

Downtown Deli reopening

Phoenix landmark gets new life and late-night hours

STEVEN TOTTEN, 12



May 5, 2017



WORKING IN THE TRENCHES

Employers are using creative and unique ways to rebuild their workforces from the ground up. But it's not easy finding workers after entry-level jobs were shredded during the Great Recession.

MIKE SUNNUCKS, 4-6

DARRYL WEBB | SPECIAL TO THE PHOENIX BUSINESS JOURNAL

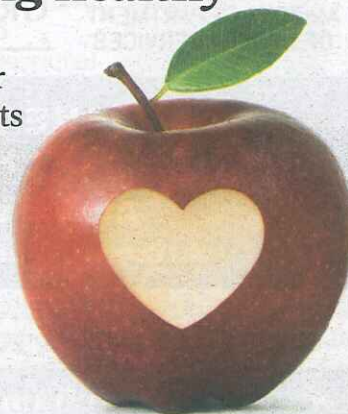
SPECIAL SECTION

Companies focus on living healthy

With insurance costs continuing to rise, Valley businesses are looking to get their employees healthier. This week highlights those efforts as part of the Healthiest Employers program. **PAGES 15-30**

THE LIST

The Valley's Healthiest Employers **20, 23, 25**



ENTREPRENEUR

COOKING UP A NEW WAY TO SELL 35

REAL ESTATE

Arizona investors focus on tax shelter

Amid plans to change the U.S. tax code, real estate investors are keeping an eye on one particular way to save money. **MIKE SUNNUCKS, 8**

HEALTH CARE

Arizona Health-e Connection rebrands

The statewide nonprofit's new name, Health Current, reflects what it's been doing on health information exchanges. **ANGELA GONZALES, 10**



EXECUTIVE INC. **Pack**

LIVING LIFE AS A TRANSFORMER 33

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State Farm recruiter DeAnne Prigmore is just one of the recruiters looking to hire people to fill empty cubicles in Building 5 on the company's Tempe campus.

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VALLEY COMPANIES FIND UNIQUE WAYS TO FILL 'HELP WANTED' NEEDS

The regional job market slowly may be improving but employers across a number of sectors find themselves competing with each other for workers. That's forcing them to think outside the box.

BY MIKE SUNNUCKS
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Shelley Randall posts on Craigslist. Tom Hatten has found what he's looking for "in line at Costco." Tammy Liter pins some of her hopes on television ads. And, Cole Johnson is turning to refugees from an unlikely home country.

They are among Valley business owners and human resources executives looking to recruit, hire and retain workers in a labor market wrestling with rebuilding after many companies shredded their employment from the bottom up during the last crash.

Large employers such as Amazon.com Inc. (Nasdaq: AMZN), State Farm and Boeing Co. (NYSE: BA), as well as local companies are getting creative to find and keep those workers. It comes in a job market where employer and

employee loyalty are at a minimum, automation and e-commerce are changing labor needs and employers can find themselves competing across sectors for applicants.

Employers complain they can't find qualified workers and they want universities, community colleges and trade schools to help bring in turnkey worker bees who can fit quickly into jobs.

But many employers – including in the construction and real estate industries – cut from the bottom during the last crash, said Todd Ostranksy, general manager for Graycor Construction in Phoenix. Employers fired their less-experienced staff first and foremost.

"Looking back, that was a mistake, because many of these employees moved on to new industries and never returned to construction," he said.

That left personnel pipelines barren to fill entry-level jobs with workers who would move up the ladder to more expe-

rienced positions.

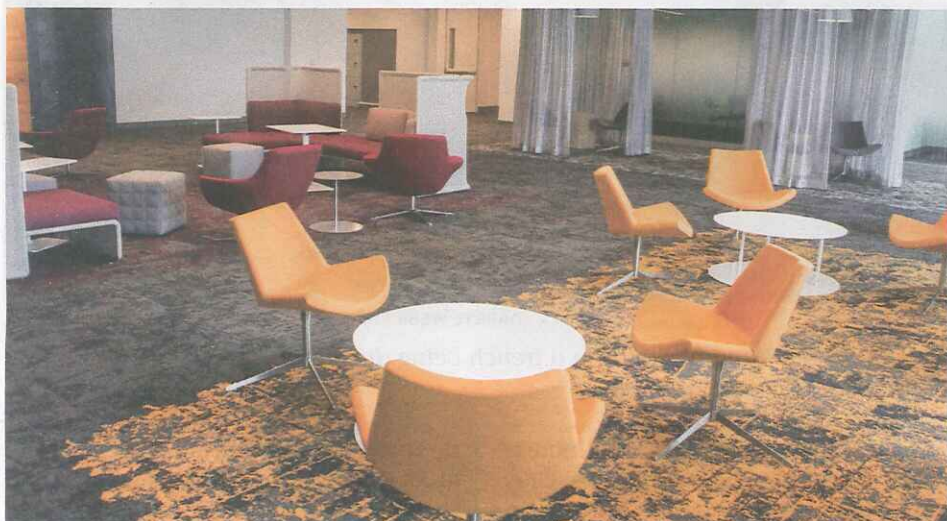
For sectors where employees are in demand, companies are prone to poach the best workers from each other.

"As a small business, we are up against stiff competition with larger companies offering excellent incentives to attract the best people," said Shawn Goetzinger, partner and director of construction at Form Third Design Build in Phoenix. "In order for us to respond to this challenge, it is important for us to connect our employees with a purpose that is larger than the job itself."

Lee McPheters, an economist at Arizona State University's W.P. Carey School of Business, said the Phoenix market's nature can work for and against employers' hiring efforts.

The region's growth brings in more workers. According to the U.S. Census Bureau, 81,360 people moved to Maricopa County between July 2015 and July 2016. That growth and lower wages

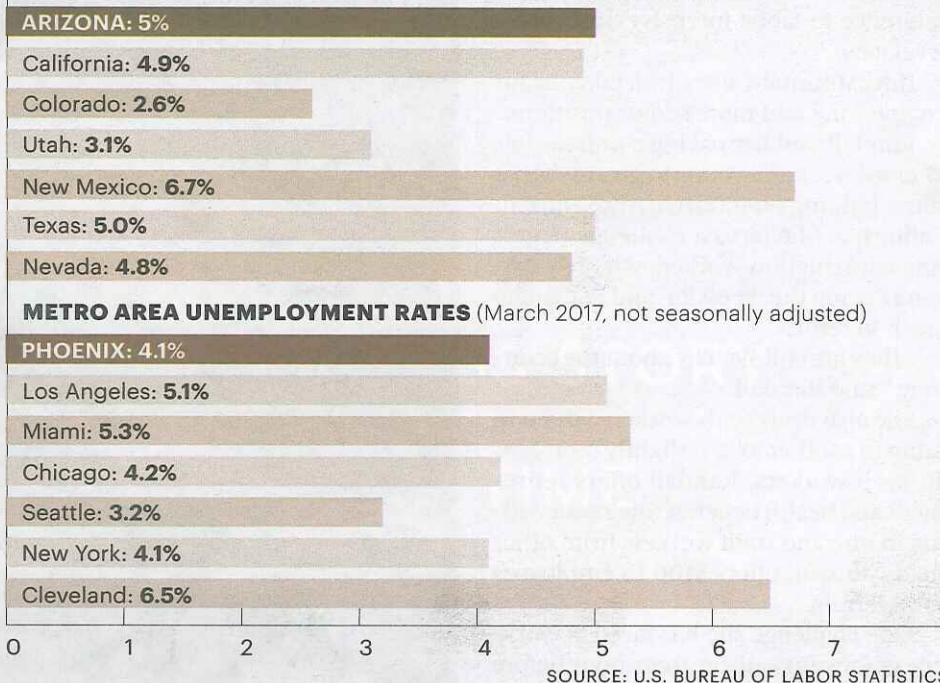
COVER STORY



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TOP: State Farm's campus in Tempe has five buildings next to Tempe Town Lake. ABOVE: One of the casual lobbies in building 5 on its Tempe campus.

STATE UNEMPLOYMENT RATES (March 2017, seasonally adjusted)



SOURCE: U.S. BUREAU OF LABOR STATISTICS

PHOENIX METRO AREA (March 2017 jobs)

1.75 million Total number of private sector jobs
50,800 Year-over-year change

INDUSTRY	NUMBER OF JOBS	YEAR-OVER-YEAR CHANGE
Manufacturing	121,600	1,300
Construction	107,000	3,800
Finance	140,900	9,100
Health care	251,000	6,700
Retail	234,800	2,700
Administrative support	198,300	4,400
Restaurants, food service	174,800	13,800

SOURCE: ARIZONA DEPARTMENT OF ADMINISTRATION

paid to workers here compared to other big U.S. cities results in employers being stingy with pay, McPheters said.

"It can be difficult to find workers – at the wages they want to pay," he said.

Finding the right fit

So how are employers – large and small – navigating the job market waters? We asked owners and human resources representatives at several companies in various sectors, the challenges they face and how they are recruiting and keeping workers.

Contractor turns to refugees, youth sports to find workers

Cole Johnson, president and CEO of Paul Johnson Drywall Inc., is an outside-the-box thinker when it comes to staffing his Phoenix-based contracting business, which has more than 1,700 employees in Arizona and Nevada and is looking to hire as many as 1,000 more this year.

Johnson has brought in workers on seasonal guest worker visas, offers health benefits and even sponsors dozens of youth sports teams in an effort to hire and keep workers. The latter has been good marketing for Johnson, who estimates he can spend between \$300 and \$2,000 per youth team.

"We sponsor anyone who asks," Johnson said.

Johnson also partners with Catholic Social Services to bring in refugee workers to fill some spots, with starting pay about \$17 an hour. He wants to hire as many as 300, mostly Cubans, while avoiding political hot spots such as Syria and Iraq.

Johnson said he's found hiring refugees is easier than all the paperwork and bureaucratic barriers to use visa worker programs.

Amazon.com: 7,000 Arizona workers and growing

Amazon.com Inc. has 7,000 employees in the state, most at distribution cen-

ters in the Phoenix market, according to spokeswoman Ashley Robinson. The e-commerce giant is hiring 100,000 full-time workers nationally and another 30,000 part-time and customer service employees during the next six to 12 months.

"This year we expect to fill hundreds of positions in our Phoenix and Good-year facilities – if not more," Robinson said.

Amazon uses traditional staffing agencies to fill jobs. It also likes to transition seasonal and part-time workers – who prove themselves – into full-time slots.

Amazon hopes to retain its top workers by offering stock awards and covering 95 percent of costs for classes related to high-demand positions. Amazon's stock is more than \$940 per share.

Finding workers on Craigslist

Shelley Randall, president of InterMountain West Civil Constructors Inc. in Mesa, posts some job openings on Craigslist for her construction paving contracting company.

"Craigslist is the best place for paving foreman and below," said Randall, in



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General Manager of Graycor Construction Co. Todd Ostransky in his Phoenix offices.

COVER STORY

CONTINUED FROM PAGE 5

reference to labor-intensive and entry-level jobs.

InterMountain uses Indeed.com for engineering and more senior positions.

Randall said her paving company has 27 employees and wants to grow when it starts bidding on infrastructure work in California. She faces a challenge in getting construction workers who left Arizona during the recession and real estate crash to return.

"They are still sketchy about the economy," said Randall.

She also deals with workers who will jump to another job for slightly more pay. To keep workers, Randall offers retirement and health benefits. She's also willing to hire and train workers from other fields. Russell offers \$100 to employees for referrals.

One challenge she has faced is workers who went out on their own before the downturn to start small businesses in construction and other fields. Some of those are returning. Some are not.

Growing an employment village in Tempe

State Farm Insurance hired 225 new workers at its Marina Heights campus on Tempe Town Lake, and that was just for April.

"We plan to hire 2,000 people this year," said spokeswoman Naomi Johnson. There are already 6,300 workers at the Tempe campus with plans to grow to as many as 10,000. The Tempe center houses customer service, claims, financial and other positions. Johnson said State Farm tries to send employees currently in positions it is hiring for to college job fairs.

The Marina Heights campus is part of the growth of Tempe as one of the top employment centers in the region.

Johnson said the biggest challenges are convincing job applicants they won't be selling insurance and finding workers with foreign language skills to help customers, particularly Spanish, Mandarin, Cantonese, Vietnamese and Korean.

"Our biggest challenge in Phoenix are our in-language hiring needs," Johnson said.



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InterMountain West Civil Constructors President Shelley Randall stands in a trench being dug in the backyard of a Scottsdale home to carry gas and electrical lines to a gazebo.

Mountainside Fitness opened a fitness center at the State Farm development. Mountainside's soon-to-be 1,300 employees might be different than some of the workers sought by other employers but CEO Tom Hatten said he's found trainers, instructors and managers in various places.

"We are very lucky as we get some of our best employees from our membership... but I've hired people in line at Costco," Hatten said.

Construction firm focuses on in-house referrals, mentoring millennials

Graycor has 27 employees in its Phoenix regional office and 1,500 nationwide. Todd Ostransky, general manager for Graycor, wants to hire six employees during the next six months and 10 this year.

Ostransky said his company increasingly relies on in-house referrals. Graycor employees get bonuses for bringing in referrals. The value of the bonus depends on the position.

"Referrals have been a tremendously valuable tool for us, because talent attracts talent, and employees who are happy with their jobs recruit people who are usually positively vested in our company before they are even hired," he said.

The construction company has established mentoring programs for new millennial hires to link them with seasoned employees.

Boeing hopes innovation inspires younger applicants

Boeing Co. has 3,600 employees in Mesa where it is best known for building Apache helicopters. But Boeing also

does work on drones and cybersecurity at its Falcon Field facility. Tammy Liter, the company's HR site leader in Mesa, said being able to work with others has become a paramount job skill for Boeing.

Boeing and other engineering and aerospace companies work with Mesa and Chandler-Gilbert community colleges on certificate and training programs in their fields. Boeing also puts a focus on hiring veterans with 19 percent of its Mesa workforce having served in the military. That number is even higher when it comes employees working on Apaches.

Boeing has produced television ads promoting the company as a driver of future technology and transport — including space flight. Liter said that appeals to millennials who attach purpose and innovation to their paychecks. ❧



THE SEARCH FOR WORKERS

Employers face all kinds of recruitment and retention challenges — including job applicants with little or no employment experience and high turnover rates. Here's a sample of some local businesses hiring plans and how they are trying to fill jobs with the right employees.

FAIRYTALE BROWNIES

Location: Phoenix

Type of business: Brownie bakery and gift retailer

Number of employees: 40 regular and 100 to 125 seasonal staff

Hiring for now: Corporate sales, sales and service team leaders, social media content specialist. Seasonal hiring starts in July.

Interesting workforce recruitment tools: Advertising seasonal jobs on Craigslist and recruiting from Art Institute.

Biggest workforce challenges: High turnover with production workers, attendance

AZPRO

Location: Avondale

Type of business: Printing and graphic design

Employees: 80

Hiring for now: Hiring six workers now and 40 this year with a mix of entry-level and skilled employees in design, production, clients services and printing.

Interesting workforce recruitment tools: Indeed.com, West Valley career fairs, referrals from employees to friends and families.

Biggest workforce challenges: Job candidates with little or no workforce experience

LGE DESIGN BUILD

Location: Phoenix

Type of business: Construction and construction design

Employees: 48 in Arizona

Hiring for now: Seeking five to 10 high levels leadership positions.

Interesting workforce recruitment tools: Scouting firm and organic recruiting from applicants who see LGE's design and construction work.