

Surviving the Labor Shortage

Joe Arvin

On a personal level, one of the challenges that I have faced during the past months of the pandemic has been my inability to visit with customers. This is something that I truly enjoy. While phone calls, Zoom meetings, and emails have been a necessary alternative, nothing beats face-to-face interactions and the discussions that result.

Thankfully, as these barriers have started to be lifted, I am once again having the opportunity to meet with people in person. As usual, one of my first questions is, "What problems are you having?" I am happy to report that I have heard many stories of strong business activity and even record backlogs. On the flip side, I have also heard many reports of a serious problem stemming from increased business volumes. One of the major problems is the shortage of workers.

The worker shortage is something that we are all fully aware of. In fact, I find it amazing to see help-wanted signs absolutely everywhere. This is a problem that exists not only in the United States, but in other countries as well. The reasons for this problem are myriad, but the million dollar question on everyone's mind is, "How long will it last?"

A few weeks ago, I had the opportunity to attend a presentation at the open house of Fusion OEM. Located in Burr Ridge, Illinois, they are an award-winning, CNC systems integrator for collaborative robots, focused on automating machine tending solutions for CNC turning and milling machines to increase productivity. During the presentation, the speaker provided some fairly compelling data about the global labor shortage and the sobering forecast that the labor shortage in manufacturing will not be ending anywhere in the near future.

Given the extensive nature of this serious problem, I wanted to share some information that manufacturers may find useful in navigating through this challenge.

Looking Beyond the Conventional Recruiting Methods

In the past, there have been a number of traditional methods used by companies for recruiting employees. These include:

- Job listings on your company website
- Signage on your property
- Print, radio, and online advertisements
- Social media
- Staffing agencies
- Online recruiting portals such as Indeed, ZipRecruiter, Monster, and others
- Job fairs

While these methods still have a place in a well-rounded recruiting strategy, many organizations are finding that these existing efforts are not meeting their needs during the current labor shortage. What is a manufacturing company to do?

As with other problems in manufacturing, the key to improvement is to use innovation. I would like to suggest that this current problem will require some innovative thinking and techniques by company leaders. Here are just a few ideas.

Finder's Fees and Signing Bonuses

In any tight market with increased competition, one way to stand out is by the use of incentives. For example, consider offering current employees a finder's fee for people they send in to apply for a job. If these people are hired, and stay for a minimum of three months, you would then pay the referring employee a fee of \$500 to \$1,000.

One company I spoke with relies heavily on word-of-mouth referrals by their employees. While these recruits are not likely to be highly skilled, it may be a good way to connect with someone who possesses aptitude and a good work ethic. Remember that the days of trained people showing up at your door are basically gone. I believe that most manufacturers now realize they will have to provide this training, but they want to invest that time and expense into someone with the "right stuff."

The same approach applies to providing incentives to the people you recruit. Consider offering initial signing bonuses as well as additional bonuses periodically after their on-board date.

People in Your Community

As you interact in your community, such as when you are getting your oil changed, having new tires installed, shopping at a store, or eating at a restaurant, keep an eye out for people who are hard workers and appear to be interested in doing a good job. As appropriate, try to start a conversation about job opportunities that you may have. Give them your business card and ask them to contact you for more information.

Those of us in the power transmission industry are aware of the well-paying jobs and solid career opportunities that exist. But this does not mean other people in our community know about this as well.

Plant Closings

Even though many companies are doing well these days, there are others that will need to close their doors for one reason or another. When you hear about the closing or the regional relocation of a manufacturing company, you need to take immediate action. Be sure to contact their Human Resources department or someone else you may know from the company. Ask if they would give you the contact information of employees who might be looking for a job. Then, be sure to personally contact every single one to schedule an interview.

Ex-Military Personnel

If the opportunity presents itself, consider hiring veterans that are transitioning out of the service to the private sector. These people will generally have very desirable traits as potential employees.

Specialized Job Postings

Both the American Gear Manufacturers Association (AGMA) and the Society of Manufacturing Engineers (SME) have online job listings from their member organizations. While these are similar to conventional job listings, they are, however, very specialized to the manufacturing industry. Seriously consider taking advantage of these focused channels.

Be a Place People Want to Work

Acquiring good people does not end with someone starting their first day of work. You must retain people you like for the long run. For this reason, it is important that you provide a place where people will initially want to work and then want to remain working.

A few weeks ago, I had a conversation with Jared Lyford, the Director of Manufacturing Operations at Forest City Gear, in Roscoe, Illinois. I have known this excellent organization run by Fred and Wendy Young for many years. During our discussion on the topic of retaining workers, Lyford had comments that I thought were very important for others to consider.

“Work environment is a key component for us. We interview and record the responses of all new hires to understand the influential factors in why they selected our company as a place of employment. Many of them say that the clean, organized, and efficient manufacturing floor is a large contributor. It is our opinion that when the employee’s environment is conducive to high performance, high-performing individuals will arise from that.

Culture is another important component of our workforce retention. We have fostered a collaborative team environment where assisting and training is celebrated. That attitude is hard for new employees to overlook.

Combine the above attributes with competitive wages and a rich benefits package and you have the ingredients for a winning recipe when it comes to employee retention.” (Jared Lyford)

Get Into Gears

In your recruitment efforts, as potential employees learn about you and your industry, it is important to have printed material available to support your communication efforts with them. The good news here is that the AGMA Foundation has produced a package of materials for this purpose and they are available to use free of charge. This campaign, which is entitled Get Into Gears, includes all the selling points of why a person should consider a career path in the gear industry. The digital tool kit can be downloaded from their website at agmafoundation.org/getintogears.



PRECISE. POWERFUL. PRODUCTIVE.

kapp-niles.com



Technical Schools and Programs

While many new employees will not be skilled in the ways of metal-working manufacturing, there is a good way to connect with individuals who are. I would suggest that you visit your local technical college to see the job training going on there. If this fits your needs, you might consider offering some of these students with part-time work. There are two major reasons for doing this. One, this way they will know if they like shop floor manufacturing work, and you can see if you like them. The second reason is that most good-to-average students already have a job by the time they graduate. So it is important to connect with them before another company does. Academia realizes the importance of today's manufacturing sector, and there are a lot more high schools now offering machine shop courses. Check them out for students who are not going to college. While realizing that a machine operator must be eighteen years old, there are many other jobs in your plant that will give you the opportunity to try them out.

One organization that is taking advantage of this type of program is the aforementioned Forest City Gear. Lyford explained how this is working for them.

"We utilize the local chapter of the National Tooling and Machining Association (NTMA) which is the Rock River Valley Tooling and Machining Association (RRVTMA). They provide an apprentice tract that will yield a credential of Precision Machinist Journeyman in either CNC Turning/Milling or Gear Manufacturing. We manage the on-the-job portion with hour tracking through various departments working to fill the 8,000 hours to take place throughout the entire production process. At the conclusion of the program, the apprentice will receive their Journeyman status and also a certificate from the Department of Labor documenting the achievement of their Journeyman status." (Jared Lyford)

Training is critical to a productive workforce, and I have addressed this topic many times. While technical school-based training programs are an excellent resource, it is important to realize that trained people are not going to be routinely coming to your door. You will need to develop and train your new people.

This point was highlighted in a recent conversation I had with Nick Patel, CEO of Rave Gears in Seguin, Texas, as he too reported his difficulties in finding skilled people. He also spoke about the challenge he had found in those that did have skills but how they would often have "baggage" that presented a red flag. This combination is leaving them with few other options than to provide training in-house.

He also mentioned a couple of other good points. He is very interested in finding young people who have good computer and math skills. As part of the interview process, it is important for your technical people, such as shop floor managers, to talk with the applicant. This will allow them to be assessed for their level of sincerity, their interest in working with their hands, their mechanical aptitude, and their problem-solving abilities. In addition, he explained his goal of finding people with good character who will fit in well with his organization.

Finally, I believe that a critical attribute is work ethic. I am afraid that if the work ethic is not there, your training efforts will be wasted. In other words, do your best to pick the right person, because the wrong person will come with a lot of problems down the line.

While this article is not necessarily about training, I did want to share some of my experiences with new hires that you might want to consider. During my time at Arrow Gear Company, we did not just hand off the trainee to an experienced operator and hope for the best. During the probationary period their attendance was monitored. There were written reviews by their supervisor at 15-, 30-, and 60-day intervals. The trainee was moved every 30 days into areas which were in need of help. This gave both the trainee and us the opportunity to see what type of work best fit their abilities. This training path was also supplemented with classroom and video-based training programs. These topics included shop math, blueprint reading, safety, and material handling, just to name a few. Later, more advanced and broader training was provided, such as why it is important to hold certain tolerances much closer than the final blueprint specified, and why every operation is essential to produce a quality end-product to the customer.


Automation

Referencing back to the presentation I attended at Fusion OEM, the robotic integrator, one of the points they mentioned in view of the labor shortage was the importance of integrating robotic technology.

I would encourage you to take the time to study your operation and look for ways to streamline manual operations that can be improved with robotics. Robotic integrators can assist you in this process. This area provides a great deal of opportunity for productivity improvements.

In Conclusion

So, these are a few ideas to consider as you wrestle with the labor shortage now facing the manufacturing world. The bottom line is this. As with other challenges faced by manufacturers, it will be highly valuable to approach the labor shortage problem from the perspective of innovative thinking and methods.

Finally, if I can ever be of assistance, even if it is a phone conversation to pick my brain for ideas, please reach out to me at ArvinGlobal@gmail.com. 

Joe Arvin is a veteran of the gear manufacturing industry. After 40 years at Arrow Gear Company, Joe Arvin is now President of Arvin Global Solutions (AGS). AGS offers a full range of consulting services to the manufacturing industry. His website is www.ArvinGlobalSolutions.com and he can be reached by email at ArvinGlobal@gmail.com.



For Related Articles Search

labor

at www.geartechnology.com