UNDERSTANDING THE WORKFORCE DEVELOPMENT NEEDS OF SMALL & MID-SIZED NEW JERSEY EMPLOYERS

Final Report

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I.   INTRODUCTION

North Jersey Partners (NJP), in partnership with the Employers Association of New Jersey (EANJ), commissioned this research from the Voorhees Transportation Center (Rutgers-VTC), part of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, in order to better understand the workforce development and technical assistance needs of small and mid-sized employers in New Jersey. These organizations have been identified as the largest employers of New Jersey workers. However, employers have reported facing skills shortages that have impacted their ability to do business. Specifically, employers have reported a shortage of appropriately skilled job candidates to fill needed positions, as well as concern about losing experienced technical, sales, and managerial employees in a hot labor market. In addition, the emergence of COVID-19 as a public health and economic crisis has caused an immense strain on employers and workers, including the emergence of newly emphasized job skills among workers, increased demand for certain types of jobs, and historic levels of unemployment, particularly among impacted industries.

To better understand these challenges, the research team completed a literature review, an online survey, and virtual focus groups with the following research objectives: understand existing workforce development practices among small and mid-sized employers in New Jersey; identify the challenges that employers face and the types of resources that they need to find, retain, and train their workforce; understand the perception of apprenticeship programs amongst employers, and understand the impacts of the COVID-19 health and economic crisis on employers. This report summarizes the results of this research and provides key considerations that may assist workforce development professionals and policymakers in developing resources for workforce training, recruitment, and the economic recovery of small and mid-sized employers in the state.

II.   BACKGROUND AND CONTEXT

Pre-COVID-19 Workforce Development Challenges in New Jersey

Prior to the COVID-19 pandemic, New Jersey was experiencing a full-employment economy, ranking 47th in long-term unemployment and 36th in underemployment. Despite these advantages, the Employment and Wages Report issued in April 2018 by the U.S. Bureau of Labor Statistics showed the state's economy at a tipping point. Although job growth had occurred in all of New Jersey's 15 largest counties over three years, wages had declined. Difficulty finding skilled workers was in part due to the unwillingness of workers to take on low wage jobs.

Employers, business association leaders, policymakers, and human resources managers both in New Jersey and nationwide expressed concern regarding a significant skills gap, or a mismatch between the types of skills jobseekers offer and the skills employers require. There was growing doubt about the capacity of traditional education and training models to train job seekers on the skills needed in an increasingly high-tech, rapidly changing job landscape. A 2016 Pew Research Center survey found that just 16% of respondents believed that a four-year degree prepares students very well for a well-paying job in the current economy (1). Rather than completing a

one-time educational or training program, adults in the workforce have reported finding that they must complete ongoing training throughout their work life in order to stay competitive in the workplace. A more detailed discussion of these documented challenges can be found in the literature review included in Appendix A.

Policymakers and researchers have been developing alternative education and training options to better prepare students and jobseekers for the realities of twenty-first-century career paths and job opportunities. In a 2018 report about labor supply and demand in New Jersey, the Heldrich Center for Workforce Development at Rutgers recommended that businesses in the state need to take a more active role in workforce development efforts alongside the public workforce and education sectors (2). There have also been renewed efforts statewide and nationally to expand awareness of and participation in apprenticeship programs among employers, workers, and students and apply apprenticeship training models to a greater variety of industries beyond the trades, such as in the information technology and finance sectors.

COVID-19 and New Jersey Businesses: An Ongoing Struggle

The COVID-19 pandemic has tremendously impacted the state of New Jersey. As of November 3, 2020, New Jersey had the fifth-highest count of deaths in the nation related to the virus and almost 250,000 cases (3). New Jersey Governor Phil Murphy declared a State of Emergency and a Public Health Emergency on March 9, 2020 due to the documented onset of the state's COVID-19 pandemic. Governor Murphy issued a stay-at-home order later that month that required all non-essential businesses to be closed indefinitely, as the number of confirmed COVID-19 cases in the state escalated.

New Jersey businesses have experienced and continue to struggle with numerous operational, financial, staffing, and other challenges related to the pandemic. In May 2020, there were 1.1 million New Jersey workers unemployed, according to information shared at a June 2, 2020 webinar hosted by the Employers Association of New Jersey (EANJ). The three New Jersey sectors with the greatest initial unemployment claims were food service and drinking places, ambulatory health care services, and administrative and support services. The EANJ webinar also shared findings that demonstrate disparate unemployment impacts during the pandemic among persons of color, those without college degrees, and Main Street businesses (4).

As of fall 2020, progressive economic improvements are occurring in New Jersey. As documented in a September 2020 NJDOL report, "New Jersey has regained a total of 467,600 jobs in the five months since April, or about 56 percent of the jobs lost due to the coronavirus pandemic and measures taken in response to it. In comparison, the nation has recovered 52 percent" (5). The same report shared that the state's current employment rate stands at 6.7%, below the national average of 7.9%. While these statistics clearly demonstrate positive economic improvements, New Jersey's small and mid-sized employers will continue to need consistent support and innovative programs to navigate the ongoing pandemic and recovery period successfully.

New Jersey's COVID-19 Response

Both the federal government and states, including New Jersey, passed legislation and released packages of financial assistance initiatives to support the business sector. The Coronavirus Aid,

Relief and Economic Security Act (CARES Act) was signed into law on March 27, 2020, and was the largest financial assistance bill passed in the United States to date. The main intent of this legislation was to keep the workforce on the payroll of U.S. businesses with 500 employees or less via a forgivable loan initiative, called the Paycheck Protection Program, available through all lending institutions. Recipients could utilize the loan to cover costs related to payroll, rent, utilities, and mortgage interest. Tax relief options were also made available via CARES for those not pursuing the loan.

The U.S. Small Business Association (SBA) also offered economic relief to small businesses and nonprofit organizations through their Economic Injury Disaster Loans (EIDL) and SBA debt relief initiatives. Loans up to $2 million with $10 thousand in advance were available through EIDL, and SBA's debt relief program offered support in paying principal and interest on new and current loans. From the State of New Jersey, the NJ Economic Development Authority released a package of loans, financing, and other assistance for small and mid-sized NJ businesses. Some of their offerings included a small business emergency grant program for businesses with ten or fewer employees and a zero-interest loan program for mid-sized businesses.

In May 2020, Governor Murphy announced a multi-stage state reopening plan entitled "The Road Back: Restoring Economic Health Through Public Health." As the rate of COVID-19 infection and related hospitalization in the state decreased throughout the late spring and summer, many restrictions were relaxed. On June 9, 2020, the stay-at-home order was lifted, and New Jersey entered what was termed Stage Two of "The Road Back," which has continued to date.

III.   SUMMARY OF SURVEY RESULTS

Survey Methodology and Distribution

NJP, EANJ, and Rutgers-VTC developed an online survey to collect information on the practices used and challenges encountered by New Jersey small and mid-sized employers[1] to hire, retain, and train employees. The survey also sought to capture data on employer familiarity with and use of apprenticeships and potential workforce development resources and partnerships that employers are interested in exploring as a means to support their workforce.

EANJ distributed the survey to its members on March 4, 2020. The intention was for the survey to be distributed by partner organizations through North Jersey Partners and their associated networks and contacts. However, the emergence of the COVID-19 pandemic rapidly shifted the focus and attention of employers to address the resulting operational and financial challenges of the pandemic, and the project team decided to close the survey at the end of March. At that time, 150 respondents began the survey, with 85 completing less than half of the questions and 75

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1. For this research, a small employer is defined as employing between 5 and 99 full-time workers, and a mid-sized employer is defined as employing 100-499 full-time workers. While there is no single method for categorizing employers by size, these definitions are based on those employed by the U.S. Small Business Administration and supported by the recommendations of workforce development professionals consulted by Rutgers-VTC prior to the development of the survey.

respondents completing the full survey. All respondents were EANJ members who were informed of the survey through EANJ email communications.

The relatively low survey response rate resulting from COVID-19's impact on employers makes it impossible to generalize these results to the entire population of New Jersey's small and mid-sized employers. However, the summary of the survey results below presents a snapshot of how NJ small- and mid-sized employers addressed issues of recruitment, training, and retention immediately prior to the onset of the pandemic. The full results of the survey can be found in Appendix B.

Survey Results Summary

- **Internship programs are a common recruitment strategy.** Employers commonly reported using internships as a recruitment strategy, while none reported using apprentice programs as a recruitment strategy. Employer familiarity with internship programs may represent an opportunity to transition existing internship programs into more formalized apprenticeship programs.
- **Employers do not envision apprenticeships as applicable to their needs.** The greatest barrier to apprenticeships is that employers do not envision apprenticeship programs as applicable to their needs. Traditionally, apprenticeships were designed for workers to gain skills in certain manual trades. Employers in other industries may still subscribe to this narrow application of apprenticeship. Simultaneously, at least one survey respondent from nearly every industry reported having an apprentice, though very few reported participating in a formalized apprenticeship program. It is possible that respondents' definitions of an apprentice could vary widely, especially among industries. The continuing belief that apprenticeships only apply to certain trades, combined with a possibly unclear understanding of what constitutes an apprenticeship program, suggests the need for better outreach to employers about apprenticeship programs and the diversity of sectors they can benefit.
- **Many employers are providing employee training.** The survey findings suggest that many employers provide training for their employees and that training is geared to build the skills that employers need most or have the most difficulty finding among job candidates. For example, a lack of basic work skills or professionalism among job candidates is the top recruiting challenge for employers by far. As reported by survey respondents, workplace training addresses this need, as customer and client support skills and soft skills are among the most commonly taught in workplace training. Following soft skills, technical skills in manufacturing, the trades, and information technology are among the most difficult skills for employers to recruit successfully. These are also areas in which employers commonly reported providing training.
- **Top barriers to training are difficulty scheduling time off, lack of funding, and lack of employee interest.** Difficulty scheduling time off, a lack of funding, and a lack of employee interest are the top barriers for employers to providing training. Despite this, most survey respondents reported that their employer does offer training, and training is largely funded, facilitated, and hosted by the employer. Further research should be

conducted to better understand how employers fund, facilitate, and host their own internal training programs. Additional information would help to better understand the robustness of the training that is offered. Further research could also uncover how employers use public sector workforce training resources and whether they could be modified to meet employer training needs.

- **Employers want to collaborate with the education sector.** Survey respondents reported a desire to partner with educational institutions for employee recruitment and training, with top choices for partners being community colleges, vocational and technical schools, and four-year colleges. Further research could evaluate existing partnerships between employers and educational institutions to better understand how these partnerships are forged, how they benefit one another, and where additional partnership opportunities exist for small and mid-sized employers.

- **Lack of interest in or knowledge of industries among job seekers is common.** Many respondents reported a lack of interest or knowledge of their industry among jobseekers, especially among the finance and insurance, professional services, and healthcare industries. Several employers are unsure where to find qualified candidates. These findings demonstrate a need for a better process to match job seekers with available jobs and provide information about opportunities in industries unfamiliar to jobseekers. In addition, employers could pursue diverse marketing activities to inform prospective job candidates about their sector.

- **Employers retain employees by fostering a positive or supportive business culture.** The most common practice employers reported using to retain employees is fostering a positive or supportive business culture. However, practices that foster such a culture, like mentorship, professional development, job shadowing, or leadership development, are less utilized by respondents. Strengthening talent management and development processes by better utilizing these tools can help employers further develop a positive and supportive work culture, giving employees the security of understanding long-term career prospects available to them at their current place of employment. Employers may benefit from outreach on how to use talent management planning to retain employees and foster leadership roles within the organization.

IV.   SUMMARY OF FOCUS GROUP FINDINGS

Focus Group Methodology and Recruitment

From April through September 2020, NJP, EANJ, and Rutgers-VTC conducted seven focus groups with employers and small business owners throughout New Jersey to understand the immediate impacts of COVID-19 on their organizations and their employees. The first focus group on April 30, 2020, included only employers who are members of EANJ and had participated in the research survey summarized above. The following four focus groups include a mix of employers recruited through the North Jersey Partners network. The precise make-up of these focus group cohorts is described below.

The first five focus groups (Round 1 Focus Groups) included the following topics:

- Challenges they are currently facing due to COVID-19
- Resources and support they might need during this time of crisis and which state/federal programs already available have been helpful
- Perspectives and perceptions about how this crisis will impact and reshape the labor market in the future

The last two focus groups (Round 2 Focus Groups) took place in September 2020, when the research team reconvened some of the employers for two additional follow-up discussions to better understand how needs and challenges may have changed over the course of the pandemic. These conversations re-examined many of the topics covered during the Round 1 Focus Groups in order to track, real-time, how employers' needs changed over the course of the pandemic. The findings of all seven discussions are summarized below, and full reports on each focus group can be found in Appendix C.

Round 1 Focus Groups (April–July, 2020)

Participant Demographics

The majority of focus group participants represented employers located in northern and central New Jersey. Of 52 participants, 32% were from Bergen County, and 21% were from Essex County. Otherwise, representation was divided across 13 of New Jersey's 21 counties. Participants represented various industries, with the manufacturing, professional and technical services, and finance and insurance sectors having the most participants. Approximately two-thirds or 36 of the organizations represented were small businesses employing fewer than 100 employees. Fourteen organizations were mid-sized employers with between 100 and 500 employees, and 3 organizations employed more than 500 employees.

In terms of the demographics of focus group participants themselves, 38 of the 53 participants provided basic demographic information. The typical participant was a white, non-Hispanic woman between the ages of 35 and 64. Among those who did provide demographic information, 81% identified as White or Caucasian and 16% as Black or African American. In terms of ethnicity, 8% of participants identified as Hispanic or Latino. Sixty-three percent of participants were female, and 37% were male. The majority of respondents were between the ages of 35 and 64, with only four participants older than 65 and just one participant younger than 35.

Summary of Findings

Staffing

In each focus group, some employers had reduced employee hours or laid off employees, and some that did not. Of the 52 employers that were represented in these focus groups:

- Thirteen employers had furloughed or laid-off employees.
- One employer expected future layoffs to occur.
- Three had to reduce staff salaries or hours to avoid layoffs.
- Four of the employers had already rehired a portion of the furloughed staff.

Some participants in essential industries reported expanding and hiring new employees. The majority of those employers indicated that hiring was difficult due to health and safety fears among job seekers. In addition, the additional $600 per week unemployment benefit made it more desirable for some workers to be unemployed rather than seek employment. This proved to be a challenge for some participants looking to recruit additional workers.

Revenue

Many employers expressed concern about decreases in revenue from receivables and stagnant revenue streams, often because clients themselves were struggling and unable to pay bills on time. Many employers were still providing services to these clients with the expectation of delayed payment. Some employers had established delayed payment plans to maintain clients and project momentum.

Some participants also indicated that their employees were very busy with project work but struggled to bring in new business. Instead, employees worked through a backlog of projects already in the employer's pipeline—staying busy but not generating new business.

The owner of a fitness center, which had to shut down completely due to state requirements, tried to bring in new revenue by offering online workout classes but was unsuccessful.

Cost of PPE

The added expense of personal protective equipment (PPE), safety equipment, and cleaning has been a burden on already struggling employers. Purchasing these materials has added to operating costs and compounded financial stress. Some employers worried that they did not have an ample budget to keep up with cleaning and safety protocols due to the high costs.

Employers have also had difficulty procuring the necessary PPE for their essential workers, often looking towards nontraditional suppliers, such as a craft beer company in New Jersey selling hand sanitizer.

Telecommuting

Telecommuting was a key topic of discussion during these focus groups, as most employers were dealing with a remote workforce in some way. Telecommuting discussion topics included impacts on employee morale and mental health, challenges related to mentoring, training and management, technology and Wi-Fi connectivity, workplace culture and norms, flexibility and impacts on workload, childcare needs, and the future of commercial office space.

- **Morale and mental health:** Overall, most employers indicated that telecommuting had placed a strain on employee morale and mental health. The sudden shift of working in isolation at home was disruptive to workplace culture, and employees missed workplace comradery and companionship. These employers saw that the socialization that a workplace provides is beneficial to overall mental well-being. Many tried to replicate that experience remotely through regular staff meetings, "check-in and chat" over coffee, mental health check-ins, and virtual classes in topics like leadership skills. Some employers also explicitly discussed employee access to mental health resources to make sure those struggling could find the help they need. Other employers offered time off or financial bonuses to bolster morale.

- **Workload:** Adding to the mental health burden, employers also described that employees are working longer hours at home than in the office, as the workday lacks a clear start and finish. Many employers felt this trend was contributing to employee burnout and negative mental health impacts.
- **Training and professional development:** Employers have found that training and professional development have been difficult in a telecommuting work environment. The onboarding process is difficult, with no onsite orientation or training for new employees, and many expressed difficulty mentoring younger staff members. Using virtual platforms for these purposes has been challenging, creating limited opportunities for the "transfer of knowledge." In some cases, this has led to a disproportionate workload for more experienced staff members, leaving newer, younger staff little to do. One participant from an engineering firm also noted that collaboration over virtual platforms was nearly impossible due to the nature of their work. In addition, internship recruitment and retention have been difficult.
- **Management:** Some employers found managing staff to be difficult in a virtual work environment. Employers have observed that certain employees are self-sufficient, while others cannot work well without supervision (in some cases due to distractions at home). They discussed the need to find new ways to manage people remotely. Some employers have instituted daily check-in meetings; some ask their employees to send end-of-day update emails. Trust and standard operating procedures are key elements for successful telecommuting culture.
- **Technology and Wi-Fi:** Telecommuting is heavily dependent on employees having the proper equipment and access to internet connectivity. Many employers described difficulty in acquiring the needed equipment to support their employees working from home. Some employees did not have access to reliable internet at home, relying on hotspots or insecure access points (creating data security concerns). Employees also have various comfort levels/familiarity with the necessary technology. Many firms and employers also had to rush to procure laptops and other equipment, creating additional employer costs during an already difficult time. Those employers whose workforce already had laptops and access to online collaboration platforms had a much easier time transitioning to remote work.
- **Workplace norms:** Employers whose workplaces already had telecommuting as part of the workplace culture had a much easier time transitioning to fully remote work. Several employers indicated that they already had a large percentage of their employees telecommuting some of the time. Employers with staff who had no experience working remotely had the most difficult time. Even employers who already had some remote staff found that when everyone (or nearly everyone) is working remotely at the same time, it is still challenging.
- **Cultural shifts:** Employers expect that COVID-19 will lead to a permanent cultural shift towards telecommuting. Employees will want to continue to work from home, and employers will need to incorporate telecommuting into the culture moving forward. This pandemic has proven that the paradigm of the physical office place can shift, and workplaces can innovate and modernize.

- **Flexibility/productivity:** Telecommuting has offered more flexibility for employees, many of whom have enjoyed this added benefit of working remotely. For some, telecommuting is not only convenient, but it has helped balance work and family demands. Employers also described that many employees feel more productive at home, where a lack of distractions has allowed them to focus more clearly. Other employees have expressed the opposite sentiment, finding working at home very distracting and struggling to be productive.
- **Office space:** Many focus group participants stated that they anticipate no longer needing their large office spaces. They are considering downsizing the amount of real estate leased by their organization, anticipating that a portion of employees will continue to telecommute permanently.
- **Challenges for certain types of jobs/tasks:** Participants indicated that certain jobs or tasks were particularly challenging in a virtual environment. Work that was traditionally done face-to-face, such as social services support groups or classroom instruction, are particularly challenging for employees. There is a loss of personal connection, especially with young clients or students, that is not possible virtually. In addition, employees working in sales have struggled to connect with potential clients. Some have also found that home remote work environments are challenging because they need a quiet workspace, and the nature of their job does not allow for flexibility outside of normal business hours.
- **Childcare:** Childcare responsibilities have been a significant issue for many workers, especially with New Jersey schools closed to in-person instruction. Remote schooling, combined with the lack of aftercare and summer camp programs, has impeded many employees' ability to return to the office. Some employers have tried to provide flexible scheduling to accommodate employee childcare responsibilities, allowing them to work outside normal business hours.

Unemployment

The focus group participants also discussed unemployment issues, primarily difficulties and delays in processing unemployment claim applications and the impact of the additional $600 unemployment benefit.

- **Application difficulties and delays:** Many employers described difficulties with employees filing for unemployment benefits. It was difficult for some to communicate with employees about eligibility and application procedures. This was particularly difficult with younger employees or part-time workers who were less likely to read emails or have internet access. Many employees also had no experience applying for unemployment benefits and found the process confusing. Those that did apply experienced long waits to receive benefits. In addition, some employers described confusion regarding who is eligible for unemployment since the CARES Act extended eligibility to organizations previously not eligible, such as nonprofits.

- **Federal Pandemic Unemployment Compensation (FPUC):** Several employers indicated that the additional $600 FPUC payment had caused a negative impact on

finding and retaining workers. Participants from essential service industries described difficulties in hiring new employees because workers could potentially earn more income from unemployment benefits than from full-time work. Some employers in non-essential industries also described experiencing this challenge.

Safety

Focus group participants discussed several issues relating to worker safety, including employees feeling fearful, concerns about compliance with safety protocols, and confusion about reopening offices safely.

- **Employees are fearful:** Most participants described challenges around employees not feeling safe or employees feeling scared to return to work. Even those workplaces that carefully adhere to CDC guidelines had employees who were still concerned for their safety. In some cases, employees wanted to continue to work remotely for safety reasons, or employees refused to go to certain job sites for fear of being exposed to the virus, despite having adequate PPE. Employers expressed concern and frustration about not having clear guidance on how to make employees feel safe and what to do in the case of an outbreak. Most of them had tried various strategies, including staggered lunch breaks and frequent deep cleaning of workspaces.

- **Compliance with health and safety protocols:** Some employers expressed frustration and difficulty getting employees to comply with safety protocols. Some employees had a difficult time wearing masks, finding them hot or uncomfortable. Employers struggled to monitor and enforce these safety protocols when some employees seemed ignorant of or not concerned about the dangers of COVID-19. Managing safety in the workplace was one of the biggest concerns for those employers who had remained open or were trying to reopen safely.

- **Confusion about health and safety practices:** Employers agreed that there is a strong need for more comprehensive safety guidance. Guidance from the Centers for Disease Control (CDC) was adequate, but protocols were constantly changing, and they found it difficult to keep up. Employers were nervous about lacking information on how to ensure employee safety. Employers' examples included needing better information on who should stay home when an employee tests positive, who has to wear a mask and when, how many employees can safely be in the office at once, and how to properly set up workspaces. Employers also expressed frustration with a lack of timely information on what businesses can reopen and when. For example, an owner of a fitness center worried he would not have ample time to get his class schedule organized and running. A cosmetology school owner said she needed ample lead-time to prepare for the resumption of hybrid or in-person classes.

- **Public transit commuters:** Employers expressed concerns for employees who rely on public transit to get to work. Many felt that those who travel by transit would be more likely to want to telecommute in the long term. Employers described situations where employers provided rides for essential workers who would otherwise need to take public transit, sometimes driving more than an hour out of their way. One essential employee

provided a doctor's note to her employer, stating that he/she should not use public transit for health reasons.

Funding Resources

Most participants had applied to one of the available funding assistance programs, with more participants receiving funding from the Paycheck Protection Program (PPP) than the Economic Injury Disaster Loan (EIDL) program. No participants received funding through the NJEDA grant program, and one participant received unemployment as a self-employed individual. These funds were essential for retaining employees, enabling employers to continue paying salaries. The fitness center owner said he was permitted to use funds to cover fixed costs, like rent, which are among his largest expenses. Many were concerned about how they would fare once the funds were depleted. Participants also indicated that they found larger banks and banks with prior experience with SBA loans were better able to process the applications and secure funding faster. Participants from the nonprofit sector were grateful to be eligible for the aid programs.

Workforce Training Needs

Participants described their workforce training needs, given the current work environment. Participants described the need for training on softs skills and communication in a virtual environment, safety protocols, and workforce flexibility.

- **Skills relating to a virtual work environment:** Participants described various soft skills that employees needed to thrive in a virtual work environment. Skills such as online communication, virtual customer service, adaptability, empathy, and effective coping skills for working in a stressful environment were all mentioned. Also, participants indicated that employees could use additional training on effectively using virtual platforms, such as Zoom or Teams, and how to use these tools to create and facilitate engaging virtual meetings, training, and programming. Managers would also benefit from training on supervising employees in a virtual work environment and conducting effective performance reviews remotely.
- **Safety protocols and procedures:** Participants expressed a need for training to implement and enforce health and safety protocols in the workplace. There was a need for training on safety procedures, particularly in a clear and easy-to-understand way. Participants recognized that the situation was changing daily but still expressed concern about the general uncertainty and lack of clear information. There was also concern about potential liability issues that an employer might face if an employee or customer contracts COVID-19. One participant suggested that an employee handbook would be helpful.
- **Flexibility:** Employers in the manufacturing sector indicated that cross-training employees to perform various job functions would be helpful. This would allow employees to be more flexible and better meet changing needs and demands. It would also allow the companies to accomplish more with fewer employees, should they need to furlough or layoff in the future.
- **On-the-job Training:** Most participants indicated that they would be interested in on-the-job training if there were resources or funding assistance offered to offset the costs.

Future outlook

Overall, employers believed that the current pandemic, while stressful and uncertain, also presents employers and businesses opportunities to innovate and try new things. The crisis will force technological advancements that will improve telecommunication networks that will permanently change the way businesses, offices, and employers operate. However, telecommuting's long-term viability as a practice will vary and will depend on the industry type and job function.

Round 2 Focus Groups (September 2020)

Participant Demographics

The majority of participants in the second round of focus groups represented employers located in Bergen County. Of 15 participants, eight were from Bergen County. Other participants were from Mercer, Somerset, Essex, Ocean, and Middlesex counties. Participants represented various industries, with the finance and insurance, educational services, and professional and technical services sectors having the most participants. Similar to the Round 1 Focus Groups, the vast majority of the organizations represented were small businesses employing fewer than 100 employees. Four organizations were mid-sized employers with between 100 and 250 workers. No large employers with over 500 employees were represented.

Similar to the first round of focus group participants, the typical participant in the second round groups was a white, non-Hispanic woman between the ages of 45 and 64. Among the 14 out of 15 participants who did provide demographic information, 12 identified as White or Caucasian, one as Black or African American, and one as Asian or Pacific Islander. Just one participant identified as Hispanic or Latino. Ten participants were female, and four were male. Nearly all of the respondents were between the ages of 45 and 64, with one participant older than 65 and two participants aged 35 to 44.

Summary of Findings

Telecommuting

Many employees were still telecommuting, especially those considered high risk for contracting COVID-19. Others continued part-time telecommuting or arranged a flexible schedule. Employers recounted that many employees loved working from home and were much more efficient with their time. Others noticed employees feeling more fatigued over time, with difficulty staying motivated remotely and missing the office's social interaction. Initial challenges relating to equipment and technology were largely resolved. However, employees continued to struggle to deliver services remotely—a more complex challenge requiring time and innovation. However, some employers were able to expand services through telecommuting because they were no longer limited by physical proximity. Employers also felt motivated to continue telecommuting because they had already invested financial resources into the equipment.

Reopening

Many employers indicated that either all or some of their employees had returned to working onsite or were in the midst of a phased reopening. Some of these employers offered alternating schedules (such as alternating days or alternating weeks) and flexible work arrangements for those caring for children or other family members. Several adjusted the office space layout to accommodate safe reopening and social distancing, such as installing plastic barriers. Some employers restricted access to their office to employees only. Managing employee safety was still a top concern for these employers; many implemented formal safety protocols and frequent cleaning regimens. Younger employees were more likely to return to the office than older employees who might be at high risk or have health concerns.

Office space

Several employers were still considering downsizing their office space. One indicated a willingness to share office space with another firm to save space and costs.

Information Technology (IT) and Equipment

Some employers transitioned to exclusively purchasing laptops for employees to make future transitions to telecommuting easier and quicker. Others noted that IT staff were overtaxed with demands during the crisis, with constant requests for assistance and technical support from other employees working from home.

Furloughs, layoffs, and staffing changes

Several employers reiterated (from previous focus groups) that they had to lay off or furlough a portion of their staff. Two firms experienced attrition due to voluntary leaves—employees leaving jobs for new pursuits or taking voluntary leave due to childcare or other caretaker responsibilities. A few firms, mostly in essential services industries, hired new employees during this time. Recruitment of new staff was mostly done through networking, professional recruiters, and employee referrals. Some used job posting websites as well, though to a lesser extent. Firms also welcomed the ability to hire employees who live out of state. Generally, the group found that hiring and onboarding are complicated in an all-virtual environment.

Funding

Several participants indicated that financial struggles continued, with clients still slow to pay bills. Many received one or more financial assistance loans. These loans were used to retain staff or offset the costs of necessary cleaning and safety measures. Some employers commented on the difficulty of the application process and felt more organizations would have successfully applied for assistance if the application process were easier.

Workforce needs

Participants responded favorably to the idea of financial incentives to train or bring on apprentices. They would also be interested in receiving funding from North Jersey Partners for training. However, they would like additional clarification on the type of training it would cover and the delivery method. Participants agreed that a single point of contact or one-stop resource to guide small businesses through recovery would be helpful. However, they were also concerned that such a tool would not be flexible or nuanced enough to provide truly customized help, as each employer has unique needs. Instead, they suggested that a website for resources that included a navigator or chat feature to help answer questions would be a good way to address

specific employer needs. Some employers also suggested training through webinars. Overall, the participants were favorable to training opportunities as long as the process was straightforward and uncomplicated.

Figure 1: Please select the topics that your workforce needs training in (n=13)
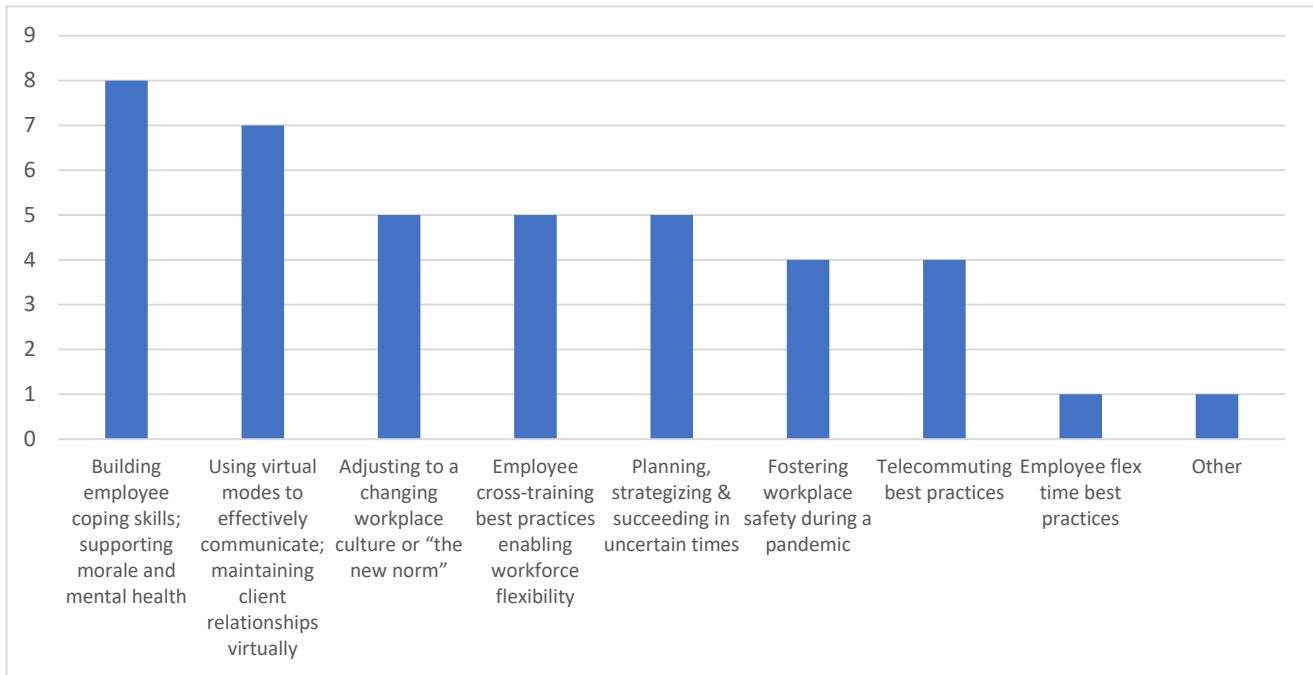
Participants discussed ongoing training and support needs in the following areas:

- **Mental health:** Employee mental health was still a significant issue, and firms expressed a continued need for workforce training and support in this area, despite some firms' expanded services for employees. Social and political unrest compounded the already stressful work environment, and many recounted that workplace tension was high. Employers have tried to create safe spaces to talk about difficult subjects, and one human resources department created a diversity committee.
- **Mentoring:** Training and mentoring younger staff is still an ongoing issue. Younger staff miss networking and mentoring opportunities, which benefit from the personal hands-on connection that is not replicable virtually.
- **Business Development:** Employers described difficulties in building and maintaining client relationships in a virtual environment. They found it challenging to connect with clients and could use training and support on effective practices for virtual communications and business development.
- **Flexibility:** Based on the results of a Zoom poll during the focus groups, employers indicated that cross-training employees to serve multiple job functions was still a high priority area.

- **Technology:** Employees still needed training on the effective use of technology, especially as new platforms continue to evolve and emerge. One employer suggested a tool that could provide recommendations on which platform to use based on needs.

CONCLUSION

The research findings of both the survey and the focus groups indicate that the nature of the workforce landscape is dramatically shifting due to COVID-19—both in terms of employers' needs and employees' needs. Structural changes in increased telecommuting, safety protocols, and new demands on employees are a direct result of the COVID-19 pandemic. In addition, the labor market has seen a dramatic shift, from a period of low unemployment pre-pandemic to one of higher unemployment rates and increased uncertainty. However, the demand has not shifted evenly, with certain industries and types of jobs increasing in demand often coupled with difficulty filling these positions. These factors will certainly affect workforce planning throughout the rest of the pandemic and well into the future, as new norms and cultures solidify and employers adapt. Stakeholders—including the New Jersey Department of Labor and Workforce Development (NJDOL)—that support New Jersey employers, employees, and small business should consider the following recommendations for helping employers succeed in this new environment:

Unintended consequence of the CARES Act: Some focus group participants from essential services industries expressed difficultly in adequately hiring and expanding staff to meet current needs and demands. Many of these participants specifically cited the extra $600 per week of unemployment insurance benefits provided through CARES Act funding as the primary cause. These additional funds made it more financially beneficial for some individuals to remain unemployed rather than secure new employment. However, the additional unemployment insurance benefits available through the CARES act are not permanent. Participants noted that individuals might be missing opportunities for long-term employment (and, in some cases, other benefits) by choosing to remain unemployed. Additional research should be conducted to further explore this effect to understand both the potential impact on wages and how to avoid such a conflict of interest in future emergencies.

Building in resiliency: Employers and organizations that had some procedures and norms in place for telecommuting were in a much better place to respond to the COVID-19 pandemic's impact on the workplace. The organizations that had clear processes, procedures and the necessary technology were able to transition their employees to a work-from-home model with relative ease than those that never undertook or never supported telecommuting. This demonstrates that readiness will be a key factor in responding to these types of shocks in the future—whether it be a global pandemic, a severe weather event, or other less significant disruptions that may be experienced, such as the unexpected departure of one or more employees or the securement of a new client in need of a specific skill set. Employers should learn from this experience and begin putting necessary processes in place, with support from NJDOL and others. This should include training and preparation of employees on:

- Planning, strategizing, and succeeding in uncertain times.

- Telecommuting best practices, including technology needs, management/supervision issues, including measuring performance, internal and external collaboration, data privacy issues, etc.

- Adapting to virtual engagement and building related skills, such as using virtual platforms to communicate effectively and maintaining client relationships virtually.

- Employee cross-training best practices enabling workforce flexibility.

- Fostering sustained workplace safety during a pandemic, such as how to develop standard operating procedures on social distancing, cleaning protocols, workspace configurations, etc.

Mental health and morale: Employee mental health is a serious problem that needs to be addressed urgently. An overwhelming majority of employers who participated in the focus groups expressed concern over employee mental health, along with feelings of helplessness and confusion on how to address these profound issues. Employees struggle with the increased demand on home/work balance, fear and uncertainty about the future, and concerns about physical safety and well-being. Beyond just impacting employees' ability to fulfill their job duties effectively, the immense burden of this stress can have serious implications for long-term mental and physical health. Faced with this unprecedented challenge, organizations and employers need help to address these concerns—they simply do not have the tools and skills to meet the moment. Employers need coaching, training, and programming focused on strengthening employee coping skills, addressing mental health concerns, and building morale.

Outcome-based work: The rise in telecommuting due to COVID-19 has shown that work hours for some employees can be more flexible and task-oriented rather than time-oriented. Several employers noted that during the pandemic, the workday seemed to have no clear start and finish but rather came to be defined by what was accomplished. This may result in a "new norm" where employees in specific fields, with certain jobs, can be held accountable based on completing tasks and achieving outcomes rather than the number of hours or the distribution of hours that they work. Many employers who participated in the focus groups expressed support for this nontraditional approach to work schedules, noting that the change allowed for increased flexibility for many, especially those who need it, such as parents or caretakers. As employers continue to manage their workforce throughout the pandemic, these types of flexible work schedules will become increasingly normalized, with the potential to remain permanent in the long term. However, not all types of jobs or industries can accommodate this flexibility, and the benefits of this newfound flexibility have largely accrued to middle- and upper-wage employees.

Support for Caregivers and Parents: Workforce challenges pertaining to childcare responsibilities was another prominent theme throughout the focus groups. Many of the employers who participated indicated that they tried the best they could to support parents and caregivers during this difficult time by providing some degree of flexible work arrangements. However, there may be additional ways that the workforce system can support working parents and caregivers during disruptions, such as the pandemic. Flexible hours are a good start, but NJDOL and other partners should consider what other tools and strategies can be deployed by managers and employers to support these workers who are inevitably "stretched thin" due to the

competing demands of home and work life suddenly co-existing in the same physical space. The research team recommends conducting additional research in this area, such as surveys or focus groups of working parents and caregivers, to better understand the types of support that might have helped these employees work to their fullest potential, even under such challenging circumstances.

Delivery of Training and Services: The findings of both the survey and the focus groups show that employers, small businesses, and organizations need assistance and support with workforce training and development. Further, efforts related to employee training, recruitment, and retention are often undertaken with a transactional, ad-hoc approach instead of being implemented as part of a more holistic, strategic approach. Many smaller New Jersey employers are also hesitant to participate in an apprenticeship program for various reasons, including lack of staff time to address regulatory requirements and difficulty navigating the administrative processes associated with these initiatives.

NJDOL, the state's local workforce development boards, and stakeholders such as the NJ Business Action Center, New Jersey Council of County Colleges, and others can help address these vital issues. For example, the workforce training system needs to develop more localized, customized initiatives tailored to small businesses and employers that enables them to work with existing partners. Focus group participants also expressed a need for better information and guidance materials, such as a one-stop information portal on training, hiring, and adapting to succeed in the COVID-19 environment and beyond. Establishing a single point of contact for employers on these issues would also help sustain quality control, with clear, consistent, reliable information communicated.

Finally, survey findings from this study also demonstrated that few respondents were aware of the various programs available through NJDOL that could benefit their workforce. This represents a tremendous lost opportunity for thousands of New Jersey small and mid-sized employers who could benefit from NJDOL initiatives.

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UNDERSTANDING THE WORKFORCE DEVELOPMENT

NEEDS OF SMALL & MID-SIZED

NEW JERSEY EMPLOYERS

Literature Review

March 2020

Prepared for: North Jersey Partners

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1 Introduction

In collaboration with the Employers Association of New Jersey, the Voorhees Transportation Center at Rutgers University (Rutgers-VTC) reviewed existing research on the state of workforce development and talent management practices used by small and mid-sized employers, with particular focus on use of apprenticeships. The purpose of this research is to inform the development of a survey instrument to be distributed to small and medium-sized businesses in New Jersey that will seek to understand specific challenges these organizations face in employee recruitment, retention, and training. The research also seeks to understand how small and mid-sized businesses utilize state workforce development resources, including apprenticeship programs, and what systems are currently in place for hiring, training, and retaining employees at these businesses.

The main themes covered in this literature review are: the existence of a skills gap and the resulting hiring challenges reported by employers, employer use of talent management planning as a tool to address the skills gap, and the utilization of apprenticeship programs as a workforce development tool to address hiring challenges.

2 CONTEXT

2.1 RESPONSIBILITIES IN THE WORKFORCE DEVELOPMENT SYSTEM ARE SHIFTING AWAY FROM EDUCATIONAL INSTITUTIONS

According to a 2016 Pew Research Center survey on the state of American jobs, the rapid pace of technological change has transformed both the nature of jobs and perceptions about where the responsibility lies for adapting to this change and teaching new job skills. According to the survey, 72% of the American public think that "a lot" of the responsibility for developing the right skills to participate in today's workforce rests on the individual, and 60% think a lot of the responsibility falls on the K-12 education system. There are mixed views on the role of government, business, and the higher education system in workforce training. The survey found just 16% of Americans believe that a four-year degree prepares students very well for a well-paying job in the current economy. In addition, 27% of adults with at least a four-year degree feel they lack the education and skills to get ahead at work.

According to the same Pew survey, 54% of adults in the labor force believe that ongoing training throughout their work life will be essential to staying competitive in the workplace, and an additional 33% percent believe ongoing training is important, though not essential. One-third of working adults believe they currently require additional training or education to get ahead at work. A majority of these workers believe the best way to acquire more training is by attaining a

more advanced degree. About one-third believe on-the-job training is the best route, and 17%
point to certificate programs (Pew Research Center, 2016).

2.2   CONTEXT: INCREASED NUMBER OF JOB VACANCIES

Employers, business association leaders, policymakers, and human resources managers both
nationally and in New Jersey report that the increasing number of job vacancies and increasing
length of time to fill those vacancies is concerning (Cappelli, 2015; Holcomb et al., 2018;
Ghayad & Dickens, 2012; Scheiber, 2017). While the unemployment rate has reached historic
lows, the number of job vacancies has increased (Holcomb et al., 2018; Ghayad & Dickens,
2012). Beginning in 2014, the number of job vacancies nationally has outpaced the number of
new hires nearly every month, resulting in up to 1 million unfilled jobs for some months. In
addition, the number of days to fill a job opening has increased from about two weeks in 2009 to
approximately one month in 2017 (Holcomb et al., 2018). The discrepancy between
unemployment rates and job vacancies exists across all industries, education levels, and ages
(Ghayad & Dickens, 2012).

3   ANALYSIS

3.1   IS A SKILLS SHORTAGE TO BLAME FOR THE INCREASE IN JOB VACANCIES?

An oft-cited cause for the increase in job vacancies is a skills gap, or a mismatch between the
types of skills jobseekers offer and the skills employers require (Burrowes & et al.). In 2017, as
reported in the *New York Times*, United States Labor Secretary R. Alexander Acosta told
reporters "The United States faces a serious skills gap" (Scheiber, 2017). According to a 2016
survey of human resources professionals conducted by the online publication *HR Daily Advisor*,
71.4% of respondents expected to face talent shortages within the year in an area that would
impact business productivity or success (Stephen, 2016). Similarly, finding qualified labor was
the top problem reported by businesses surveyed in the National Federation of Independent
Businesses' November 2019 report on small business economic trends (NFIB, 2019).

The New Jersey Chamber of Commerce Foundation conducted a survey in 2016 of New Jersey
employers on the hiring difficulties they face and found that three-quarters of respondents lacked
job applicants with adequate skills, knowledge, or experience. While this particular survey had a
low response rate of 64 businesses, its findings are consistent with the results of the New Jersey
Business and Industry Association's 2019 membership survey, in which 75% of members also
reported difficulty finding workers (Holcomb et al., 2018).

The specific skill shortages that the business community reports run the gamut from technical
skills to soft skills and basic skills. Peter Cappelli at the Wharton School defines these concerns

on the whole as *skill problems,* and identifies the three types of concerns that employers have expressed regarding skills. In surveys, employers frequently report shortages of skills in communication and critical thinking, English language proficiency, and basic computer skills. Cappelli defines the lack of these basic skills among employees, which is said to stem from failures of the United States K-12 system, as the *skills gap*. Cappelli uses the term *skills shortage* to refer to the shortage of specific job-related skills, such as skilled trade workers or software programmers. Finally, he applies the term *skills mismatch* to more systemic issues wherein at any point in time there may be a mismatch between the supply of skills and the demand for skills across the national labor market or within a specific sector (Cappelli, 2015).

3.2   IS A SHORTAGE OF MIDDLE-SKILLED WORKERS DRIVING THE SKILLS GAP?

Many in the business community attribute skills problems to a shortage of middle-skilled workers, which require education beyond high school but not necessarily a four-year degree. Surveys of human resource professionals and business leaders show difficulty in filling middle skill jobs (Burrowes & et al.). These jobs comprise the largest segment of the United States labor market. In 2015, according to factsheets published by the National Skills Coalition, 53% of jobs were classified as middle skill, while 43% of workers were trained at the middle skill level (National Skills Coaliation, 2017).

In New Jersey, similar to the United States as a whole, 53% of jobs are classified as middle-skill, but 37% of the state's workers have middle-skill training. In New Jersey there is also an oversupply of both high-skill and low-skill workers. While about 33% of jobs are classed as high-skill, 42% of workers are trained at the high-skill level. Similarly, 14% of jobs in New Jersey are classed as low-skill, while 20% of the labor force is at this skill level (National Skills Coalition, 2017).

While much attention is given to the shortage of middle skill workers, recent surveys have shown that there is also a shortages of managers. A 2008 survey of human resources professionals and business leaders identified attracting skilled professional workers and shortages of management or executive leadership as two major talent management challenges that businesses face (Campbell et al., 2008). Similarly, a survey of HR professionals conducted in 2016 by *HR Daily Advisor* found that the biggest shortages most HR departments face are in filling management positions. (Stephen, 2016)

3.3   ARE FACTORS OTHER THAN A SKILLS GAP DRIVING THE INCREASE IN JOB VACANCIES?

Beyond the existence of a skills shortage, research has also cast doubt on how much the skills shortage has contributed to the increase in job vacancies. A policy brief from the Federal Reserve Bank of Boston published in 2012 concludes that the pattern of increasing job vacancies with

little or no change in unemployment is being driven by something other than a mismatch between workers' skills and job demands. The authors believe a more plausible explanation for the shortage of workers is that the long-term unemployed have become less desirable to employers, or that these workers are searching for work less intensively (Ghayad & Dickens, 2012). Research has also dug deeper into the types of skills shortages that the employers may be experiencing. Peter Cappelli of the Wharton School argues in a 2015 paper that there is little evidence to support complaints of either a gap in the basic skills of workers or the supply of workers for specific occupations (Cappelli, 2015).

A 2018 report from the Heldrich Center titled *Building the Pipeline: Assessing NJ's Talent Supply and Demand*, identifies many possible causes for employers' hiring challenges in New Jersey that extend beyond a lack of qualified applicants. The report points to the following factors: a decrease in labor force participation; stubborn rates of long-term unemployment coupled with reluctance among employers to hire long-term unemployed workers; the exiting from the workforce of the baby boomer generation; and an outmigration of millennial workers to other states. Additional factors include decreasing interest in certain occupations, negative perceptions of certain tasks on the part of job seekers, undesirable work environments, and low-quality jobs. The report from the Heldrich Center notes that millennial-aged workers with middle skill levels are the largest group leaving New Jersey (Holcomb et al., 2018).

3.4 ARE EMPLOYERS USING TALENT MANAGEMENT PLANNING TO ADDRESS SKILLS SHORTAGES?

While businesses recognize the value of attracting and retaining a skilled employee base, this is not always reflected in their talent management infrastructure (Campbell et al., 2008) (Louch, 2014). Talent management, a term popularized by the management consulting firm McKinsey & Company in a 1998 research report, is the set of practices businesses employ to acquire, develop and train, retain, and reward employees (Chambers et al., 1998). According to a 2008 study of business talent management systems conducted by the Human Capital Institute, most companies are struggling to institutionalize talent management practices and programs. More specifically, they are struggling to plan for future hiring needs, acquire employees with the right skillsets, provide professional development, and develop candidates for leadership positions (Campbell et al., 2008).

Peter Louch, writing for the Society for Human Resource Management (SHRM), attributes the low quality of talent management planning to poor data collection on existing employee skillsets, a lack of forecasting methods for future hiring needs, and confusion over the appropriate level at which planning should occur (i.e. broad labor categories, more specific job families, or individual skillsets). Also, managers are focused on planning and producing results in one-year cycles, while the process of identifying talent needs and cultivating a skilled workforce occurs over a longer time frame (Louch, 2014). According to a survey conducted by the Human Capital

Institute, when employers do conduct talent management planning, they tend to only forecast their needs less than two years in advance. Forecasting for the supply and demand for the majority of critical positions, from scientists and IT staff to CEOs, typically occurs one to two years in advance. Senior and executive positions are more likely to be the focus of forecasting more than three years in advance. One in five companies surveyed performed no forecasting for critical employees (Campbell et al., 2008).

Coupled with poor talent management planning is the lack of employee training and development opportunities offered by companies. In the Human Capital Institute survey referenced above, about half of companies reported that their employees are unaware of available skill development opportunities or are unaware of the skills they should develop to support the business. According to the New Jersey Business and Industry Association's annual membership survey, 60% of NJBIA members do not offer an employee training program, and 48% do not offer experiential learning opportunities such as internships, apprenticeships, or job shadowing (Considine, 2019).

3.5 HOW DOES THE PRIVATE SECTOR PARTICIPATE IN WORKFORCE DEVELOPMENT?

Workforce development programs are an important tool used by government agencies to build the skills of workers. New Jersey's workforce development system is comprised of an array of programs managed by government agencies, county colleges and vocational schools, and business organizations. The Heldrich Center's March 2018 report *Building the Pipeline: Assessing New Jersey's Talent Supply and Demand* provides a comprehensive summary of workforce development strategies employed statewide. This report finds that businesses in the state need to take a more active role in workforce development efforts. Workforce development programs in New Jersey, similar to programs in other states, are initiated, led, and funded by government agencies and educational institutions without significant investment or leadership from the private sector (Holcomb et al., 2018). A review of federal workforce development policies compiled by the Federal Reserve Bank of Atlanta in a 3-volume series titled *Investing in America's Workforce* found that the public sector, due to limited funding, is only able to provide workforce training to a small portion of workers in the United States. While the private sector spends 8 to 10 times as much on training as both the federal and state governments combined. However, the training is not evenly distributed among skill levels and the majority of private sector training is provided to management and executive-level employees. The public sector training programs provide skills for middle and low skill jobseekers, as well as for smaller or newer businesses that do not have the resources for employee training (W.E. Upjohn Institute for Employment Research, 2018).

The report on the causes of talent shortages in New Jersey, published by the Heldrich Center, makes a number of recommendations for increased business participation and leadership in

workforce development, including increased business support for apprenticeships (Holcomb et al., 2018). The on-the-job training provided by apprenticeships is often more effective than stand-alone, classroom-based training (W.E. Upjohn Institute for Employment Research, 2018). Research on the costs and benefits of apprenticeship programs to employers shows that the full benefits are difficult to quantify. A series of case studies of businesses that developed apprenticeship programs found that the benefits they received were greater than they anticipated. The benefits that the businesses reported included: a workforce with a wider, more flexible skillset that could take on new tasks more quickly, and a deeper understanding of their work that enabled better judgement and problem solving (W.E. Upjohn Institute for Employment Research, 2018).

3.6 WHAT IS THE CURRENT STATE OF APPRENTICESHIPS IN THE WORKFORCE DEVELOPMENT SYSTEM?

Federally-recognized, registered apprenticeship programs in the United States fall into one of two groups: they may be administered directly by the federal Department of Labor (USDOL) or they are administered by a state agency on behalf of the USDOL. In either case, the USDOL or the state agency manage registration, coordinate with employers, and oversee compliance with apprenticeship program regulations. Unregistered, independent apprenticeship programs also exist in the United States, however there is much less information available about their activities and effectiveness. The USDOL encourages registration of independent apprenticeship programs, citing benefits such as increased rigor of training programs, provision of industry-recognized credentials, and potential financial incentives for the employer (Rolland, 2020).

Funding for USDOL apprenticeship programs nearly doubled from $90 million in 2016 to $160 million in 2019 (Prebil, 2019). Federal funding goes toward grants to apprenticeship program sponsors, generally intermediary organizations and a few employers, to develop new programs, or toward state efforts to expand existing programs. Federal funding also supports programs to increase the diversity of apprenticeship program participants and to cultivate apprenticeship programs in new industries, such as healthcare, advanced manufacturing, and information technology.

The USDOL, which oversees certification and quality assurance for federally recognized apprenticeship programs, reports that apprenticeship programs have steadily increased enrollment by 56%, from 375,000 enrolled apprentices in 2013 to 585,000 in 2018 (United States Department of Labor, 2019). Still, a small proportion of the workforce participates in apprenticeship programs; in 2016, apprenticeship programs produced 50,000 graduates nationwide, while two million people graduated with a bachelor's degree. A 2017 study of US apprenticeship programs linked their relative underutilization to the lack of promotion of apprenticeship as a career path, the belief that apprenticeships only lead to blue-collar work—coupled with stigma against this type of work, lack of a nationally coordinated apprenticeship

system with nationally recognized certifications, and employer reluctance to train employees or formalize existing training programs into apprenticeships (Delgadillo Lorenzo, 2017).

In New Jersey, apprenticeship programs are overseen by the USDOL. However, the New Jersey Department of Labor and Workforce Development (OLWD) recently formed the Office of Apprenticeship. The office oversees the New Jersey Apprenticeship Network and seeks to increase the number of federally registered apprenticeship programs in the state. In 2018 in New Jersey, 7,729 apprentices participated in 741 active, registered apprenticeship programs; approximately one-third of those apprentices were new enrollees (United States Department of Labor, 2019). The occupations with the largest number of apprentices in New Jersey are carpenters, electricians, plumbers, corrections officers, and steelworkers (Rolland, 2017).

Reports on regional registered apprenticeship program activities published by the Federal Reserve Bank of Philadelphia highlight new and innovative programs in New Jersey. The reports note that registered apprenticeship programs are increasingly facilitated by intermediary organizations rather than employers. The New Jersey Manufacturing Extension Program is one such intermediary organization that manages apprenticeship programs in industrial manufacturing, technical sales, and logistics, primarily for small and mid-sized manufacturers. Apprenticeship programs may also be regional or national, necessitating simultaneous compliance with multiple statewide standards. A New York-based technology training non-profit called NPower operates apprenticeship programs in six states including New Jersey. NPower worked with the USDOL to streamline the registration process on the employer and enrollee end by creating a one-page apprenticeship agreement document (Rolland, Apprenticeship Guide, 2017) (Rolland, 2020).

4 CONCLUSION

Employers nationwide and in New Jersey commonly report difficulty finding employees with the right set of skills, and a considerable volume of research and public policy exists to study and address this skills gap. In New Jersey, there is an undersupply of middle skill jobseekers, and an oversupply of high skill and low skill jobseekers. Studies of both the national employment landscape and the New Jersey landscape suggest that other factors in addition to a skills gap may be driving employer hiring challenges. A lack of long-term workforce or talent management planning may be one contributing factor. Surveys of human resource professionals and business leaders show that internal talent management planning is short-term or nonexistent. Another important factor cited by many studies is the large pool of long-term unemployed workers who may be undesirable to employers or may have stopped looking for work.

Yet another factor driving hiring challenges may be the lack of private sector participation in the workforce development system for the cultivation of middle skill workers. While the private sector outspends the public sector workforce development system on workforce training, much of that training goes toward college-educated workers. The public sector primarily serves the

middle and low skill workers who could receive training to fill vacant middle skill jobs. Recommendations for improving the national and New Jersey statewide workforce development systems frequently cite the need for greater participation and leadership from employers to create, fund, and drive training programs.

Apprenticeship is a growing workforce development tool that currently receives bipartisan support and increasing federal funding. Apprenticeship programs enroll a small proportion of all post-secondary students in the United States, but there is consensus that apprenticeship programs and other forms of on-the-job training are an overlooked but essential component of learning. The focus of recent apprenticeship programs has been to expand these types of programs into industries beyond the trades, such as healthcare and information technology. Studies of apprenticeship program policy often recommend increased and improved outreach to students, parents, and the K-12 system that communicates the benefits of apprenticeship as a desirable alternative to a four-year degree.

The current research does not examine the specific workforce training needs and practices of small and mid-sized employers, as compared to large employers. In New Jersey small and mid-sized companies make up the vast majority of employers. This results in a significant knowledge gap, as smaller employers with less financial resources may be more dependent on the public workforce system to produce workers with the necessary credentials.

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Understanding the Workforce Development Needs of Small & Mid-Sized New Jersey Employers

Survey Results Summary Report

June 2020

Prepared for: North Jersey Partners

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Understanding the Workforce Development Needs of Small & Mid-Sized New Jersey Employers

Survey Summary Report

INTRODUCTION

In collaboration with North Jersey Partners, led by the Bergen and Morris-Sussex-Warren Workforce Development Boards, and the Employers Association of New Jersey (EANJ), the Alan M. Voorhees Transportation Center at Rutgers University (Rutgers-VTC) developed and distributed an online survey with the goal of collecting information on the practices used and challenges encountered by New Jersey small and mid-sized employers[1] in hiring, training, and retaining their workforce. The survey also sought to capture data on employer familiarity with and use of apprenticeships, as well as potential workforce development resources and partnerships employers are interested in exploring as a means to support their workforce. The intent is that the information collected through the survey will be used by North Jersey Partners to develop and advocate for resources, including apprenticeship programs, specifically suited to meet the needs of small and mid-sized employers statewide.

SURVEY DEVELOPMENT AND DISTRIBUTION

Rutgers-VTC, North Jersey Partners and EANJ worked together to develop and test the survey instrument during the months of January and February 2020. EANJ distributed a test survey to approximately 40 member employers. Based on the test survey results, Rutgers-VTC refined and finalized the survey for distribution.

Rather than obtaining a random sample of small and mid-sized businesses in New Jersey, the project team employed a non-probability sampling approach to survey distribution. A non-probability sampling method is typically more cost-effective and convenient than random sampling while still allowing researchers to employ expert judgement in choosing the sample. For this non-probability sampling, the survey was to be distributed by partner organizations through North Jersey Partners and their associated networks and contacts. EANJ was the first to distribute the survey, sending an announcement to 3,058 members throughout New Jersey on March 4, 2020.

However, the emergence of COVID-19 in early March 2020 rapidly shifted the focus and attention of employers to addressing the resulting operational and financial challenges of the pandemic. After Governor Murphy signed Executive Order 107 on March 21, 2020, which required all New Jersey resident to stay at home and non-essential businesses to close, the project team made the decision to close the survey early. At that time 150 respondents began the survey, with 85 completing less than half of the questions, and 75 respondents completing the full survey. All respondents were EANJ members who were informed of the survey through EANJ email communications.

The relatively low survey response rate as a result Covid-19's impact on employers makes it impossible to generalize these results to the entire population of New Jersey's small and mid-sized employers. However, the summary of survey results provided below presents a snapshot of how NJ small- and mid-sized employers were addressing issues of recruitment, training, and retention immediately prior to the onset of the pandemic.

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[1] For the purposes of this research, a small business is defined as employing between 5 and 99 full-time workers, and a mid-sized business is defined as employing 100-499 full-time workers. While there is no single method for categorizing employers by size, these definitions are based on those employed by the U.S. Small Business Administration and supported by the recommendations of workforce development professionals consulted by Rutgers-VTC prior to the development of the survey.

I. CHARACTERISTICS OF SURVEY RESPONDENTS

Survey respondents represented a variety of employer sizes. The majority of respondents surveyed represented organizations that employ 100-249 employees (30%), followed by 50-99 employees (22%) and 20-49 employees (19%), as shown in **Figure 1**. Potential respondents with less than five employees, more than 500 employees, or who were self-employed were not included in the survey, as the focus of this effort is on New Jersey businesses with 5-499 employees.

Figure 1: Number of Full-Time Employees (n=119)
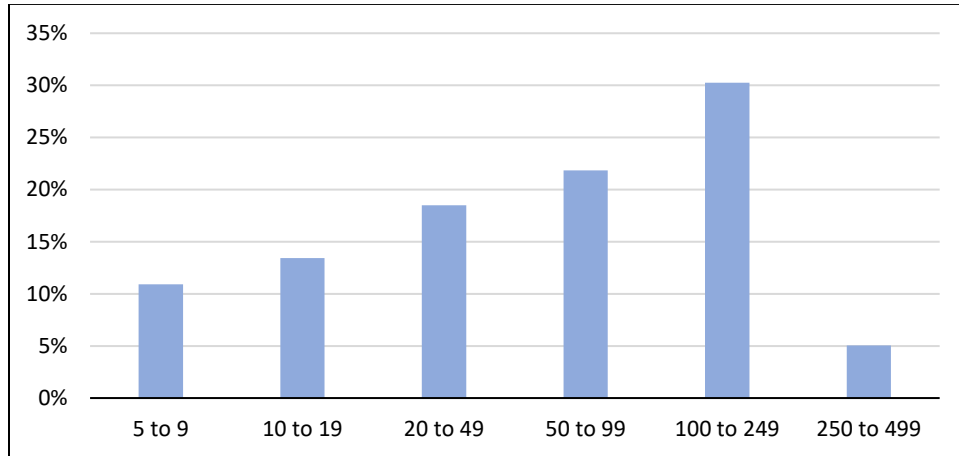
Nearly all counties in New Jersey are represented, though the majority are located primarily in northern and central New Jersey. The counties with the most respondents are Bergen (12), Middlesex (10), and Morris (10), followed by Monmouth (8) Union (8), Essex (7), and Somerset (7).

Respondents indicated the North American Industry Classification System (NAICS) sector that best describes their organization. The largest group of respondents were in the manufacturing sector (30), followed by finance and insurance (12), and healthcare (12). All other industries included in the NAICS Code were represented by at least one respondent, with the exception of agriculture, mining, and utility sectors.

The vast majority of employers surveyed rely on a full-time workforce. Of 75 respondents, just six have a workforce where more than half the employees are part-time, temporary, seasonal, or contract.

II. EMPLOYEE RECRUITMENT PRACTICES AND CHALLENGES

Respondents reported which approaches they found to be most successful in recruiting new employees, as shown in **Table 1**. Advertising (76%), current employee referrals (73%), internal promotions (67%), and online applications (65%) are the most successful strategies. Notably, no respondents reported using apprenticeships as a recruitment strategy, however 35% reported using internships and 19% reported offering on-the-job training as successful strategies. Many employers also work with recruitment agencies (41%) and the educational sector (20%) to recruit employees.

Table 1: Successful Recruitment Approaches (n=74)

Approaches	Respondents	Percent
Advertising	57	76%
Referrals from current employees	55	73%
Internal promotions or hiring from within	50	67%
Online applications	49	65%
Recruitment agencies	31	41%
Internships or other work-based learning opportunities for students	26	35%
Job fairs	24	32%
Partnering with educational sector	15	20%
On-the-job training	14	19%
Targeted recruitment of specific populations (e.g. veterans)	13	17%
Recruitment from other industries	7	9%
Apprenticeships	0	0%
Other	5	7%

As shown in **Table 2,** respondents reported that a lack of basic work skills and/or professionalism among workers is the top recruitment challenge. Out of 85 respondents, 41% selected this option as a top challenge. The second and third most common challenges are a lack of technical skills and non-competitive wages, reported by 35% and 29% of respondents, respectively. A lack of interest or knowledge of the employer sector is the fourth most common challenge, reported by 28% of respondents.

Table 2: Top 3 Recruiting Challenges (n=85)

Answer Choice	Respondents	Percent
Candidate pool lacks basic work skills/professionalism	35	41%
Candidate pool lacks needed technical skills	30	35%
Non-competitive wages	25	29%
Lack of interest in/knowledge of our industry sector among job seekers	24	28%
Not sure where to find qualified candidates	21	24%
Candidate pool lacks needed credentials/certifications	15	17%
Non-standard work hours (evenings, nights, weekends, split shift)	12	14%
Lack of transportation in our area	9	10%
Non-competitive benefits	8	9%
Qualified candidates are not interested in moving to New Jersey	7	8%
Lack of sufficient outreach on our part	4	5%
Other	11	13%
None	8	9%

While no notable differences can be reported regarding recruitment challenges for small employers versus mid-sized employers, survey findings do reveal that employee recruitment challenges vary by industry sector. As shown in **Table 3**, respondents representing the manufacturing, health care, and professional services sectors provided the greatest number of responses to the survey question regarding recruitment challenges, enabling a comparison of their responses. **Table 3** does not include sectors with a small number of responses.

In the manufacturing sector, a lack of needed technical skills is the top recruitment challenge (24%). The second greatest challenge is a lack of professionalism or basic work skills (17%). Notably, a lack of needed credentials or certifications is not a top challenge in this industry.

In the professional, scientific, and technical services sector, the two greatest recruitment challenges are a lack of technical skills (17%) and lack of awareness among employers about where to find qualified candidates (17%).

Finally, in the health care sector, the greatest challenge, reported by 31% of respondents, is non-competitive wages. A lack of needed credentials is the second greatest recruitment challenge in this sector (16%). The latter is not surprising because many health service employees, such as nurses and technicians, require licensure or certification.

Table 3: Top 3 Challenges to Employee Recruitment by Industry Sector

		Industry Sector			
		Manufacturing	Professional, Scientific, and Technical Services	Health Care & Social Assistance	All Sectors
Recruitment Challenge	Lacks basic work skills/professionalism	17%	8%	6%	**17%**
	Lacks needed technical skills	24%	17%	6%	**14%**
	Non-competitive wages	10%	8%	31%	**12%**
	Lack of industry interest/knowledge	10%	13%	9%	**11%**
	Not sure where to find qualified candidates	8%	17%	3%	**10%**
	Lacks needed credentials/certifications	5%	8%	16%	**7%**
	Non-standard work hours	6%	0%	6%	**6%**
	Lack of transportation	5%	0%	3%	**4%**
	Candidates do not want to move to NJ	3%	13%	0%	**4%**
	Non-competitive benefits	3%	8%	6%	**3%**
	Lack of sufficient outreach	0%	0%	3%	**2%**
	Other	5%	4%	9%	**5%**
	None	5%	4%	0%	**4%**
Total		**100%**	**100%**	**100%**	**100%**
Sample size (n)		**26**	**9**	**12**	**85**

Respondents were also asked to select the skill sets that they have the most difficulty finding when hiring new employees. In **Table 4**, respondents reported that they have difficulty finding employees with soft skills such as interpersonal and listening skills (33%), customer and client support skills (26%) and production and manufacturing skills (22%)

Table 4: Top 3 Most Difficult to Recruit Skill Sets (n=78)

Skills	Respondents	Percent
Soft skills (e.g. problem-solving, interpersonal communication)	27	33%
Customer and client support	21	26%
Production/manufacturing	18	22%
Trades (e.g. electricians, welders)	15	18%
Computing and Information technology	13	16%
Engineering	13	16%
Marketing and sales	12	15%
Basic skills (e.g. reading, writing, math)	11	13%
Proficiency in speaking and writing in English	11	13%
Research and development	7	9%
Administration (e.g. scheduling, clerical tasks)	7	9%
Logistics	7	9%
Executive/leadership	6	7%
Finance (e.g. budget management, accounting)	5	6%
Project management	3	4%
Other	10	12%

Some limited observations can be made about how skills needs vary for the manufacturing, professional services, and health care industries. Observations are limited to these three sectors because of small response numbers from other sectors. Notably, the need for soft skills and customer and client support skills is greatest in the health care and social assistance sector compared to other sectors. Within this sector, 22% of respondents stated the need for soft skills, compared to 15% across all sectors. Similarly, 22% of respondents within the healthcare and social assistance sector stated the need for customer and client support skills, compared to 11% across all sectors.

When filtered by industry, this data shows that certain sectors have difficulty in recruiting employees with certain sets of skills. Manufacturing employers have most difficulty recruiting employees with production/manufacturing skills (27% of manufacturers) and engineering skills (15%). In contrast, professional services employers have most difficulty recruiting employees with computing and IT skills (21% of professional services employers), engineering skills (13%) and soft skills (13%).

Small employers and mid-sized employers did not express notable differences in the skill sets that are most difficult to recruit. Similarly, northern and central New Jersey respondents did not express notable differences. Responses from southern New Jersey are limited in number and no comparison can be made. Additional data would need to be collected to understand if there are regional differences in skill set availability.

III. EMPLOYEE TRAINING PRACTICES AND CHALLENGES

According to survey responses, employee training is overwhelmingly funded, facilitated, and hosted by the employers. Among respondents, 89% reported that training is funded by the employer, while the second most common funding source is the New Jersey Department of Labor and Workforce Development (NJDOL), as reported by 8% of respondents. Training is mainly provided by internal staff (88%), followed by training through professional or industry organizations (33%), and private firms (32%). Employees typically receive training on-site (75%), but many respondents also utilize online training (59%) and in-person training facilitated at off-site locations (46%). A number of respondents, 16%, do not offer any training.

Training format varied by employer size. **Table 5** demonstrates that small employers are more likely to provide training that is in person and on-site, while mid-sized employers are more likely to utilize off-site training. Mid-sized employers may also be more likely to train employees using online courses.

Table 5: **Employee Training Format by Employer Size (n=75)**

		Employer Size		
		Small (5-99 full-time employees)	*Medium (100-499 full-time employees)*	***Total (Small and Medium Combined)***
Training Format	In person, on-site	45%	33%	39%
	Online courses	27%	34%	31%
	In person, off-site at another location	19%	29%	24%
	Other	5%	4%	5%
	None	4%	0%	2%
	Total	**100%**	**100%**	**100%**
	Sample size	44	31	**75**

As shown in **Table 6,** the top challenges faced by employers in providing employee training are scheduling time off for employees (51%), lack of resources or funding (35%), and lack of employee interest or engagement (32%). Notably, the least reported training challenges are related to the availability of training materials or courses or awareness of available training courses.

Table 6: Top 3 Challenges to Providing Training (n=81)

Training Challenges	Respondents	Percent
Hard to schedule time off from job for employees to train	42	51%
Lack of resources/funding	29	35%
Lack of employee interest or engagement	26	32%
Lack of trainers and/or expertise to provide training	17	21%
Lack of training options (e.g. virtual classes, classroom instruction)	8	10%
Lack of appropriate training materials	7	9%
Unaware of available training courses	5	6%
Lack of available training courses	5	6%

Other	2	2%
None	21	26%

Difficulty scheduling time off for training is the top challenge across all industry sectors, but it is particularly challenging to the health care and social assistance industry. Of these employers, 36% reported this as a top challenge, compared to 26% of respondents across all other sectors.

Differences were observed between small employers and mid-size employers regarding training challenges. Surprisingly, 16% of small employers reported no training challenges compared to only 8% of mid-sized employers. Mid-sized employers reported both having more difficulty scheduling time off for training and a greater lack of funding for training.

As shown in **Table 7,** employers most commonly provide training to workers on customer and client support (42%), administration (37%), and soft skills (32%). This finding is in line with respondents indicating that job candidates often lack soft skills, as shown in **Table 4**. More technical skills are the next most commonly offered training; about one-fifth of respondents reported training workers in computing and information technology (24%), production or manufacturing (21%), and the trades (18%). Basic skills such as reading, math, and English proficiency are the least common skills taught. The skill sets taught through training did not appear to differ by employer industry or size.

Table 7: Skills Taught through Workplace Training (n=75)

Skills	Respondents	Percent
Customer and client support	32	42%
Administration (e.g. scheduling, clerical tasks)	28	37%
Soft skills (e.g. problem-solving, interpersonal, communication)	24	32%
Computing and Information technology	18	24%
Production/manufacturing	16	21%
Trades (e.g. electricians, welders)	14	18%
Executive/leadership	14	18%
Marketing and sales	11	14%
Project management	10	13%
Engineering	9	12%
Logistics	8	11%
Research and development	6	8%
Finance (e.g. budget management, accounting)	5	7%
Basic skills (e.g. reading, writing, math)	2	3%
Proficiency in speaking and writing in English	1	1%
Other	6	8%
None, my organization does not offer workplace training.	12	16%

IV.   EMPLOYEE RETENTION STRATEGIES AND CHALLENGES

As shown in **Table 8**, a clear majority, or 63%, of employers identified a positive or supportive culture as a top strategy for retaining employees. The second most effective strategy, reported by 37% of employers, is offering a flexible work schedule. Access to medical or dental benefits is the third most common strategy, reported by 30% of employers. Other strategies that may help contribute to a positive and/or supportive work environment, such as leadership development, mentoring, and job shadowing, were only mentioned by a few respondents as a top strategy for employee retention.

Table 8: Top 3 Strategies for Retaining Staff (n=70)

Strategies	Respondents	Percent
Positive and/or supportive culture within our organization	45	63%
Flexible work schedule/hours	26	37%
Medical/dental benefits	21	30%
Pay increase policies	17	24%
Professional development opportunities	17	24%
Employee awareness of career advancement opportunities	12	17%
Frequent internal communications among employees	11	15%
Retirement benefits	9	13%
Accelerated career progress within our organization	7	10%
Leadership development	7	10%
Mentorship	6	8%
Work-from-home opportunities	5	7%
Job shadowing	2	3%
Other benefits (e.g. childcare, transportation, or tuition assistance)	1	1%
Other	4	6%

Table 9 shows that employers reported having the most difficulty retaining employees working in technical (27%), administrative (23%), and production jobs (23%), followed by professional (20%) and sales jobs (17%).

Table 9: Top Three Most Difficult to Retain Job Categories (n=70)

Job Categories	Respondents	Percent
Technical	19	27%
Administrative and clerical	16	23%
Production	16	23%
Professional	14	20%
Sales	12	17%
Transportation and material moving	9	13%
Cleaning and maintenance	7	10%
Retail	6	8%
Healthcare support	6	8%
Managerial	6	8%

Scientific	5	7%
Clinical	5	7%
Financial	3	4%
Food services	1	1%
Other	5	7%

Small employers seem to have more difficulty retaining workers in technical jobs, with 19% reporting this finding, compared just 8% of mid-sized employers reporting this challenge. No notable differences in retention challenges were observed by industry type.

V.   SERVICES AND PARTNERSHIPS SOUGHT

Respondents were asked identify partnerships they would be interested in forming to support their employee recruitment and training efforts. As shown in **Table 10,** employers are most interested in partnering with educational institutions to recruit and train employees. The top three entities with whom they want to partner are community colleges (38%), vocational or technical schools (38%), and four-year colleges (37%). Many would also like to partner with the NJDOL, as well as the NJDOL's One-Stop Career Centers which are located throughout the state. However, there is less interest in working with other state public workforce agencies like the New Jersey Office of Apprenticeship, which is part of the NJDOL, or the NJ Business Action Center. Reasons for this apparent lack of interest to partner with these entities was not identified via the survey effort but could be due to unfamiliarity with these employers, among other factors.

Table 10: Top Three Entities Employers Want to Partner with for Recruitment or Training (n=75)

Potential Partnering Institutions/Agencies	Respondents	Percent
Community colleges	29	38%
Vocational or technical school	29	38%
Four-year colleges	28	37%
NJ Department of Labor and Workforce Development	25	33%
One-stop career center(s)	17	22%
Private firm or instructor	16	21%
High schools	14	18%
Local government entity(s) (e.g. a municipal chamber of commerce)	9	12%
Nonprofits	6	8%
NJ Office of Apprenticeship	6	8%
NJ Business Action Center	6	8%
Federal government entity(s) (e.g. US Dept. of Labor)	3	4%
Unions	0	0%
Other	6	8%

Table 11 shows how partnership preferences differ by industry sector. For example, the health care industry and the professional services industry are more interested in partnering with four-year colleges than with vocational schools or community colleges. Manufacturers would most like to partner with vocational schools and community colleges.

As noted above, employers identified some interest in partnering with the NJDOL and one-stop career centers. The health care industry identified greater interest compared to other industries in partnering with one-stop career centers. No respondents from the professional services industries indicated interest in working with the NJDOL, while other industries did indicate interest. Also, no notable differences were observed in partnership preferences for small employers versus mid-sized employers.

Table 11: **Top Three Entities with Whom Employers Want to Partner for Employee Training and Recruitment by Industry Sector (n=75)**

		Industry Sector			
		Manufacturing	*Professional, Scientific, and Technical Services*	*Health Care & Social Assistance*	*All Sectors*
Entity	Community colleges	19%	17%	10%	15%
	Vocational or technical school	20%	17%	6%	15%
	Four-year colleges	11%	29%	23%	14%
	NJDOL	13%	0%	10%	13%
	One-stop career center(s)	4%	8%	16%	9%
	Private firm or instructor	6%	13%	10%	8%
	High schools	9%	4%	3%	7%
	Local government entities	4%	0%	3%	5%
	NJ Business Action Center	4%	4%	3%	3%
	NJ Office of Apprenticeship	6%	4%	3%	3%
	Nonprofits	2%	0%	6%	3%
	Federal government entities	0%	0%	3%	2%
	Unions	0%	0%	0%	0%
	Other	4%	4%	3%	3%
	Total	**100%**	**100%**	**100%**	**100%**
	Sample size	**18**	**9**	**12**	**75**

Survey participants were asked to specify any certification or degree programs offered by community colleges or vocational-technical schools that they felt could assist with employee recruitment or training. Twenty-nine respondents answered this question, with the most common programs noted being technical training in a variety of disciplines (9 responses), followed by legal or financial services training (4 responses). Respondents also expressed the need for training programs in basic skills and health care/human service skills.

In terms of services and technical assistance, the majority of respondents, 73%, indicated that they are most interested in a comprehensive website customized for the needs of small and mid-sized employers. Many respondents, 43%, also reported interest in a dedicated information hotline, and 29% reported being interested in statewide, in-person information sessions for small and mid-sized employers

VI.   HIRING OF APPRENTICES AND RELATED CHALLENGES

The overwhelming majority of employers surveyed indicated that they do not hire apprentices in any capacity, while 17 employers reported that they do hire apprentices. This latter category of respondents reported hiring apprentices across multiple categories. The most common job categories for apprentices are technical and production jobs, reported by 14 employers. Five employers hired apprentices for administrative and clerical jobs, and five for other professional jobs.

Table 12 shows that small employers hire apprentices more than mid-sized employers. Of the small employers surveyed, 27% hire apprentices compared to 13% of the mid-sized employers surveyed.

Table 12: Apprentice Hiring by Employer Size (Q14)

<table>
<tr><td colspan="2" rowspan="2"></td><td colspan="3">Employer Size</td></tr>
<tr><td>Small (5-99 full-time employees)</td><td>Medium (100-499 full-time employees)</td><td>Total (Small and Medium Combined)</td></tr>
<tr><td rowspan="5">Hires Apprentices</td><td>Yes</td><td>27%</td><td>13%</td><td>21%</td></tr>
<tr><td>No</td><td>73%</td><td>87%</td><td>79%</td></tr>
<tr><td>Total</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>Sample size</td><td>48</td><td>31</td><td>79</td></tr>
</table>

While a lack of detailed data eliminates ability to draw conclusions about the use of apprenticeships in any given industry, the survey results suggest that a wide variety of industries are hiring apprentices. Of the 13 industry sectors represented in this survey, nine industries reported hiring apprentices.   However, the vast majority of employers who hire apprentices do not participate in a formal apprenticeship program. In fact, just one respondent of the 17 that reported hiring apprentices participates in a formal program. Similarly, only 5% of all employers surveyed reported having worked with the NJ Office of Apprenticeship, with 37% not even familiar with the office.

Respondents indicated that the most common barrier to hiring apprentices is that apprenticeships are not applicable to their organizations (38%). Other barriers to hiring apprentices are shown in **Table 13** and include time constraints, cost constraints, and lack of knowledge about how to establish an apprenticeship. Respondents are also concerned about administrative and regulatory burdens related to apprenticeships.

Table 13: Top Three Barriers to Employing Apprentices (n=71)

Barriers	Respondents	Percent
Apprenticeships are not applicable to my organization	27	38%
Time constraints	16	22%
Cost constraints	16	22%
Do not know how to establish an apprenticeship	16	22%
Administrative burden	15	21%
Regulatory burden for my organization	12	17%
Fear of 'poaching' by rival employers	2	3%
Other	7	10%
None	9	13%

Perceived barriers to employing apprentices differ by employer size, as shown in **Table 14**. Among small employers, the greatest barrier, reported by 27%, is that apprenticeships are not applicable to their organizations. Among mid-sized employers time and cost constraints are the greatest barriers. Small employers were less likely to report time or cost constraints but more likely to report an administrative burden. Small employers were also more likely than mid-sized employers to report lack of barriers to hiring apprentices.

Table 14: **Top Three Barriers to Employing Apprentices by Employer Size (n=71)**

		Employer Size		
		Small (5-99 full-time employees)	*Medium (100-499 full-time employees)*	*Total (Small and Medium Combined)*
Apprenticeship Barrier	Apprenticeships are not applicable to my organization	27%	17%	23%
	Cost constraints	8%	19%	13%
	Do not know how to establish an apprenticeship	13%	14%	13%
	Time constraints	8%	19%	13%
	Administrative burden	15%	10%	13%
	Regulatory burden	8%	12%	10%
	Fear of 'poaching' by rival employers	3%	0%	2%
	Other	6%	5%	6%
	None	11%	3%	8%
	Total	**100%**	**100%**	**100%**
	Sample size (n)	**42**	**29**	**71**

Table 15 shows the challenges that manufacturers report when employing apprentices. Other industries are not detailed due to a lack of responses. Additionally, while apprenticeships can be applicable to many industries, they are commonly discussed as a strategy for recruiting and training new employees in the manufacturing sector. Compared to all other industries, manufacturers are more likely to perceive apprenticeships as being applicable to their organization, however they are also more likely to experience the barriers of time and cost constraints.

Table 15: **Top Three Barriers to Employing Apprentices for Manufacturers (n=71)**

		Industry Sector	
		Manufacturing	*All Industries*
Apprenticeship Challenge	Apprenticeships are not applicable to my organization	9%	23%
	Cost constraints	20%	13%
	Do not know how to establish an apprenticeship	16%	13%
	Time constraints	24%	13%
	Administrative burden	13%	13%
	Regulatory burden	4%	10%
	Fear of 'poaching' by rival employers	0%	2%
	Other	7%	6%
	None	7%	8%
	Total	**100%**	**100%**
	Sample size	21	**71**

CONCLUSIONS AND OPPORTUNITIES FOR FURTHER RESEARCH

Survey respondents represented a variety of employer sizes and industries located in counties across the State of New Jersey. Despite this representation, the relatively low survey response rate as a result of the Covid-19 pandemic's impact on employers makes it impossible to generalize these results to the entire population of New Jersey's small and mid-sized employers. However, it provides a snapshot of how NJ small- and mid-sized employers were addressing issues of recruitment, training, and retention immediately prior to the onset of a pandemic. How specifically COVID-19 will alter recruitment, training, and retention practices in the long term remains to be seen, but understanding how these practices were undertaken immediately prior to COVID-19 can be helpful in identifying strategies to adapt workforce practices to meet new needs and demands during COVID-19 recovery and beyond.

The following general takeaways from this survey can help to inform future research projects on the workforce development needs of small and mid-sized employers and shape workforce development resources in the future.

- **Increasing the utilization of apprenticeships:** While 17 employers surveyed reported hiring apprentices, none reported using apprentice programs as a recruitment strategy. On the other hand, employers commonly reported using internships as a recruitment strategy. Employer familiarity with internship programs may represent an opportunity to transition existing internship programs into more structured apprenticeship programs. Furthermore, the greatest barrier to employing apprentices is that employers do not envision apprenticeship programs as applicable to their needs. Increased outreach to employers about the benefits of apprenticeships in general, as well as the increasing variety of apprenticeship programs available in finance, healthcare, and information technology, among other sectors, could increase participation. In addition, NJDOL should consider offering non-registered and less formal, more customized apprenticeship programs, which may relieve businesses of the time associated with administrative and regulatory requirements. Outreach to students and jobseekers regarding the variety of apprenticeship opportunities may help employers increase awareness of their industry among jobseekers. In addition, the employer identified need for skilled technical, administrative and clerical, production employees is an opportunity to promote further utilization of the apprenticeship model.

- **The greatest barrier to apprenticeships is that employers do not envision them as applicable to their needs.** Traditionally, apprenticeships were designed for workers to gain skills in certain vocational trades. Employers in other industries may still subscribe to this traditional (and narrow) application of apprenticeship programs and, therefore, do not see apprenticeships as applicable to their industry. At the same time, at least one survey respondent from nearly every industry reported having an apprentice, though very few reported participating in a formalized apprenticeship program. It is possible that respondents' definitions of an apprentice could vary widely, especially among industries. The continuing belief that apprenticeships only apply to certain trades, combined with a possibly unclear understanding of what constitutes an apprenticeship program, suggests the need for better outreach to employers about apprenticeships programs and the diversity of sectors they can benefit. Further, the NJDOL and Community College apprenticeship model do not offer a customized, short term program to meet the immediate needs of business. Businesses may not have the time and resources to commit to the current model.

- **Understanding employer training practices**: The survey findings suggest that many employers are providing training for their employees, and that training is geared to build the skills that they

need most or have the most difficulty finding among job candidates. For example, a lack of basic work skills or professionalism among job candidates is the top recruiting challenge for employers by far. Workplace training, as reported by survey respondents, appears to address this need, as customer and client support skills and soft skills are among the most commonly taught in workplace training. Following soft skills, technical skills in manufacturing, the trades, and information technology are among the most difficult for employers to successfully recruit. These are also areas in which employers commonly reported providing training. More research could be conducted, such as focus groups with staff who coordinate or provide training, to better understand how employers are identifying their skill needs and then targeting training practices or programs to meet those needs. In addition, there is a need to develop training programs that limit the need for employee time-off and help to actively engage and motivate employees to participate in the training programs.

- **Understanding employer utilization of internal training practices:** Difficulty scheduling time off, a lack of funding, and a lack of employee interest are the top barriers to providing training. Despite this, most survey respondents reported that their employer does offer training, and training is largely funded, facilitated, and hosted by the employer. Further survey research should be conducted to better understand how employers are funding, facilitating, and hosting their own internal training programs. Additional information would help to better understand the robustness of the training that is offered. Further research could also uncover how employers are making use of public sector workforce training resources, and whether these resources could be modified to better meet employer training needs.

- **Increasing awareness for career opportunities and coordinating between job openings and jobseekers:** A number of respondents reported that there is a lack of interest or knowledge of their industry among jobseekers, especially among the finance and insurance, professional services, and healthcare industries. There are also a number of employers who are unsure where to find qualified candidates. These findings demonstrate a need for a better process to match jobseekers with available jobs and provide information about opportunities in industries jobseekers may otherwise be unfamiliar with. In addition, employers could pursue more diverse marketing activities to inform prospective job candidates about their sector. It is also important that the NJDOL promote the identification and development of transferable skills with workforce systems to encourage job seekers to apply for jobs in multiple industry sectors. Further research efforts could also look to understand how the COVID-19 pandemic has reshaped skill needs, while workforce systems could work more closely with sectors that are experiencing labor shortages due to an increased demand for goods and services.

- **Partnering with the education sector**: Survey respondents reported a desire to partner with educational institutions for employee recruitment and training, with top choices being community colleges, vocational and technical schools, and four-year colleges. Further research could evaluate existing partnerships between employers and educational institutions to better understand how these partnerships are forged, how they benefit one another, and where additional partnership opportunities exist for small and mid-sized employers. In addition, further research could explore the effectiveness of educational providers in delivery of apprenticeship and training programs, and whether or not they meet the needs of businesses.

- **Strengthening talent management practices used by employers:** The most common practice employers reported using to retain employees is fostering a positive or supportive business culture. However, practices that foster such a culture, like mentorship, professional development,

job shadowing, or leadership development, are less utilized by respondents. Strengthening talent management and development processes by better utilizing these tools can assist employers in providing a positive and supportive work culture, giving employees the security of understanding long-term career prospects available to them at their current place of employment. Employers may benefit from outreach on how to use talent management planning to retain employees and foster leadership roles within the organization.

The insights garnered from the small sample of employers and respondents to this survey illustrate that there is room for improved workforce development tools and programs to help train, retain and support small and mid-sized businesses in their employment practices. Increasing awareness of apprenticeship programs, along with support for expanding the types of employers who are part of formal apprenticeship programs, could help to institute a more structured job matching process and skills training programs for a variety of job positions and industries. In addition, increasing communication, information and partnership opportunities for these employers could help them both better understand what workforce resources are currently available, as well as inspire opportunities for new methods of hiring, training and retention through sharing experiences and best practices. Filling the information gap and providing tailored resources to employers will be important strategies for improving workforce hiring, training and retention in the future, especially as New Jersey businesses and employers look for guidance and assistance in the post-pandemic economic recovery.

UNDERSTANDING THE WORKFORCE DEVELOPMENT

NEEDS OF SMALL & MID-SIZED

NEW JERSEY EMPLOYERS

Focus Group Summary Reports

April-September 2020

Prepared for: North Jersey Partners

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**North Jersey Partners, EANJ, and Rutgers University
Focus Group #1 Summary Report**

INTRODUCTION
This first study focus group session occurred on Thursday, April 30, 2020 from 5:00 to 6:30 PM via an online Zoom video conference platform. A total of 12 persons participated. Tammy Molinelli, North Jersey Partners, and Miriam Salerno, Rutgers University, led the session, aided by Jane Armstrong, Andrea Lubin, Alison Draikiwicz and Sarah Tomasello. This series of virtual focus group sessions is intended to capture the diverse challenges facing New Jersey small and mid-sized businesses and employers during the COVID-19 pandemic, as well as resources supporting these employers during the pandemic.

Throughout the session, participants answered informal poll questions using the "Yes" and "No" icons on the Zoom video conference platform. Session facilitators provided instructions at the beginning of the session on how to find and use these icons to respond to questions. It must be noted that not all participants chose to answer each question, so the poll results are not complete and are only meant to give a general sense of participant responses.

PARTICIPANT DEMOGRAPHICS
There were 12 participants in total, representing 12 employers, and nine provided demographic information during the participant screening process. All nine participants identified as White or Caucasian, and two participants identified as being of Hispanic or Latino origin. Seven participants identified as female and two as male. Seven of the participants were in the age range of 45 to 64 years and two participants were 65 years or over.

EMPLOYER DEMOGRAPHICS
Participants also shared information about the employers they represented. There were four manufacturing firms, three healthcare and social assistance firms, and insurance brokerage, a local bank, a small engineering firm, a large non-profit organization, and a self-storage company. One employer had between five and nine employees, two had between 10 and 49 employees, eight had between 50 and 249 employees, and one had between 250 and 499 employees. Half of the employers were located in Bergen or Somerset counties. Employers were also located in Essex, Union, Hudson, Mercer, and Ocean counties.

DISCUSSION SUMMARY

Introductions
Participants introduced themselves. The shared information on their job position, company/business name, location, industry, and number of employees.

Operational & Other Workforce Challenges Related to COVID-19
Participants first answered several informal poll questions regarding COVID-19 related challenges experienced in their workforce. Two shared that they have reduced employee hours,

while ten have not had to take such action. Two employers furloughed or laid off employees, while eleven have not. One participant indicated that they would need to lay off employees in the coming months, while ten did not expect more layoffs.

The group was also asked to provide general feedback on the "new normal" resulting from the COVID-19 pandemic. One participant from a small retail bank explained that their lending office is very busy due to an increase in loan applications. They are also very busy handling other personal banking issues, such as 401k plan rollovers and estate settlements, issues that many customers now have time to address if they are working reduced hours or working from home. While lobbies in the bank branches are closed, drive-through window service is very busy. This participant said that their employees are in a *"get it done mode"* and are *"surviving but not in a normal environment."* There is no time for them to focus on professional development opportunities.

Following this general question regarding challenges, participants were asked to describe the single most significant challenge they expect to face in the coming six months:

Staffing
Three participants shared that securing needed staff would be a challenge as their business operations are expanding due to increased demand. One of these participants shared *"We are looking to ramp up our business in the next three or four months, so finding staff will be our biggest issue. For retaining those we have, people are scared to come to work. We're essential so we're open, but we have a lot of people on leave. But we want to meet our numbers. Staffing is our biggest challenge right now."* Conversely, one participant working in a different sector anticipated cutting a large amount of staff since their business has been reduced by about 40% since the onset of COVID-19.

Morale
Several participants worked in human resources and described experiencing challenges related to maintaining employee morale. Telecommuting has had a negative impact on morale in some cases. It has also hindered many employers' capacity for training and business development. Participants also were concerned about handling employee requests to continue working remotely after it is no longer required for the purpose of social distancing.

Safety and fears
Participants also described safety fears among employees who need to go into work. They foresee this concern continuing when more employees return to work, once social distancing requirements are relaxed. A participant in the healthcare sector said that people may want to leave their current jobs in nursing and social work for something safer and was concerned about ensuring employee safety when everyone returns to work. This participant also mentioned that employees might want to continue working from home rather than work in the office.

The economy
Participants foresee their challenges as being directly tied to the health of economy or the

availability of continued funding assistance. One participant from a civil engineering firm has already experienced a decrease in new land development projects but stated that they could benefit from any government aid package that includes funding for infrastructure projects. Another participant from a non-profit entity was awaiting a small business loan, which would help them stay afloat in the short-term.

Innovation

Several participants described the changes they had made in response to COVID-19 as an opportunity to improve company culture and try new things. One participant in the healthcare industry stated that they expended a lot of resources to start offering telehealth services, and she does not foresee rescinding that option after it is no longer required.

Perspectives on Telecommuting

Most participants indicated that at least a portion of their employees were telecommuting, if not all. For many employers, this constituted a major shift in their normal operations, though some employers already had some experience with telecommuting. Participants responded to a poll about whether they have a formal telecommuting policy in place. Three businesses responded affirmatively while four did not have a formal policy.

New to telecommuting

For businesses that had limited experience with employees working from home, they faced significant obstacles related to acquiring needed technology, getting employees on-board with telecommuting, and identifying new ways for employees to collaborate and stay in touch. One participant working in a small retail bank described having a limited number of laptops for staff to take home. Another participant described their company as "very traditional" and "paper driven" and stated the company previously did not believe in working from home. Their transition to remote work needed to happen very quickly, and some employees with desktop computers at work took them home. Despite a challenging situation, the participant said that everyone is working well, stating "*It's amazing how well we have done it for a company where it [telecommuting] is not in our DNA.*"

Previous experience with telecommuting

Most employers had some capacity for telecommuting in place before the pandemic, but it was seldom used or only used by a few employees. A participant from a small engineering firm said that all 15 of their employees were already set up to work from home, but this is the first time they have all done so at the same time. Their firm has found it challenging to collaborate on design work and review engineering plans remotely. Another participant shared that their office has permitted telecommuting in the past for two younger employees who were accustomed to remote work from past jobs. Both participants described staff staying in touch socially via online platforms such as Microsoft Teams and Google Hangouts.

A participant from a non-profit organization said that before the pandemic, they had divested of one office location and had shifted one-third of their workforce to telecommuting. Despite being

somewhat prepared for telecommuting due to this existing infrastructure, they have had some trouble with the telecommuting technologies and some staff have poor Wi-Fi connections. Also, the populations that they work with tend to have limited internet access, so they are constrained in how much they can accomplish while working remotely.

Telecommuting in the future and other observations
Many participants expect that the transition to telecommuting will not reverse once social distancing is no longer required. One participant working in human resources expects employees will want to continue to work from home, however there may be pushback from managers who are uncomfortable with that change. Another participant said that their switch to telehealth was indeed an opportunity to introduce new, better practices within their company.

One participant noted that approximately 20% of their employees are now telecommuting and it is working very well. This participant noted that working with some government agencies could be difficult, as these agencies continue to communicate via fax and mail. Two other participants described allowing increased flexibility in employee working hours, as some of their employees have childcare responsibilities during the day. Another participant also noted that telecommuting makes you feel as though you are working 24/7, which can negatively impact morale.

Funding, Recovery, and Workforce Development Resources

Resources employers have utilized
Participants were asked about the financial aid they have sought, particularly through federal assistance programs.
- Of 14 participants, six had applied for Paycheck Protection Program (PPP) funding and five had not applied.
- For the Economic Injury Disaster Loan (EIDL), two participants had applied and eight had not applied.
- Only two participants stated they had received the funding they applied for, while nine had not yet received the funding.

Unmet resource needs
When asked what their greatest unmet resource need is, two participants described lacking adequate information on how to ensure employee safety once offices reopen. One participant stated that they tried accessing information from their county health department but received no concrete instructions on procedures for handling employee cases of COVID-19 or keeping the workspace clean and safe. Another participant shared that *"Our greatest need is technology. We are very paper-driven, so if we must continue with this model, we need to have better computers, better software. Cost is the barrier."*

Workforce development needs
Three employers mentioned that securing new staff was a challenge. While their businesses are essential and currently expanding, they are having trouble retaining and recruiting new workers

due to concerns about safety. Other employers needed to reduce staff. Participants also described the need for skills development in using online video conferencing platforms and developing virtual customer service skills, as well as honing employee coping skills in the face of significant challenges. Finally, a majority of participants reported being open to leveraging government funding to train employees on the job.

Future Outlook & Conclusion

Impacts on Childcare, Transit, and Urban Development
The group discussed the topic of employee willingness and ability to return to work. One participant shared that her two employees who travel by transit will likely request to continue telecommuting. The group was also asked if their business had considered relocating to a less dense area to reduce exposure to COVID-19. One participant shared that it was too early to think about such decisions. Another participant wondered if people and businesses who have migrated to urban areas in recent years will now seek to return to the suburbs. For example, will living near a transit station continue to be beneficial? Although not certain, the participant believes that the recent trend towards urbanization will likely continue.

Several discussed that childcare issues will have a significant impact on employee willingness or ability to return to work, especially with New Jersey schools continuing to teach remotely. One added that many depend on grandparents for childcare, which may no longer be an option due to concerns regarding COVID-19 transmission impacts on the elderly. Another noted that lack of after school care options, as well as summer camp, will pose problems for many employees. Several participants noted that they currently do accommodate flexible work schedules for employees with children at home. It is also apparent that businesses are going to have to implement and manage significant changes in company culture post-COVID, including elimination of reluctance for telecommuting. With these issues in mind and the earlier discussions, nine participants were amenable to NJP following up with them post-session.

North Jersey Partners, EANJ, and Rutgers University
Focus Group #2 Summary Report

This session occurred on Thursday, May 14, 2020 from 1:00 to 2:30 pm via an online Zoom video conference. There were 12 total participants. Tammy Molinelli from North Jersey Partners and Andrea Lubin from Rutgers University led the session, aided by Jane Armstrong, Miriam Salerno, Alison Draikiwicz, and Sarah Tomasello.

Throughout the session, participants answered informal poll questions using the "Yes" and "No" buttons on the Zoom video conference platform. Session facilitators provided instructions at the beginning of the session on how to find and use these buttons to respond to questions. Not all participants answered each question using these buttons, so the poll results are not complete and are only meant to give a general sense of participant responses. Participants also responded to some discussion questions using the video conference platform's chat feature.

PARTICIPANT DEMOGRAPHICS
Of the 12 participants, seven provided demographic information during the participant screening process. Four participants identified as White or Caucasian and three as Black or African American. There were four females and three male participants. Three respondents were between 35 and 44 years old, three were between 45 and 54, and one respondent was between 54 and 65 years old.

EMPLOYER DEMOGRAPHICS
Participants provided information on the employers they represented. There were three manufacturing firms, two healthcare and social assistance organizations, a religious organization, a media buying firm, a pest control company, a federal defense contractor, a small cyber security firm, a promotional products company, and a distribution center for a large pharmacy chain. Three employers each were in Morris and Union counties. Employers were also located in Bergen, Essex, Hudson, Burlington, Ocean and Somerset counties. Two firms had fewer than 5 employees, five firms had between 5 and 49 employees, one firm had between 50 and 99 employees, and four firms had between 100 and 249 employees.

DISCUSSION SUMMARY

Introductions
Participants introduced themselves by stating their job position, company or business name, location, industry, and number of employees.

Immediate Challenges Related to COVID-19
COVID-19 Participants were asked about layoffs, furloughs and reduced hours. One participant shared that they have had to reduce employee hours, while six stated that they have not. One employer furloughed or laid off employees, while seven had not.

Participants then discussed the operational challenges they experienced due to COVID-19. Challenges shared included health and safety concerns among employees, issues stemming from unemployment benefit policies, and difficulty replacing in-person interactions with virtual interactions. Other challenges included employee difficulty commuting via public transit due to reduced bus schedules and employee need to provide childcare.

When asked to describe the single most significant challenge their business is facing today, comments shared focused on employee compliance with "the new norm" and determining how to successfully help employees overcome fears related to COVID-19 and the workplace. When asked to describe the greatest challenge their business will face in the next 6-12 months, comments again focused on learning how to adapt to "the new norm;" getting workforce "buy-in" to returning to office environments; concern with a recurrence of COVID-19; and various personnel issues.

Health and Safety
Participants reported difficulty in helping employees feel safe at work. One participant that works in human resources for an essential distribution firm said that she has the option to telecommute, but she instead commutes two hours to work almost daily to help boost employee morale and help the employees feel less fearful. She said her employees want to come to work because they understand the importance of their jobs, but they are also afraid of contracting the virus. Another participant described employees feeling fearful about contracting coronavirus despite the extensive precautions the business is taking by following CDC guidelines.

Some participants reported trouble with employees complying with new safety and health precautions. One participant had difficulty getting staff to adapt to social distancing restrictions and cleaning requirements. They are now sending out "*weekly newsletters with things to do and just pictures of what you should and shouldn't do.*"

Unemployment
Several participants reported COVID-19 unemployment stimulus policies are having negative impacts on employee retention. One participant representing an essential services firm said that hiring workers was already challenge for them pre COVID-19 because of the low unemployment rate in New Jersey. Now, jobseekers expect higher pay for doing high risk work (that might expose them to the virus). Further, with the additional $600 in unemployment benefits offered via the federal CARES Act, many workers can earn more money on unemployment than working on the job. Another participant who operates a business which provides social support services said that "*employees [were] telling me that they would make more money not being in the office and filing for unemployment*". Two participants shared that they will be giving financial or time-off bonuses to employees to bolster morale and thank those who have worked during the pandemic.

Virtual challenges
Respondents also reported challenges using virtual modes to conduct work traditionally undertaken in-person, face-to-face. The participant from a social support services firm said that

shifting their services online has been challenging because they have lost the personal connection with their clients in doing so, especially with young clients with a short attention span. Another participant from an essential services firm expressed challenges with training employees over virtual platforms, stating that in-person training is more effective overall.

Telecommuting

All but two participants noted that at least a portion of their workforce was telecommuting. Commentary on telecommuting was overwhelmingly positive, with several noting the process was an easy transition for most employees. One participant remarked that for telecommuting to succeed several factors must be in place including trust; standard operating procedures for telecommuting; and excellent workforce communication skills. While participants' overall experience with telecommuting has been positive, they also discussed initial challenges they faced when transitioning employees to at-home work and ongoing challenges they are working to resolve.

- **Preparedness:** Participants described varying levels of preparedness for the transition to telecommuting. In some cases, workplaces already had the needed technology for telecommuting and had some employees telecommuting pre COVID-19. One participant from a media buying firm said that his employees are technologically skilled and always had the capability to work from home, so the transition to telecommuting has been seamless. Another participant explained that her office did not initially have the technology that employees needed to work from home, so they had to order laptops and purchase more software.
- **Trust and Accountability**: Participants discussed the strategies their companies are using to maintain trust and accountability between telecommuting employees and their managers. A participant mentioned that employees are *"getting used to telecommuting but we have to work as a whole team on the trust issues."*. This transition can be difficult for some managers who are not used to telecommuting. She added that some managers hold a daily morning staff meeting and require employees to send an email at the end of the workday to note completed work. Other managers require a less structured telecommuting arrangement, trusting their employees to engage and complete their deliverables in a timely manner.
- **Longer hours:** The participant from the media buying firm shared that some of his employees are working harder from home and are working more hours compared to when they worked in the office. Although they are successfully telecommuting, these employees are missing opportunities to socialize with each other which they typically enjoyed.
- **Reducing office space:** Some participants described plans or preliminary discussions to continue to permit telecommuting and to reduce company office space. One participant reported that the CEO of the business where she works has informed senior management that he anticipates a portion of their employees will continue telecommuting full-time post COVID-19 and that he consequently may seek to secure smaller office space to reflect the anticipated decrease in office staff. Another participant shared a similar

sentiment, indicating that they will be reducing their office space by 50 percent to accommodate new policies that will entail half of their workforce telecommuting from home on any given week.

- **Challenges for parents:** Several participants discussed the challenges faced by employees who are telecommuting with children at home. Participants noted that permitting flex hours was especially helpful to parents, as the practice enabled employees to work outside traditional hours to facilitate their ability to meet both work and family demands.

Funding, Recovery, and Workforce Development Resources

Financial Resources

Seven participants indicated that they had applied for funding through the Paycheck Protection Program (PPP), and one participant applied for the Economic Injury Disaster Loan. One participant stated that she was interested in applying for funding through the NJ Economic Development Authority, but the funds were depleted the first morning they became available. All but one participant received the funds that they applied for.

One participant whose organization received PPP funding said that their major annual fundraising event had to be canceled and they had to lay off several employees. They received funding through the second round of PPP, and the funding has been helpful to the organization.

Participants also indicated whether they applied for unemployment benefits as a self-employed individual. One participant did apply for and receive unemployment benefits.

COVID-19 Safety Information Resources

Participants described the strategies they have utilized to keep employees safe on the job or prepare office spaces for when employees return. One participant stated that her office has developed standard operating procedures and guidelines for supervisors to follow if an employee tests positive for COVID-19. For example, if an employee tests positive they must stay home for two weeks and monitor their temperature daily using a form that they submit upon returning to work. If the employee continues to test positive, the company has issued further procedures to follow. Another participant shared several safety-focused practices her business has implemented that include staggered break and lunch times; deep cleaning every three weeks with daily wipe down of commonly used office products; and moving to a varied four days per week schedule.

One participant described the need for more comprehensive guidance on how to handle the variety of issues that may arise related to COVID-19 for employers and employees. She explained that while the CDC website offers valuable information on stay-at-home policies if employees test positive for COVID-19, she frequently deals with "one-off cases" that are not addressed by CDC guidelines. For example, she is not certain how long an employee should stay home from work after testing positive or having contact with someone who has tested positive.

Another participant commented that she needs greater clarity on who is required to wear masks in the office, as her customer service staff have difficulty speaking effectively on the phone while wearing masks.

Workforce Development Needs

Participants were asked to describe any new workforce training needs that have emerged for their organization as a result of the pandemic. One participant representing a manufacturing firm described the need to cross-train employees in skills like soldering so they have the flexibility and skills to work in different departments if other employees are unavailable due to COVID-19, hiring shortages, or any other issues that disrupt the workforce.

Five participants said that they are open to utilizing on-the-job training programs if they received funding assistance. One participant mentioned that they had been involved with this type of program in the past.

Future Outlook & Conclusion

The group was asked if they foresee any new career paths or job opportunities in their industry that did not exist prior to COVID-19. A participant who owns a cybersecurity business stated that the increase in telecommuting will create a new need for cyber security firms to service and protect employee home networks, as well as employer networks. During the pandemic, his business worked with a municipal government to teach employees how to recognize malicious attacks occurring on their home networks.

As a final question, the group was asked whether their organization had given any thought to relocating to a less dense area that may be less susceptible to the pandemic. No participants responded affirmatively. Although as mentioned earlier, several did discuss downsizing office space to accommodate the number of employees expected to continue telecommuting. Another shared that her business was thinking of ways not to reduce office space, but to "better utilize" it post-COVID-19.

North Jersey Partners, EANJ and Rutgers University
Focus Group #3 Summary Report

This session occurred on Thursday, May 21, 2020 from 5:00 to 6:30 pm via an online Zoom video conference. There were nine total participants. Tammy Molinelli, North Jersey Partners and Miriam Salerno, Rutgers University led the session, aided by Jane Armstrong, Andrea Lubin, Alison Draikiwicz, and Sarah Tomasello.

In addition to participating in a verbal discussion, participants also answered informal poll questions using the "Yes" and "No" buttons on the Zoom video conference platform. Participants also responded to some discussion questions using the video conference platform's chat feature.

PARTICIPANT DEMOGRAPHICS

Of the nine participants, seven provided demographic information. Five participants identified as White or Caucasian and one as Black or African American. One person was of Hispanic origin. There were five female participants and two males. One participant was between 18 and 24 years old, one was between 35 and 44, one was between 45 and 55, two were between 55 and 64, and one was over 65 years.

EMPLOYER DEMOGRAPHICS

The nine participants represented seven employers, with two sets of participants working together at the same organizations. The employers represented included two large non-profit organizations, an international manufacturer, a professional services firm, a small digital and print publishing company, a law firm, and a construction management firm. Of the seven organizations, three employed less than 20 employees, four employed 20 to 99 employees, one employed 100 to 249 employees, and one employed over 500. Three employers were in Essex County, two in Bergen, one in Camden, and one in Mercer.

Challenges Related to COVID-19

Participants described the challenges they faced due to the COVID-19 pandemic. Challenges discussed include loss of revenue, communication with furloughed employees, safety concerns among essential employees, and maintaining safe work environments.

- **Lost Revenue**: Two participants described dramatic decreases in billings from clients and revenue from accounts receivables. One participant in publishing (print and digital) saw their receivables shrink by 75%. However, they were able to set up delayed payment plans with some clients so they could continue to work but get paid later. They also halted printing operations for some time, switching to digital publishing only. However, they still had to cut employee pay 50% for one pay period. Eventually they received Paycheck Protection Program (PPP) funds, without which they would not have been able to remain in business. A participant at a large law firm said that billings have been reduced by 25% and receivables are their greatest challenge. While some departments within the law firm are experiencing increased work in legal areas relating to furloughs

and layoffs, many clients are not utilizing the law firm's services and not paying bills on time.

- **Layoff and furloughs**: Three participants worked for organizations that laid off or furloughed large numbers of employees. One business furloughed over 500 employees. The biggest challenge they faced initially was communicating virtually with these employees. Some employees who worked part-time did not have updated email addresses on file. They also faced ongoing challenges aiding employees in claiming unemployment benefits as many employees had never applied before for such benefits and/or did not have internet access at home to file their claim.

- **Communication challenges**: Two participants from a national nonprofit described challenges communicating with furloughed employees and connecting them to unemployment benefits. As a nonprofit, their employees are not typically able to access unemployment benefits. However, this policy was reversed due to the COVID-19 crisis, causing confusion among employees who were unaware that they were eligible to file a claim. One participant noted that of the 100+ employees she oversees, only three filed for unemployment. In addition to the confusion, the HR department had trouble communicating with the employees, which includes many part-timers and teenagers, about their options for collecting unemployment. With regards to teenagers, one participant mentioned that *"there is a level of professional expectation that they might not know like oh I should be checking my email every day, I wonder if there's a communication that's going out"*. One participant noted they may have more success texting these employees or leaving voicemails.

- **Employee Fears**: Another participant, who owns a construction management firm and plumbing business, described employee fears of being exposed to the virus at job sites. Despite being equipped with PPE, including a mask, face shield, shoe guards, etc., some of her employees who perform essential jobs were not willing to go into houses for interior plumbing jobs because they feared unsafe conditions. She is considering issuing a questionnaire for homeowners to complete before work is performed to check health status and to determine if the work area has been sanitized.

- **PPE and Supplies**: A participant from a large, essential firm described difficulty in procuring enough PPE for essential employees. They had to "get creative" in locating products. They procured hand sanitizer from a NJ-based craft beer company that repurposed its distillery. Another participant who works for a global manufacturing firm also described their commitment to keeping their staff safe with PPE and sanitized workspaces. She said safety is critical to ensure the continuity of their manufacturing operations.

- **Public transit:** Facilitators also asked whether participants' employees were experiencing challenges related to transportation and commuting to work. One participant

said that though they are not currently commuting during the pandemic, many of her employees take public transit and she is not sure how they will commute once they can return to the work site. She noted that currently, one of her employees who relies on public transit needs to go into the office once per month but another employee drives her to/from work so she can avoid public transit. Another participant expressed concern about his daughter commuting to New York City by bus and subway once her workplace reopens, noting he is "very scared" about her using public transit anytime soon.

Telecommuting

Most shared that at least a portion of their workforce was telecommuting, with one explaining, "It [telecommuting] wasn't possible until it became a necessity." Participants discussed the challenges their organizations have faced in transitioning to remote work. They described challenges with employee mental health; employee childcare responsibilities during the workday; interruptions from children and pets during video meetings; home office setup and remote work technology; and supervision and accountability for employees working at home.

- **Internet, equipment and security:** One participant who manages approximately 50 employees described challenges with home internet service. Some employees did not have an adequate or stable Wi-Fi connection or were accessing the internet via a hotspot. The company he works for performs government contract work that typically involves private information, so there are also data security concerns with employees accessing this information on a potentially unsecure home network. His employees are currently allowed to access the data while working from home due to the unprecedented circumstances, however this scenario may change if security issues arise. Another participant described the challenge of setting up a home office for an administrative employee who had no equipment at home but who needed to continue printing work-related documents.

- **Management Challenges:** Participants also described challenges managing employees who have recently switched to working remotely. One participant who owns a small publishing firm has all employees working from home, but some are not working well without supervision or are sometimes interrupted by children or pets. Employees who make sales calls need a quiet work space and have less flexibility to work outside of regular business hours for the purposes of childcare. The participant said that he is torn between being empathetic towards these challenges of meeting work and family demands, but also needing to run his business effectively.

- **Morale and mental health:** Participants talked in more depth about challenges they have experienced with employee morale and mental health and strategies they use to support employees who are telecommuting. One participant said that the pandemic and working from home is impacting the mental health of her employees and she regularly conducts mental health check-ins with them. One of her employees became noticeably short-tempered, and the participant helped this employee to access mental health resources through the company. Another participant noted that one of her family members is an

engineer and this person is working more than ever, so she thinks that employers should be cognizant of the mental health impacts for employees who are working more hours during the pandemic.

- **Telecommuting in the future**: Two participants commented on the possibility that telecommuting in their organization will continue after the pandemic has passed. One participant said that because they work with secure data, their ability to continue telecommuting depends on how acceptable security practices for telecommuting evolve in the short term. Another participant stated that his company has a large office space, but it may not be necessary to maintain if they are accomplishing the same work while at home. He noted that he prefers to have the office space but imagines that many other companies will consider downsizing.

Resources Used

Participants discussed the financial aid resources they accessed and described the ease or difficulty of the application process. Facilitators first took an informal poll to determine which federal and state financial aid programs participants utilized:

- Three participants applied for funding through the Paycheck Protection Program (PPP), while five did not apply.
- Two applied for the Economic Injury Disaster Loan, while six did not apply.
- Three participants said that they had received the funding they applied for, while four had not.

PPP and Loan applications
 One participant applied for PPP funding and found that *"the secret was applying to multiple banks"*. He stated that although he had a closer relationship with staff at the smaller banks, the larger bank was able to secure the funding faster. Another participant explained that his law firm was fortunate to have an existing, good relationship with a bank that frequently processes loans through the Small Business Administration (SBA), and they were able to secure PPP funding in the first round. He said the process was easier than he expected, and he thinks that those who struggled with the process were working with banks that did not have experience processing SBA loans.

Another participant mentioned that her business received PPP funds on the same day as the listening session. She had more luck initially securing financial assistance through the African American Chamber of Commerce rather than the SBA or the NJEDA. She also applied for a small business grant through the organization Invest Newark, the City of Newark's economic development corporation, though she had not yet received a response.

Some participants who received PPP funding expressed frustration with the program's eight-week deadline to spend down all the funds. One participant said this restriction created a situation in which he had more money than he needed to fund eight weeks of payroll. The participant from the law firm responded that there is no exact deadline to spend down the funds.

Rather, eight weeks is the deadline for recipients to decide whether to use or return the funds. He advised that participants wait for a clarification letter from the SBA on program deadlines.

Unemployment benefits:

Several participants shared their experiences either with applying for unemployment as a self-employed individual, or with assisting employees with the claims process. Only one participant who is a small business owner said she applied for unemployment as a self-employed person, but never followed up on her application as she received PPP funding soon after starting the application. The participant from the law firm mentioned that he had *"clients that have applied to the Pandemic Unemployment Assistance, but its caught up in the massive quagmire of everything else* [referring to the influx of unemployment applications]*"* Other participants described the long waits they witnessed others experience to receive unemployment benefits. One participant said that some of her employees had applied in late March and still had not received assistance as of May. The group acknowledged that overall, these issues related to delayed unemployment benefits are due to the ongoing "massive demand" for the benefits because of the high unemployment rates.

The two participants who work in the HR department for a large non-profit organization said that only three of their over 100 employees had applied for unemployment benefits. One of these participants noted that two additional employees had submitted unemployment applications without working through the HR department, and she expressed confusion over how they could receive benefits without working through their employer. Another participant responded that these employees could have applied through an employer they had worked for in the past 18 months.

Workforce Needs

Participants were asked to consider the greatest resource needs they have that have not been met. One participant who works in an HR department said that while information about safely returning to work is available, a great amount of effort is required to review the available guidance. She is part of a group in her organization that shares information on common COVID-19 questions, such as whether a company can check an employee's temperature before he/she enters the workplace, and she participates in webinars and conference calls on similar subjects two-three times per week.

Several participants expressed frustration with the lack of clear information on business reopening dates coupled with the short notice that is given when certain industries can reopen. A participant said that the lack of notice makes her concerned that *"we might not have a huge amount of time to plan"* Participants also felt confused about when and how reopening decisions are being made as reopening dates are set and then delayed.

Facilitators asked if participants would be interested in receiving funding to provide on-the-job training to employees. Participants expressed interest, with one citing the need for funding to train staff returning to the workplace after not working for months. She said her staff will need some degree of training on topics such as following health and safety precautions, developing

new types of customer service skills, and successfully using online meeting software. Another participant mentioned the need to train managers on how to effectively supervise employees who are working remotely.

Looking forward: Conclusions

Participants were asked to reflect on any positive changes that have occurred in their organizations due to the pandemic, as well as potential changes that still may come and impact their industries in positive or negative ways. One participant responded that it is "hard to see the positive" related the pandemic and that while he is eager for his business to re-open, he is also fearful for the health and safety of himself and his employees. He thinks that recovery will become increasingly challenging the longer the pandemic continues and that future success will depend on how fast businesses can reopen and whether people remain healthy.

Another participant explained that he is very thankful for widespread internet connectivity, which enabled his employees to continue working at home, and he is thankful that nationwide there have been no issues with network capacity. The company he works for has high speed telecommunications equipment onsite, so he was concerned early on in the pandemic that his staff would be unable to work as efficiently at home, but that concern has not materialized. He thinks that this crisis may bring technological advancements to improve telecommunication networks.

Participants discussed their overall outlook for the economy. One noted that his firm's financial advisor shared historical financial reports from periods of major economic and social turmoil (e.g. Post 9/11). Finding demonstrate that the economy eventually emerged stronger than it was prior to those events. Thus, he offered that the economy will rebound at some point from COVID-19 impacts, hopefully stronger. Another participant noted that consumption habits are changing, with consumers making decisions to buy used cars or remodel their homes rather than make major new purchases, which will benefit and hurt certain sectors.

Another participant reflected on whether he should continue leasing a large office space. This participant said that he prefers the atmosphere of working in an office, however he thinks that other companies will take a closer look at whether the cost of large office spaces is necessary and will ultimately decide to downsize. He pointed out that office space is an expensive initial investment for a business, and individuals may realize this investment is not necessary for company productivity. Another participant echoed these ideas, stating that she thinks organizations will now seek ways to reduce the size of their workspaces and have more employees work from home. She said that increased telecommuting could be a positive development and lead to a steady decrease in greenhouse gas emissions due to reduced work commuting.

**North Jersey Partners, EANJ, and Rutgers University
Focus Group #4 Summary Report**

This session occurred on Thursday, June 4, 2020 from 5:00 to 6:30 pm via an online Zoom video conference. There were 13 total participants. Tammy Molinelli, North Jersey Partners and Miriam Salerno, Rutgers University, led the session, aided by Jane Armstrong, Andrea Lubin, Alison Draikiwicz, and Sarah Tomasello.

Throughout the session, participants answered informal poll questions using the "Yes" and "No" buttons on the Zoom video conference platform. Session facilitators provided instructions at the beginning of the session on how to find and use these buttons to respond to questions. Not all participants answered each question using these buttons, so the poll results are not complete and are only meant to give a general sense of participant responses. Participants also responded to some discussion questions using the video conference platform's chat feature.

PARTICIPANT DEMOGRAPHICS

Of the 13 participants, ten provided demographic information during the participant screening process. Eight participants identified as White or Caucasian, one as Black or African American, and one as Asian or Pacific Islander. There were six men and four women. Four participants were between 35 and 44 years old, one was between 45 and 54, four were between 55 and 64, and one was over 65 years old.

EMPLOYER DEMOGRAPHICS

The 13 participants represented 12 employers. There were three finance and accounting firms, two firms that run fitness facilities, a small architecture studio, an engineering firm, a non-profit community organization, an insurance brokerage, a cosmetology school, a consulting firm, and a large manufacturer. Five employers had fewer than 5 employees, five had between 20 and 99, and two had between 100 and 499. Eight of the employers were located in Bergen County, two were in Essex, one was in Burlington, and one was in Passaic County.

DISCUSSION SUMMARY

Introductions

Participants were asked to introduce themselves by stating their position and information about their employer or the business they own, including location, industry sector, and number of employees.

Operational & Other Workforce Challenges Related to COVID-19

Facilitators asked participants to describe the challenges they faced as a result of the pandemic. Participants discussed challenges related to generating revenue as a business owner; hiring, training, and mentoring new or junior employees; a lack of detailed guidance on the procedures

businesses should follow when reopening; and employee fears about contracting COVID-19 at work.

- **Financial issues:** Several participants described financial challenges impacting their employer or a business they own. One participant, who owns fitness centers, was required to shut down all of his locations within a short timeframe. He is particularly stressed by the significant fixed costs he continues to incur to lease gym space, even while the gyms must be closed. His landlords were flexible with lease payments for the first month of closures, but he received a foreclosure threat in the second month. The gyms he owns offered online fitness classes to members in an attempt to generate revenue, however these classes did not catch on with members. He described the situation as "a struggle to survive."

  A participant working for an engineering firm also described financial issues. He said that the firm's billable hours had increased, however employees were just completing backlogged work from previous assignments and were "very *efficient in that manner"*. In actuality, their revenues had decreased because no new work was coming in. A participant representing an accounting firm noted similar concerns related to a stagnant revenue stream. He reported that they were billing clients, but not receiving payment from many.

  One participant noted that the cost of PPE has been an added financial stress on his organization. He runs a non-profit community center that provides childcare programs and was allowed to reopen, but purchasing equipment to protect staff and children has doubled operating costs. They are considering running on a half-day schedule, with children attending either in the morning or afternoon, however this would also increase their costs.

- **Remote employee training/mentoring:** Participants also reported challenges providing employee training or mentoring experiences while staff were working remotely. At an engineering firm, newer, younger employees typically received extensive mentorship from experienced engineers on essential skills such as performing calculations and understanding drawings. A participant who works for a large accounting firm described similar difficulty "transferring the knowledge" to new employees who typically receive training in the office. This lack of training has led to more work for the firm's more experienced accounting staff while newer staff have little work to do. A participant who works for a temporary staffing firm shared that most of the employers she works with are not providing on-site training for new temporary employees, making the onboarding process difficult.

- **Reopening information guidance & employee concerns:** Two participants expressed frustration with the lack of clear information on when their businesses can reopen and what precautions they must take to do so. The participants who owns fitness centers said that he received a reopen date of June 22, however his revenue depends on having a full calendar of fitness training appointments with clients which will take several weeks to schedule. The other participant, who owns a cosmetology school, faces a lack of information from the cosmetology industry's state certifying board about reopening

requirements. The participant said that she needs this information because, depending on the precautions she must take and whether she can run classes using a hybrid in-person and online schedule, the school may go out of business.

Participants also talked about the fears that employees at their organizations have expressed regarding COVID-19. Some teachers at the cosmetology school are very fearful about returning to in-person teaching, despite precautions the school is taking to make the teaching facilities safe. On the other hand, an employee at a large non-profit that recently reopened said that staff were not scared about working in-person and were excited to return, though a few staff have remained at home due to health concerns.

To allay employee fear and confusion about job security and return-to-work plans, two participants described that their companies have taken the approach of open and frequent communication with employees about these concerns. One participant, who works for a mid-sized engineering firm, said that the company was holding an all-staff update meeting every week. Management has also been transparent about the company's financial situation and have engaged employees in reopening plans by collecting input via a survey and allowing employees to choose when to return to the office. Both of these steps have boosted employee morale and trust in the company.

- **Employee lay-off and furloughs:** While discussing workforce challenges, participants indicated in the chat box whether they had laid off or furloughed employees. The participant who owns fitness centers said he *"laid off 90 employees but plans to bring everyone back"*. A participant who works for a manufacturing firm said that over half of their staff, or 30 people, were laid off and there is no guarantee they will be rehired due to a lack of sales. As their sales increase, the company plans to bring back one person at a time. A participant who runs a non-profit community center had furloughed staff but then recalled them two weeks later after receiving PPP funds. A participant from an engineering firm said staff received minor reductions in salary or hours, and they may need to hire more staff.

  One participant added that there is fear and confusion about job loss and pay reductions, because neither employees nor employers necessarily understand the meaning of terms such as "furloughed" or "terminated."

Telecommuting

Most participants shared that at least a portion of their workforce was telecommuting and described both positive and negative experiences with the transition to remote work. Participants liked the flexibility that working from home affords, particularly for people with children at home. Some also felt more productive working at home due to a lack of distractions and suggested that, in the future, employees might work on completing tasks at home by the end of each week rather than having a set daily schedule in an office. The participant who owns a cosmetology school said she was glad to have trained all of her teachers and students on Zoom a week before classes became virtual. She explained that her staff largely enjoys virtual instruction and has even identified benefits of offering beauty technique demonstrations virtually, as opposed to in-person.

Participants also shared some downsides of telecommuting. One participant, who described herself as a "workaholic," said that working from home has negatively impacted her mental health because the workday lacks a clear finish. Three participants also recounted challenges with mentoring and training employees remotely. In some cases, the lack of mentoring and training options for junior staff has led to greater workloads for more senior or experienced staff. A participant who owns a small architecture firm said that though his three staff could easily work from home on the firm's powerful, laptop-based workstations, collaborating over Zoom has been challenging.

Funding, Recovery, and Workforce Development Resources

Financial Resources

Participants discussed the financial aid resources their organizations have utilized to retain employees and stay in business. Six participants received funding from the Paycheck Protection Program (PPP) and one person applied for and received an Economic Injury Disaster Loan (EIDL). One participant who received PPP and EIDL funding was also interested in seeking a state loan via the NJ Economic Development Authority (EDA) program but lamented that the program ran out of funding very quickly due to high demand. Another participant from a non-profit organization said that donations helped cover most of the financial needs they were facing.

Several participants elaborated on how essential PPP funding was for retaining employees. A PPP recipient explained that the loan was invaluable as it enabled his firm to continue paying staff salaries. However, he is very concerned that once the funds are depleted, he will have difficulty meeting payroll. Another participant who received PPP funding called the program's extension beyond June *"a lifesaver because the fitness facilities I own must remain closed"*. He was also glad that changes to the PPP program allowed a greater portion of funding to cover fixed costs, as he has high fixed costs to lease space for his facilities.

Facilitators asked participants if they had pursued unemployment benefits. Most participants had not, but a few participants responded affirmatively. One shared that it *"took forever to receive approval"*, while the other participant reported she was approved for unemployment benefits in four days. The participant who laid off 90 employees said that about one-fifth of them had difficulty applying for benefits, while the rest experienced no issues.

Workforce Development Needs

Facilitators then guided a discussion about how employers' workforce development needs have changed as a result of COVID-19. The discussion covered hiring practices, the new skills that employees need to work successfully in the "new normal", and workforce resources employers would be interested in utilizing.

Most participants reported that they were not actively hiring new employees at this time. However, one noted that his fitness business would be hiring when they are permitted to re-open on June 22nd. Another participant shared that his engineering firm may hire a few individuals with specific skill sets in the coming months.

Participants acknowledged that there are new skills employees need to work well in this "new normal," whether that means working from home, returning to an office or production floor under new safety conditions, or working directly with customers and the public. One participant noted that "job descriptions have changed because needs have changed" due to COVID-19. Participants brainstormed the following skills that are needed to succeed in these new situations, including: the ability to demonstrate empathy towards customers and co-workers; adaptability; online marketing and social media skills; the ability to communicate effectively using virtual modes; being a self-starter with strong accountability; the ability to create or facilitate engaging virtual programs for kids; and the ability to conduct virtual training sessions. Participants were asked if they would consider offering on-the-job training to employees if they received funding assistance to offset the cost. Eight participants indicated they would be interested.

Future Outlook and Conclusion

To conclude the listening session, participants considered the challenges and changes they expect to experience at their organizations as the pandemic evolves. This discussion encompassed challenges for employees who commute via public transit, the possibility that some employers will make a permanent shift to telecommuting, concerns about liability if an employee or customer contracts COVID-19 on site, and concerns about employees following safety protocols at work.

Participants briefly discussed health concerns among employees who depend on public transit to commute to work. One participant shared that one of her employees who resides in Passaic County and uses the NJ TRANSIT bus to travel to and from the office will no longer do so due to safety concerns. The participant was instead driving this employee to and from work.

A participant with an engineering firm that has several offices nationwide explained that their New York City office has 60 employees, and transportation will be a major issue when that office re-opens because most staff have indicated they do not feel safe commuting via public transit. As a result, the firm will be re-opening this office location last. He added that one employee has shared that he is comfortable using the subway to access the office. However, the firm understands that *"what is best for one, may not be best for everyone."* Another participant remarked *"how do you keep a bus clean?"* commenting that it would be a very difficult task to successfully achieve.

In discussing the likelihood of whether their organization will continue telecommuting post-COVID-19, opinions were somewhat mixed. Some participants were undecided, while others noted they plan to continue permitting employees to telecommute. One participant suggested that "the face of businesses will be significantly different in 2021." Another shared that telecommuting is "amazing" as it has enabled her to be more productive and she likes the flexibility it affords employees. Another explained that the long-term viability of telecommuting is dependent on business industry and type. A participant representing a staffing agency reported that many of her clients plan to invest in more IT equipment so that employees can continue

telecommuting post-COVID-19, which would also permit those businesses to reduce their real estate footprints.

One participant who works closely with restaurants and retail businesses in her hometown's local business district expressed concerns about the lack of guidance on the precautions these businesses should take to reopen. She said there has been a lack of clear guidance from the state on how to set up space for outdoor dining and shopping. There are issues related to sidewalk space and whether pedestrians are going to be unsafely diverted onto the road. She also expressed concern about potential liability issues that businesses might face if a customer contracts COVID-19 at their establishment and whether there is the risk of being exposed to a lawsuit. A participant who runs childcare programs also expressed concerns about liability if a child or staff member contracts the virus at the program.

Participants expressed some concern that reminding employees to follow health and safety precautions would be challenging. One participant who works for a manufacturing firm anticipates difficulties in maintaining social distancing among the employees working in their warehouse. She added that it will also be difficult for employees to wear masks because the warehouse is very hot in the summer months. On the other hand, the participant who runs childcare programs said that he was impressed with how cognizant the children were of social distancing and hand-washing protocols. To address employee confusion or concerns about their organization's new COVID-19 protocols, several participants acknowledged the benefits of preparing an employee safety handbook.

North Jersey Partners, EANJ, and Rutgers University
Focus Group #5 Summary Report

INTRODUCTION

This focus group occurred on Tuesday, June 16, 2020, from 5:00 to 6:30 PM via an online Zoom video conference platform. A total of seven persons participated. Tammy Molinelli, North Jersey Partners, and Miriam Salerno, Rutgers University, led the session, aided by Jane Armstrong, Andrea Lubin, Alison Draikiwicz, and Sarah Tomasello. This series of virtual focus group sessions is intended to capture the diverse challenges facing New Jersey small and mid-sized businesses during the COVID-19 pandemic, as well as resources supporting these businesses during the pandemic.

Throughout the session, participants answered informal poll questions using the "Yes" and "No" icons on the Zoom video conference platform. Session facilitators provided instructions at the beginning of the session on how to find and use these icons to respond to questions. It must be noted that not all participants chose to answer each question, so the poll results are not complete and are only meant to give a general sense of participant responses.

PARTICIPANT DEMOGRAPHICS

There were seven participants in total and five provided demographic information during the participant screening process. Four participants identified as White or Caucasian and one as Black or African American. There were four females and one male. Four participants were between 45 and 54 years old, and one was between 55 and 64 years old.

EMPLOYER DEMOGRAPHICS

Participants also provided information on the employers they represented. There were two large manufacturing firms, a firm that manages temperature control systems, a small insurance agency, a small non-profit organization focused on literacy, an organization that provides skills training to adults with disabilities, and a career/technical school. One employer had fewer than five employees, two had between five and nine employees, two had between 50 and 249 employees, and two had 500 or more employees. Three employers were located in Bergen County, two were in Essex County, and there was one each in Middlesex and Hunterdon counties.

DISCUSSION SUMMARY

Introductions

Participants introduced themselves by stating their job position, company or business name, location, industry, and the number of employees.

Operational & Other Workforce Challenges Related to COVID-19

Participants first discussed the challenges they faced due to the COVID-19 pandemic. Participants spoke extensively about health and safety challenges, including preparing safe workspaces, the high cost of protective equipment, unclear health and safety guidance, difficulties enforcing health and safety rules in the workplace, and varying levels of employee concern about returning to the office. Participants also discussed the impact of layoffs and furloughs on their workforce.

- **Safe reopening:** Managing the safety of employees was a major concern among participants. Some participants worked for organizations that were preparing for employee return to work sites. They wondered how they should best set up work spaces to be safe and promote physical distancing. One participant who manages a small team of engineers within a large manufacturing company stated that managing the safety of his employees has been his biggest challenge during the pandemic. While his team predominantly works from home, staff sometimes go into the office. While there is enough office space to allow for physical distancing, the participant is wary and unsure "*that there is a good reason for employees to go into the office.*" Another participant who owns a business that maintains temperature control systems said that while he has reopened several offices, he had to close one office again after an employee's son contracted COVID-19. The office has not since reopened. In general, the participant questioned how many staff can actually work in the office while maintaining a safe distance from one another.

- **Purchasing materials to safely reopen**: Several participants expressed frustration about the high costs of purchasing equipment and materials for reopening. One participant who operates a non-profit organization said that she does not have the budget to keep offices clean to the extent needed. She said, "*I don't feel like I can keep my employees safe.*" Another participant who owns a small insurance agency said that "*the cost to the employer to prepare to reopen is high.*" She has purchased Plexiglas dividers, masks, and gloves as well as contracted with a cleaning company to keep her three employees safe.

- **Lack of clear safety guidelines:** Participants described a number of challenges with establishing clear safety rules and guidelines in their respective workplace so that employees can feel comfortable working on-site. One participant, who is the human resources director for a large international firm that was open throughout the pandemic, said that she has not received clear information regarding workplace safety during COVID-19 and her department does not know what advice to give employees. Information on health and safety guidelines has been difficult to find and/or difficult to understand, and information on protocols to follow if an employee becomes ill are constantly changing. Because they have employees working internationally, this participant also said her department was "*consumed*" with tracking possible exposure of these employees to the virus. The department also lacks guidance on how to handle

international travel concerns during the pandemic.

- **Difficulties with guideline enforcement:** Several participants described challenges enforcing health and safety rules. One participant said she feels that her human resources department is playing *"lunch lady, hallway monitors, making sure people are distancing, keeping their masks on."* Some employees are ignorant to or not concerned with the dangers related to the spread of COVID-19 and need constant reminders. This reality can make it difficult to maintain a safe working environment for employees, especially for those with underlying conditions that are at a higher risk for COVID-19. One participant mentioned that *"People with underlying health issues will continue to be fearful and stop going out as much."*

- **Telecommuting versus office space**: Several participants described varying attitudes among employees about telecommuting versus returning to on-site workspaces. The participant who manages a small engineering team said that his employees' opinions vary: some are very fearful about the prospect of coming back to the office at all, some do not like the prospect of returning to the office and having to wear a mask all day, while others had been regularly returning to the office during the pandemic because they enjoy working on-site with fewer interruptions. Similarly, the participant who manages a small non-profit organization said that some employees *"are dying to come back to the office, some are scared about going back, and some are on the fence."*

- **Furloughs and layoffs**: Participants also discussed the impact of furloughs or layoffs on their workforce. Four of the participants either had furloughs or layoffs occur, though three are planning to or have already brought these staff back to work. One participant, who owns several career and technical training schools, said that during the pandemic he laid off 180 out of 375 total employees. He explained that most of the layoffs impacted staff with lower pay grades because he needed to retain staff with certain teaching credentials in order to maintain school accreditation. He believes he will only be able to recall about 30 staff who were laid off. However, he noted these individuals may be more willing to remain unemployed because they can receive a higher income with unemployment benefits. Another respondent whose organization had layoffs explained that the number of employees recalled will depend on the state of the economy in the coming months. If the economy does not improve, his company will have to be extremely selective in who they recall. One organization furloughed staff but continued to pay them for one day per week in order to cover their healthcare expenses.

- **Pay cuts for some staff:** Several participants explained how higher-level staff took pay cuts to minimize widespread layoffs and furloughs. In one organization, highly paid employees received a ten percent pay cut. Though there were still some furloughs at that organization, the participant said that employees respected the fact that higher level staff took pay cuts. One participant described how, in a company he recently sold to new

owners, some managers wanted to take a pay cut to prevent furloughs and layoffs, however the new owners refused because they wanted to ensure they retained all of their managerial staff.

Perspectives on Telecommuting

Throughout the listening session, participants shared both positive experiences and concerns about their organization's transition from working in-person to telecommuting. Several participants described steep initial obstacles related to a lack of equipment or a lack of employee knowledge about technology. They also described challenges in maintaining employee morale remotely and finding strategies to continue to manage employees who are telecommuting. One participant shared that the key to successful staff telecommuting is to identify new management methodologies for teleworkers.

- **Difficulty transitioning:** Some participants described initial challenges in the transition to remote work. One participant who owns a small insurance agency described this transition as her greatest challenge since her staff had no prior experience working remotely. She said that though she and her staff seemed to use technology well while working in the office, their usual processes did not translate well to working remotely. The participant noted that when they went remote, they "*realized that a lot of what we were doing was antiquated, such as faxing forms or printing and signing forms that could be digital.*" Another participant explained that the suddenness of the transition to remote work was a challenge for her organization, which had to "*suddenly figure out how to do everything they did in-person, virtually, including external meetings.*" One participant mentioned that some of her staff continue to have unreliable at-home internet connections that can be disruptive.

- **Employee morale**: Participants also talked extensively about the impact of full-time telecommuting on employee morale and the strategies they have used to help employees continue to feel engaged. The participant managing a small non-profit organization said that she had to "*figure out ways to continue engaging with staff and understand how staff are doing.*" She added that while telecommuting has posed some challenges, it has also presented opportunities. Her organization holds bi-monthly staff meetings and regular project meetings, which she noted helps her staff feel more cohesive while telecommuting because they continue to work closely together and regularly interact with one another. A participant who operates an organization that provides skill-building programs for adults with disabilities said that she and her six staff have informal virtual coffee meetings every morning, where they simply chat and debrief on the previous day, which she noted contributes to staff's overall mental health. Another participant mentioned that he feels isolated working from home, and that he "*misses the coffee breaks and office gossip.*" One participant described holding virtual gatherings for employees, like retirement savings seminars and leadership skills classes, as a strategy to help them re-engage and connect with one another.

- **Technology challenges:** While some participants shared that their staff were able to transition to virtual engagement via multiple platforms such as Zoom, Skype, and Microsoft teams very quickly, others explained that adapting to technology while telecommuting has been a challenge. One participant noted that setting up online education was expensive, however, it is proving successful and working well. Another mentioned that employees had different levels of familiarity with technology and that some of the existing technology these individuals were using was antiquated. Thus, it took her business some time to return to normal levels of service. Another mentioned unreliable internet as a major technology hindrance and still another shared the challenges in having to quickly determine how to do everything they once did in-person, virtually, including external meetings.

- **Productivity and looking ahead:** The group had varying opinions on the overall success of telecommuting and whether employees will continue telecommuting after the pandemic. One participant felt his employees were not as productive working at home compared to when they work in the office. However, regardless of productivity issues, some of his employees will need to continue telecommuting because they cannot safely accommodate everyone in the office. Looking towards the future, he thinks that finding new ways to manage people who are telecommuting is a challenge that needs to be addressed. Another participant said that some of his employees felt more productive working at home than at the office. This participant believes that "*it's important to break the paradigm that you have to be in the office.*" Another participant mentioned that "*if you look at corporate jobs, most people sit at a computer all day and go home,*" demonstrating that much of their work is doable remotely with appropriate technology connections.

Funding, Recovery, and Workforce Development Resources

<u>Financial</u>

Participants discussed the financial aid resources they accessed during the pandemic. Two participants, one who manages a non-profit organization and one who operates a small insurance agency, both applied for the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL). Both received PPP funds and one received EIDL funds. They said that the funding was very helpful and enabled them to retain staff and maintain cash flow. One participant who works at a large international firm noted that PPP was not designed for organizations with over 500 employees, so the firm worked with its insurance company to secure funding. No participants applied for funding from the NJEDA. The participant who runs a non-profit organization noted that only one round of NJEDA funding was open to non-profits.

Participants also briefly discussed the experiences of employees applying for unemployment benefits. One participant who had employees who applied in both New York and New Jersey said the unemployment process in New Jersey was more difficult in comparison to New York. Another participant who manages a human resources department said that employees expressed a lot of confusion about which unemployment program they should apply for.

<u>Unmet Resource Needs</u>

The participant who manages a human resources department for a large firm reported that her greatest unmet resource need was "*the clarity of information. Information was changing daily*." She explained that for some time there was no reliable guidance on how to handle employees who became ill or who needed to apply for unemployment benefits. She stated that, "g*uidelines were coming out to 'TRY this, we'll see what happens' and I found that difficult to relay to my employees.*" Overall, she felt uncomfortable communicating information and advice to employees that was not solid or consistent.

The participant who manages a non-profit organization was pleased that non-profits have been eligible for more public assistance during this crisis, compared to the 2007 recession. She explained that nonprofits were locked out of all financial assistance during that recession, so she feels it is a positive development that non-profits have been able to access government funds during the COVID-19 pandemic.

<u>Workforce Development</u>

Participants described the skills their employees need most in order to be successful in the "new normal" created by the pandemic. Several participants cited the need for increased competency with virtual communications. One participant said that only one of the staff on her small team knows how to use Zoom, and all staff will likely need to use the platform regularly, even as their business resumes. Another participant noted that online communication skills training would be valuable for her staff. She explained, *"a lot can be misinterpreted through an e-mail."* Another participant stated that his managers need training on how to supervise employees working remotely, as well as how to conduct performance reviews and manage employee success virtually.

Two participants described training needs specific to manufacturing and production. One participant said that being forced to lay off employees during the pandemic made them realize "*they could do more with fewer employees."* They are now interested in cross-training employees to be able to perform multiple job functions. Another participant stated that the majority of new manufacturing advances are in software, and thus, employees who work on engineering manufacturing systems need to be more literate in software systems.

Facilitators asked participants whether they would provide on-the-job training to employees if they received funding to subsidize the cost of training. Five participants expressed interest, and several said that they do on-the-job training "*all the time,*" but had never received funding for their efforts.

Future Outlook and Conclusion

To conclude the listening session, participants discussed employee challenges with commuting via public transit and managing childcare responsibilities during the day when working remotely. One participant reported having employees who commuted via public transit before COVID-19, but added they are currently working from home and will likely be fearful to travel by transit now. Another participant said that an employee with underlying conditions is afraid to take the

bus to work due to crowded conditions she has encountered. The participant encouraged this employee to obtain a doctor's note to continue to work remotely.

Participants described offering substantial flexibility in the workday to enable employees to manage childcare issues. One organization has offered second shifts and split shifts to accommodate employees with children and shared that some employees have taken family and medical leave benefits to care for their children. Two participants have permitted their employees "*just to work when they can work.*" One noted that childcare needs will continue throughout the summer at least, as summer camps remain closed. Another noted that with telecommuting, there are more work hours in the day given the lack of commuting time, which helps some employees to more easily balance work and family demands.

North Jersey Partners, EANJ, and Rutgers University
Focus Group #6 Summary Report

INTRODUCTION

This focus group occurred on Tuesday, September 22, 2020, from 5:00 to 6:30 PM via an online Zoom video conference platform. A total of eight persons participated. Tammy Molinelli, North Jersey Partners, and Miriam Salerno, Rutgers University, led the session, aided by Jane Armstrong, Andrea Lubin, and Sarah Tomasello. This focus group session was convened with persons who had previously participated in one of the study's earlier five focus group sessions. The intention of this follow-up session was to assess how challenges faced by these New Jersey small and mid-sized businesses during the COVID-19 pandemic have altered during recent months and to acquire more information on the types of training and workforce resources that would be beneficial to their business moving forward.

PARTICIPANT DEMOGRAPHICS

There were eight participants in total. Four identified as male and four as female. All participants provided demographic information during the participant screening process. Eight participants identified as White or Caucasian, and one participant identified as Hispanic. Seven participants were between 45 and 65 years old, one was between 35 and 44 years old, and one was 65 or older.

EMPLOYER DEMOGRAPHICS

Participants also provided information on the employers they represented, which was a mix of small and mid-sized businesses, including two nonprofit organizations, a law firm, a manufacturing firm, several engineering firms, a title insurance firm, and a healthcare provider.

One employer had fewer than five employees, two had between five and nine employees, two had ten to nineteen employees, one had between 50 and 249 employees, and two had 250 to 499 employees. Four employers were located in Bergen County, and there was one each in Essex, Mercer, Ocean, and Middlesex counties.

Introductions Participants introduced themselves by stating their job position, company or business name, location, industry, and the number of employees.

Operational & Other Workforce Challenges Related to COVID-19

Ms. Molinelli inquired how participants were now handling some of the core challenges they previously discussed experiencing during the COVID-19 pandemic. She also asked if they were facing any new challenges. The following themes emerged from this discussion:

- **Telecommuting:** Participants shared feedback on their experience of telecommuting. Several noted that the majority of their employees have returned on-site, while others noted that telecommuting continues. Several who indicated that their employees are back on site added that they are continuing to permit a modified telecommuting schedule and/or employee flex time. One participant detailed that his firm prepared their return to the office in planned phases to ease staff back to the office with a flex-work policy available for those acting as caretakers for children or seniors. Several concurred that employees at higher risk of infection due to health conditions were continuing to work remotely.

  Both challenges and successes related to telecommuting were discussed. One participant explained that the initial challenges of telecommuting involved securing and covering costs for needed equipment (e.g. laptop computers). Once that was resolved, her employees had to learn how to deliver services virtually. One benefit she noted is that telecommuting has "opened up a new world" for persons seeking the literacy support that her nonprofit offers. Specifically, virtual programing has eliminated geographic barriers. Staff are able to work "as if boundaries aren't there" and, for example, students in Gloucester County and Union County can easily take the same online course. Conversely, those clients living in "technology deserts" may "struggle to have devices and, if they have devices, for connectivity."

  Another participant explained that her staff has been "more efficient than they ever were" working remotely as opposed to on-site and that both she and her employees "love working from home." She plans to reduce her office space when her lease expires in February 2021 due to her commitment to continue employee telecommuting, stating that, "I don't ever see us going back to being all trapped in an office." A fellow participant echoed her sentiments regarding increased employee efficiencies with telecommuting but noted that a core challenge for his engineering firm has been successfully mentoring junior staff virtually. One participant responded that she encountered a similar challenge and that offering some initial in-person mentoring proved beneficial for their junior staff.

  One noted that while his younger staff seem comfortable with the virtual engagement required with telecommuting, many older employees report missing in-person interactions and work experiences.

- **Furloughs and layoffs:** Several participants indicated that a small segment of their employees were laid off or furloughed. One firm laid off several employees with very specialized skills and temporarily transitioned field-work teams to part-time. Two

participants shared that several staff have left of their own volition, with one participant sharing that 26 employees have left his engineering firm. Interestingly, half of those who left are pursuing opportunities outside of the engineering field, as he indicated that many saw the pandemic as an opportunity to rethink their careers or try new things. A few participants shared that they have hired one or more new employees in recent months. In both cases new employees were found through networking and personal connections/referrals.

- **Office IT:** One participant shared that his engineering firm's IT staff are facing challenges in addressing unanticipated workload spikes when handling issues such as phasing in new equipment and meeting a myriad of employee IT-related requests and needs. He reported that moving forward, his firm will provide all employees with laptops so they are prepared to rapidly transition to telecommuting if needed. Another participant noted her nonprofit has made the same decision regarding purchasing laptops for all employees. One participant's law firm was already using remote-work ready software systems and had to change their IT only to adapt their clients to receiving digital instead of paper billing.

- **Safe reopening:** Managing the safety of employees continues to be a key concern among participants. Some businesses have begun allowing employees in the workplace whether for printing, management staff only, or larger groups of employees. Several shared that their business now has safety protocols in place, with one noting employee temperatures are taken at the entrance each morning. One participant shared that his firm is observing a four-phase approach to re-opening and has transitioned its NJ office to phase three (75% in-office) however, nationwide, the firm closes offices if there is a local spike in COVID-19 cases such as the case with the re-closing of their Florida office. Another participant shared that his company has become more efficient working remotely and opened the office for employees to stop by when they need while keeping the office closed to the public. One employer had polled employees about their preferences for returning to the office; as a result, younger staff returned to the office and older respondents were more likely to want to stay home. Those not on the list to return to the office are required to alert the office in advance if they plan to visit the office to meet a client in-person.

Funding, Recovery, and Workforce Development

Ms. Molinelli inquired how participants were managing workforce and financial issues in light of the COVID-19 pandemic.

- **Financial Resources:** Participants discussed the financial aid resources they accessed during the pandemic. Several participants shared that they received one or more loans. Loans were essential for cash flow. Two participants revealed that clients have been paying much slower, one company being paid for its services an additional three to four months later than the usual payment time.

- **Workforce Development Needs:** Participants noted issues with employee mental health, as well as hiring, training, and mentoring new staff in a virtual format. One participant noted several employees leaving to transition to different career paths.

  o *Employee mental health.* One participant described how their firm has a lot of people struggling to adapt to remote work. In response, the firm offered expanded mental health services and facilitated discussions about recent Black Lives Matter protests. One participant used grant money to hire a new Director of Mental Health and Wellness to help staff navigate issues raised by the political climate, stating "I'm all for having the uncomfortable conversations [but] . . . I did not envision this going on in addition to COVID." Another participant shared her company's efforts to increase the assistance available to staff, reorganize safety policies, and create a cultural diversity committee. Participants provided varied reports on how their workforce viewed remote work. Some older staff missed the social interaction of in-person work and some younger staff missed the networking and career-building interactions of in-person work. Older and younger staff with less social needs or greater at-home productivity have reacted positively to working remotely without the social distractions of the office.

  o *Training.* Several participants concurred that training and mentoring new staff was difficult to accomplish virtually. One person noted "the biggest challenge we're having is coaching and mentoring young staff" and "that individual cultural element is missed." Another participant has had staff visit the office on a temporary basis to mentor newer employees in-person. Another participant from an engineering firm reported an overall difficulty for the staff in accessing specialty training programs involving very specific engineering field work. Training new staff virtually is still an open issue for several participants including those that have yet to hire new staff and do not have a virtual process in place. One participant stated, "The ways that we know how to train staff are to be with them and for them to learn from us. Doing that virtually, there would be a learning curve for sure."

  During the focus group, participants completed an informal poll of their top workforce training needs related to the workplace changes caused by COVID-19. The most needed training topics were "Building employee coping skills" and "Using virtual modes to effectively communicate." Complete poll results are shown in Appendix 1.

  o *Hiring.* A few participants shared that they have hired one or more new employees in recent months. Others responded that financial incentives to take on new hires or apprentices would not be a major driver to acquiring new hires in light of the difficulty of training and workforce development in a virtual environment.

Future Outlook and Conclusion

To conclude the focus group, participants considered their future and current needs with respect to training and workforce development. Participants noted the need for a way to measure engagement when conducting virtual training and that it was hard to know the results of employee training when it came to non-quantitative "soft skills." Currently participants are likely to do new hire onboarding and employee training on a case-by-case basis. One participant shared that they scheduled specific times for mentors and mentees to meet in-person for shadowing.

Looking toward the future, some have had issues making a rotation of different employees available to interview new candidates and some have had to pause hiring new entrants to the field. One participant stated that a monetary incentive to take on new employees or apprentices would not address the bigger issues around the inability to provide quality new-hire onboarding and training. The participants considered the possibility of a single point of contact resource to get help with all issues related to staff development; while two participants were receptive, one expressed reservations on whether a single resource would be nuanced or flexible enough to act as a one-stop-shop with respect to all training and development topics.

Appendix A: Post-Listening Session Information Gathering

1. If you have hired employees since our initial conversation, how did you identify candidates? Did you use a job search website, LinkedIn or another methodology?

- "Fortunately, we have not had to hire employees for our Bloomfield, NJ location. However, we have hired employees in our various plants around the US. Since we are an essential industry (transportation), we have been in continuous operation throughout this year, so recruiting has been normal."
- "We had identified the employee at a college job fair prior to the pandemic and offered him a job in April."
- "We hired one employee. A current employee referred the candidate. (Employees in the same industry often know each other and we find that the best way to find suitable experienced employees.)"
- "We have used all of the above plus recruiters."
- "Current Employee Referrals and LinkedIn"
- "We identified them utilizing our applicant tracking system. We post on several job boards (i.e. Monster, Indeed, Zip Recruiter) as well as utilizing specialized trade associations, colleges and universities."

2. If North Jersey Partners could provide you with the opportunity to receive funding ($1,000 to 5,000) to train a new employee, would you be interested?

- "Possibly interested. Our NJ office is administrative, so I'm not sure what training could be provided, for example, to a new employee in sales, accounting or admin. Also, we have an average of one opening per year, and there are no open positions at this time."
- "Absolutely. Assistance with training would be very helpful."
- "Funding to train a new employee would always be welcome. We would consider hiring one more employee at this time."
- "What training would it be? We could possibly use OSHA training for employees to be field ready. I'd need to learn more about the guidelines or parameters of the money and criteria for how its spendable."
- "Yes, I would need to understand the method or approach of training though."
- "Yes, soft skills (handling stress, crisis management, etc.) for line staff and for new supervisors coping as a new supervisor, delegation and communication."

Appendix B: Zoom poll results

Figure 1: Please select the topics that your workforce needs training in (n=7)
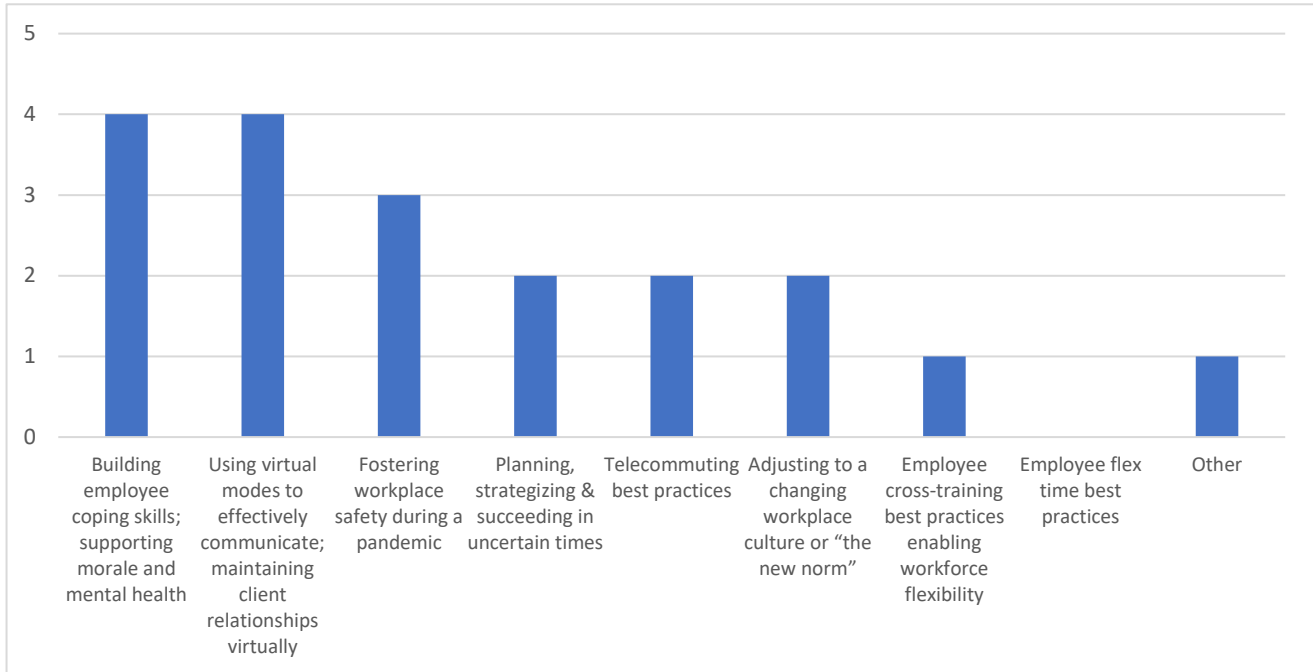
North Jersey Partners, EANJ, and Rutgers University
Focus Group #7 Summary Report

INTRODUCTION

This focus group occurred on Tuesday, September 29, 2020, from 5:00 to 6:30 PM via an online Zoom video conference platform. A total of six persons participated. Tammy Molinelli, North Jersey Partners, and Miriam Salerno, Rutgers University, led the session, aided by Jane Armstrong, Andrea Lubin, and Sarah Tomasello. This focus group session was convened with participants in one of the study's earlier focus group sessions. The intention of this follow-up session was to assess how challenges faced by these New Jersey small and mid-sized businesses during the COVID-19 pandemic have evolved during recent months and to acquire more information on the types of training and workforce resources that would be beneficial to their business moving forward.

PARTICIPANT DEMOGRAPHICS

There were six participants in total. Five identified as female. Three participants identified as White or Caucasian, one participant identified as Asian or Pacific Islander, and one participant identified as Black or African American. Two participants were between 45 and 54 years old, two participants were between 55 and 64 years old, and one participant was between 35 and 44 years old. One participant did not provide demographic information during the participant screening process.

EMPLOYER DEMOGRAPHICS

Participants also provided information on the employers they represented, which was a mix of small and mid-sized businesses, including four finance and insurance organizations and two educational services businesses.

Three employers had fewer than five employees, two had between fifty and ninety-nine employees, and one had between 100 and 249 employees. Four employers were located in Bergen County, and there was one each in Mercer and Somerset counties.

DISCUSSION SUMMARY

Introductions: Participants introduced themselves by stating their job position, company or business name, location, industry, and the number of employees employed by their company.

Operational & Other Workforce Challenges Related to COVID-19

Ms. Molinelli inquired about how the core challenges that employers are facing related to the COVID-19 pandemic have evolved compared to earlier in the crisis. The following themes emerged from this discussion:

- **Managing Virtual Relationships:** Several participants described adjusting to negative long-term effects of telecommuting and social distancing. One employer in the education field shared that student attendance and engagement dropped as telecommuting continued

and the novelty of remote learning wore off. Students and teachers were fatigued by virtual learning and "as time wore on, it became harder and harder for them to pay attention… to understand that practice is what they need to be doing." Accomplishing simple tasks, like keeping track of attendance or making sure staff were doing their work became difficult. Students also lack opportunities to practice practical skills in the school's clinics. Another firm in the corporate training space also experienced difficulty in building business relationships when working with clients and business partners that lacked the technological ability to virtually engage via web-camera. This participant stated that "It's been challenging to carry on relationships, to feel like you're connected when you're unable to even see each other".

- **Formal Telecommuting Policies:** The participant in the education field shared that while initially staff were productive without the need for formal telecommuting policies, after several months of social distancing they needed to adopt written policies to solicit attendance, engagement, and productive behavior from students in virtual classrooms.

- **Safety Adjustments:** Several employers have adjusted their offices and work schedules to implement a safe re-opening process. One participant from a small bank reported that most of their 65-person staff returned to the office in June because their work process is highly collaborative and hands-on. However, customer access to their offices is still limited; the bank requires customers to make appointments or to use the drive-thru. Another participant returned staff to the office in July after installing plastic barriers to enforce social distancing in the workplace. However, customers have not returned in the same volume as before.

  Two employers discussed returning to the workplace on alternating schedules. One firm now has the workplace cleaned twice per day and has one half of the staff work in-office one day, and the other half work in-office the next day. Because they process large volumes of incoming mail daily, the company must closely monitor the number of gloves and masks they have on hand. One employer in the education field is testing a schedule of "one week in the school, one week out" but states that "fear is a big issue now."

  Two employers also shared how client and customer behavior has influenced their work. One participant now seeks assurances in advance that customers will be willing to socially distance and wear masks when visiting her office. While another employer stated, "it really is up to the client" and will deliver training services in-person if a client decides they can provide a safe working environment.

- **Future of Virtual Work:** Participants discussed the potential for virtual work in a post-COVID-19 environment. Three employers were receptive to some form of long-term virtual work. One participant in the education field was open to changing the curriculum to allow for some remote learning in the future but shared that most of their instruction needs to be hands-on. This participant stated that, "You can't really learn to cut hair without someone showing it to you and actually being there and doing it, but you can learn the theory of it remotely."

  Another employer who is an insurance agent was willing to consider 25-50% remote work in the future as well as sharing office space with another insurance agent to decrease real estate overhead. One employer shared that they are willing to continue

remote work in order to realize a return on their investment in new remote-work technology.

- **Future of Staffing:** Participants discussed the potential for office or staffing changes in a post-COVID-19 environment. One employer hired a remote worker from another state for clerical work while she and other staff focused on new sales to offset their revenue loss. Another much larger firm has increased overall production by 50% and "[has] not stopped hiring since March." Both companies leveraged pre-existing relationships with external agencies to locate new employees, and the larger firm also heavily uses its employee referral program for hiring. One employer described the need to change the job descriptions of employees to reflect the different sets of tasks they now have to tackle due to remote work and staff furloughs.

- **Employee Childcare Challenges:** One participant had several employees take leave to care for their school-age children. This participant shared that, when it comes to safe reopening, "while the workplace may be ready to accept employees, the communities are not ready." The company started offering alternating shifts to retain the employees they have already trained and allow them to be partially employed.

Funding, Recovery, and Workforce Development

Ms. Molinelli inquired how participants were managing workforce and financial issues in light of the COVID-19 pandemic and the current political climate.

- **Financial Resources:** Participants discussed the efficacy financial aid resources offered during the pandemic. Two participants received payments from the federal Paycheck Protection Program (PPP). One company was able to use PPP payments to retain staff and did not have to furlough or layoff anyone. The other company to receive PPP payments did have to furlough several staff, while several others retired. They spent a lot of their PPP funds on cleaning the workplace and anticipate that new cleaning standards will increase their cleaning expenditures by approximately $100,000 per year.

  One participant applied for financial support offered to home businesses through their county. Another participant shared their disillusionment regarding the financial aid process. She found the application process to be "somewhat difficult," because of the amount of information required. She stated that "There would be a lot more people applying if the process wasn't so difficult. They did it so that it would turn people off."

- **Workforce Development Needs:** Participants discussed training and technology issues and answered a poll on skills for which training is most needed.

  - *Employee mental health:* Participants discussed the impact of recent social issues on the workplace. One participant noted that among her corporate clients "its reached a point where you can't even have a civil conversation at the watercooler because things are so emotionally driven right now." Nevertheless, across many sectors, these corporate clients have recognized that employees need a safe space to talk about current events and issues. Another employer noted that senior

management bears the stress of safe re-opening, shifts in income and volume, and social issues while other employees remain predominantly "task driven."

- *Training.* In an informal poll facilitated during the focus group, participants indicated that "Cross-training to enable workplace flexibility" was the most-needed training topic. The second most-needed topic did not have clear consensus, with a four-way tie between "Planning, strategizing, and succeeding in uncertain times," "Building employee coping skills," "Adapting to virtual engagement and building related skills," and "Adjusting to a changing workplace culture of the new norm."

  With respect to technology, one participant indicated that their staff can learn and train each other on new technology, stating, "I don't know how to use Google Classroom but that's not going to stop me. I'm going to figure it out because I'm a teacher." However, they would appreciate a resource that recommends *which* new platforms and software to learn. Employers also noted a lack of basic computer skills in new-hires or younger employees, such as knowledge of Microsoft Excel, as well as a lack of social skills. One employer stated a need for employees with telephone, marketing, and telemarketing skills.

- *Apprenticeships.* Two employers indicated openness to learning more about apprenticeship training programs.

Future Outlook and Conclusion

To conclude the focus group, participants considered their future and current needs with respect to utilizing workforce development resources. One participant observed that employees may be reluctant to go through the time consuming of registering for professional development courses at community colleges. The employer would be willing to invest in workforce training resources for these employees if the process were uncomplicated, possibly by sending employees out for one-day trainings without extensive registration or onboarding processes. Another participant expressed a desire for training delivered through webinars. Participants agreed that a website containing resources should be available in addition to any formal training program, but that a chat feature would be useful to get help in navigating the website. One participant stated, "Sometimes a website is so cumbersome with so much info you don't know what to do."

Appendix A: Zoom poll results

Figure 1: Please select the topics that your workforce needs training in (n=6)