broader economy. Professional and technical services represent almost one in every five jobs (18%) in the Valley – the highest of the broad regional industry categories – and professional and technical services was the industry that regional green employers were most likely to identify with (27%). The relatively large portion of green service-related firms and the relatively small portion of green manufacturing firms has a considerable impact on the types of occupations and skills that green employers are looking for in the region.

3. Green job seekers in San Fernando Valley should focus on sales, project management, administrative, and accounting skills, or at least some combination of those skills. Green employers in the region are more likely to be looking for individuals that have a broad range of skills rather than those that are highly specialized in a certain technology or industry. Job seekers need to have a solid foundation in their prospective occupational arena, which could include sales, project management, accounting, or

⁵ Net job openings are new jobs and not those that are replacing other positions.



administrative skills or preferably a combination of those skills. While regional green employers will continue to expect strong technical skills associated with the occupation they are looking for, increasingly they want applicants with strong communication skills and the ability to take on new responsibilities and develop new skills. Learning and developing green skills are important but more as an add-on to the occupational skills they have already developed. Green training and education should be developed in context with the occupational training that is provided and not as a separate training program.

4. San Fernando Valley's green economy is still developing and will likely continue to evolve as the demand for green products and services remains relatively uncertain. Green employers in the region are still working to establish the services and products offered to customers and face significant uncertainty from consumers, the larger macroeconomic environment, and the legislative incentives that many firms require to continue to be profitable. Over half of the region's green employers are using emerging technologies in areas that include smart grid and/or energy efficiency technology or solar and photovoltaic technology. These industries and technologies are expected to continue change as regional economic conditions, consumer demand, and legislative incentives also face an uncertain future.

The full report can be downloaded at <http://lavc.edu/greencareers/index.html>.