

# How to Attract and Retain Manufacturing Talent in the New World of Work

## Panelists:

Steve O'Brian, COO, Shiftboard

Peter Draper, Workforce Scheduling Expert, Shiftboard

Libby Andrews-Simmons, HR Manager, INEOS

Rue Patel, Manufacturing Consultant

Wes Swearingin, SVP Operations, Medline Industries

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**Steve O'Brian:**

Hello, everyone. Welcome to the manufacturing leaders' round table webinar. I'm Steve O'Brian, I'm the chief operating officer at Shiftboard, and I will be the moderator today. Today we've got a great group of panelists and the topic of the day is "How to Attract and Retain Talent" in these very challenging times. This is the kickoff of a new webinar series that we're starting directed to manufacturing customers and clients to address and talk about things that are challenging them in today's times. So with that, I would like to make introductions and to kick things off. I'm going to have each one of our panelists introduce themselves and share a little bit about their backgrounds. We've got an incredible group of panelists today, and I think you'll see that very evidently as we go through introductions. So, I'm going to start off with Libby, Libby Andrews-Simmons, would you please give the audience a little bit of background on yourself?

**Libby Andrews-Simmons:**

Yes. Thank you, Steve, and I really appreciate the opportunity to share with the panelists and with Shiftboard and all who have interest in this topic today. I am Libby Andrews-Simmons. I'm the HR manager at INEOS Chocolate Bayou facility. We are located near Houston, Texas, about 30 miles south of Houston, Texas. INEOS is the third largest petrochemical company in the world. Our site here at Chocolate Bayou we have about 600 employees. We manufacture olefins and polymers as a commodity chemical for distribution in various locations and we, as I've mentioned, have about 600 employees here and again, excited to be here and share with you.

**Steve O'Brian:**

Great, Libby. Thanks very much. Wes?

**Wes Swearingin:**

Hi everybody, and excited to be here with you all today. I'm Wes Swearingin, senior vice president of operations at Medline Industries. Medline is one of the largest manufacturers, distributors of healthcare products in the world. I'm primarily responsible for 48 distribution centers, about 10,000 team members and excited to talk about labor staffing with you all.

**Steve O'Brian:**

Terrific. Thank you, Wes. Rue, Rue Patel?

**Rue Patel:**

Hey Steve, thank you so much for this. I'm Rue Patel. I'm a retired General Mills guy, so I spent 30 years at General Mills, in their manufacturing facilities for the most part, a little bit of R and D time, but my last major role with General Mills was leading their Cedar Rapids facility, which is one of their largest facilities worldwide and in all aspects of manufacturing. So, since retirement I've started a consulting job because that's what all manufacturing retirees kind of do, and I do a bunch of executive coaching and I'm helping small businesses restructure and scale up so they can actually grow up and be bigger businesses. So, feeling retirement with a smile on my face and appreciate the opportunity to work with you. Thanks, Steve.

**Steve O'Brian:**

Yeah. Thank you, Rue. Rue will be able to add a lot of perspective from a variety of different companies he's worked with, which is great. And last, but not least, I'd like to introduce Peter Draper who works at Shiftboard. Peter, would you like to introduce yourself?

**Peter Draper:**

Thank you, Steve. Yes, I'm the VP of customer success at Shiftboard. So myself and my team are tasked with on-

boarding and supporting Shiftboard customers using our labor staffing and scheduling solutions. We partner with those customers to ensure they get the maximum value out of those products. Personally, I've spent about 25 years delivering and supporting enterprise workforce management solutions. A lot of that with manufacturing and energy clients and with a specific focus on scheduling solutions, time and attendance solutions. And despite my accent, I'm actually based in Seattle in the Shiftboard offices.

**Steve O'Brian:**

Thank you, Peter. We've got people, Rue and Wes here in the Midwest and Libby you're down in the south part of Texas, right? So we've got people calling in from all over the area, so this is great. Just a quick note to our audience. If you've got any questions for the panelists as we go, just feel free to put those in the chat and then post-webinar, we will get back to you on those questions with answers from our panelists. That's how we'll handle that. So with that, let's turn to... let's get things kicked off and start the questions.

**Steve O'Brian:**

All right. Our first question is what are the challenges manufacturers are facing today in attracting and retaining workers? And Rue, why don't you kick us off?

**Rue Patel:**

Steve, thank you. When you speak about attracting and retaining workers in today's state, that is a single biggest challenge that industry faces today and the second one after that would be finding the right materials at the right time, so they can actually fulfill orders, but labor is by and far the biggest issue. And really, what's not a challenge about this, right? So, I mean, you start with a year and a half ago with us dealing with the COVID pandemic and the stress that creates in the workforce in terms of places shutting down, trying to start up, creating safe places for people to work, masking on the job, masking with the goggles on their job. So, I mean, this has become very complicated and quite frankly, that created a lot of stress for all workers and managers in America.

**Rue Patel:**

So, you can compound that with decisions now around to vax or not to vax and what does that mean for me in the workplace. Does my employer require me to do it, is it mandatory, do I put my job at risk if I choose not to? If I'm vaxxed, or not vaxxed, do I deal with my coworkers in a different way? Again, more stress. And then you compound that with work habits of people have changed, so generations have definitely... Different people are more interested in time off, and they're interested in flexibility, and they're interested in a better culture and a place to work, which I'm sure we'll cover later, but that on top with the government subsidies are not helping people come back into work. At some point, we will have to entertain people back into the workforce because that is their primary source of income, which will be different for a lot of people.

**Rue Patel:**

And it's a competitive market for workers, Steve. So, I mean, we've seen things like sign-on bonuses, retention bonuses, retention bonuses that are months, instead of years, that's different. Wages being paid differently, increased wages. I talked to a company a week ago and since the pandemic they've had three different wage increases. So obviously these are margin decreative or the cost gets passed onto the consumer where it's tolerable and I've even seen people where they pay people on a daily basis, so imagine handing a paycheck out on a daily basis to keep people coming back the next day. And so, people are trying every measure if they could to keep people and retain them.

**Rue Patel:**

But a fact that goes unspoken is if you think back to 18, to 20, years ago, and I'm old enough to think back that we

were in a recession and in every recession you have fewer kids being born in that recession, so 20 years later there are fewer high school kids and 20-year-olds entering the job market, and for the most part, those folks aren't going to trade schools and et cetera, so it's a smaller population base to hire from and at the same time, the boomers, guys like me, are retiring. We're creating this gap of just a base number of people available, let alone the skills and talents required for them to be successful. So those people want flexibility. They want balance in their lives. They want an easier place to work. They want a softer culture, if you will. It's harder to do all those things with what I talked about around, "hey, we're going to be short-staffed so you might have to work overtime." That's stressful.

**Rue Patel:**

We may be unable to get materials and so we're waiting or we're changing systems over more frequently, so it's harder to kind of work in a given environment. There's just a ton of stuff going on. And if you go to retention, I think culture speaks loudly. The type of work you do, and the type of workplace you have, and the culture you create around the quality of workforce, the hours of schedule, time off, flexibility, do people listen to me, am I getting recognized at work for things I do, am I engaged in the workplace beyond stamping a dire or clocking in clocking out. It comes down, to a lot of cases, the development of supervisors, the immediate supervisors they deal with on a day in, day out, several times a day basis. It really impacts people's ability to come to work, stay at work, stay engaged and be part of this workforce. Maybe a long-winded answer to what you're asking, Steve, but there's several things that kind of go in and it's almost like a perfect storm that we're in right now.

**Steve O'Brian:**

Yeah. And that's a good way sum it up and a lot to unpack there. Wes, Libby, any thoughts on Rue's opening statements there?

**Libby Andrews-Simmons:**

I think if we look just across our country, all of those challenges are real, especially for manufacturing, where people need to be physically present in order to complete their jobs. We haven't had the flexibility in manufacturing of people being able to pick up and readily be able to go and work from home when you're running equipment, when your product is dependent on actually having people physically at work. It is a bit of a challenge. And I think the one thing from my perspective that Rue talked about is it's really been the stress. I mean, we have good people in place, however everybody I think just for one reason or another has had a lot of stress in the last year and a half, be it COVID, be it childcare, be it rearranging family priorities, be it working from home, or having to come to work, or just go into the grocery store has been a challenge in many situations.

**Libby Andrews-Simmons:**

Dealing with that stress and understanding that people are being impacted in ways, first of all, none of us could have probably ever anticipated with the pandemic and we're just having to continue to run our businesses along with all of those stressors.

**Wes Swearingin:**

I agree. And then Rue and Libby hit on it again with... It's just a long period of sustained stress. It's kind of a hurricane compared to a tornado. Tornado sweeps through. It does a lot of damage, but it moves on. Hurricane stays around much longer and it's a sustained impact. The beginning of the pandemic, everybody was celebrating front-line workers for going to work every day. Now, you don't see those celebrations anymore, and still the frontline workers are going in day in, day out and it's only gotten tougher. They're only asked to work more hours because there's fewer people in the workforce today.

**Wes Swearingin:**

Something else we touched on is just the shrinking in the workforce demographics. I think even before COVID, millennials took over the majority of the workforce. Their needs and wants are different than prior generations. Not a bad thing, and I don't want to bring in my millennial friends, I'm not talking ill. You have a lot to provide. You're generally better educated, have better values, and I think can bring a lot more to the table, but old dinosaurs like me and other people still making decisions or in leadership roles think differently. And we have to give up those thoughts and just agree that maybe a different perspective is better. I mean, for me personally, that was a pivotal moment.

**Wes Swearingin:**

But back to something that was just said, I would say COVID just accelerated things. You had an aging workforce that decided, "I'm getting out early, it is time, I can't handle this stress, or I don't want to deal with this stress, or I'm concerned about my wellbeing," and you had younger members of the workforce go back home, not because they just didn't want to work, but they had to care for their parents. Somebody has to go to the grocery store for them. Somebody has to run other errands for them or get them their medicine. Maybe they liked the security of being at home. Maybe they could still be covered under their parents' insurance, or their parents are supporting them. So that's kind of burning the candle at both ends and I think it's why we're in the situation we're in now.

**Steve O'Brian:**

Yeah. Well, we'll stay at the analogy of the tornado and the hurricane. And certainly, I think some of these issues are ultimately fate a little bit, and some of these are not. So a lot to unpack here. Peter, any thoughts on your side before we jump into digging into some of these?

**Peter Draper:**

No, I think great points by everyone. What I have heard in addition to that from a number of our manufacturing clients, is there's a bit of a segmentation into the problem as well. A number of customers I've spoken with sort of look at the problem in two parts. One part of the shortage is with the skilled positions, key elements of the workforce who just... It's really hard to hire them and get them and it's hard to keep them just because of the competitive pressures that they're under versus perhaps the lower skilled positions where there's just a significant problem associated with attendance and callouts.

**Peter Draper:**

So a number of people tend to sort of think about the problem in two ways. One is, how do I retain the key talent, looking at compensation and things like that. And then the other part of the problem is not so much "how do I get extra labor into these lower skilled positions?" but instead "how do I ensure they turn up?" How do I ensure I have the coverage that I need if there are callouts in those positions?

**Steve O'Brian:**

Yeah. Just the operational continuity aspect. Yeah. Good points. Well, let's dig into this a little bit, starting off with some of the near-term things that organizations are doing today to just address this and let's not necessarily be specific to COVID, we'll kind of come back to that one in a little bit. But just at the elevation that the three of you spoke at, there's all these drivers all kind of arriving at the same time, that are obviously colliding and forcing a lot of pressure on organizations. So, breaking this up into short-term, long-term, let's first start with talking about some of the short-term strategies that organizations are doing. Wes, how about you lead us off on that one?

**Wes Swearingin:**

Sure. I mean, Peter touched on it with the attendance whether you call it attendance or participation. I think one

of the first steps to do is understand where are you now, a deeper understanding of your metrics around... Specifically for recruiting, what is your target head count? How long has it taken to fill positions? Do we need to adjust our expectations, our screening criteria? All of these things impact not only that applicant flow, but that retention, how many are you going to retain? If you loosen your restrictions, are you going to inadvertently increase turnover? I think it's important to recognize that some of these things are going to happen maybe unconsciously. Leaders are going to maybe be a little easier on people, and maybe they should be under the current labor market. But I think more people need to be aware that not all of this is going to be a conscious decision. There's going to be things that people unconsciously do to adjust.

**Wes Swearingin:**

But to that, what does that new target need to be to make up for that gap? Aim a little bit higher to hit the mark. We talked a little bit about compensation. Rue mentioned the number of wage increases. I certainly know what we've done, and is that sustainable? What impact is that going to have next year when the economy maybe shifts in a different direction? Are there things that you can do temporarily? Is it all about money? My personal opinion is, I don't think it is. I think it has more to do with flexibility. We mentioned that earlier, giving team members the opportunity to choose their hours, their workplace, the type of work they're doing, I think it is sometimes more important than what they're actually making [in terms of pay]. To that point, not just being more flexible in the resources that you're leveraging, but how can we be more flexible in scheduling that work and even creating that work? Are there things that can be postponed? Are there transparent conversations we can have with customers and make some accommodations or concessions together to improve the situation?

**Wes Swearingin:**

One positive thing about the current labor market is it's affecting everyone. Everyone is in the same boat, up and down the supply chain, so don't be afraid to engage with other people outside your business about it and see what you can do to make positive improvements or reduce the workload, look at non-value add activity, opportunities to consolidate activity.

**Steve O'Brian:**

Wes, just a follow-up question on the point of being able to or the potential care to provide more flexibility to workers. How do you see that being balanced with just the natural restraint of wait period? You're already running short potentially on your workforce in terms of just your labor capacity and a tool like greater flexibility to our work schedule would be a huge attractor to keeping workers happy, but how can organizations kind of balance those two pressures?

**Wes Swearingin:**

Just so I'm clear on understanding the question, you're talking about balancing demand with the pool of labor I have to work with?

**Steve O'Brian:**

Correct. Yeah. Correct.

**Wes Swearingin:**

I think you burn the candle at both ends. I think everybody needs to be working on ways to identify opportunities to balance their workload, to shift workload, to shift or postpone activities that aren't as maybe time-critical, anything you can do to beat down those peaks. Also though, I think historically everyone staffs and does other things to an average over time. And the problem with that average is there's going to be... You're often going to find yourself short of what you need, and that's when things aren't going to happen the way they're supposed to,

or someone's going to take shortcuts, or people are going to be upset that they're working extra hours. And when you're at the bottom of that rollercoaster, you're going to have a whole bunch of other issues and not to mention surplus labor, poor utilization, whatever.

**Wes Swearingin:**

Changing the paradigm and finding a way to staff to that lowest common denominator, and that's where your fixed regular labor lives, and then be more agile in staffing or covering the volatility of the peaks, that's the future, I think, of labor staffing. And to do that, there's... Fortunately there's quite a few options.

**Steve O'Brian:**

Yep. Great. Alright. Other panelists around just short-term actions you see being taken out there?

**Rue Patel:**

Yeah. I'll weigh in for a little bit on this. And what I've seen is that companies that have chosen to invest in automation have made some significant strides. In working with a manufacturer that made this decision five years ago, they've implemented simple robotics to do simple tasks, like stack Kool-Aid, et cetera. And it's really been a time where now they're not... they're not isolated from the labor issues, but they're buffered from them more so than their competitive status and they've got a better chance to kind of make it through it.

**Rue Patel:**

If you think about it, there isn't a better time in manufacturing than right now for a workforce to accept automation where in the past it would typically be a fight because it would be job replacement. Now, it's job enhancement because I'm not working so many overtime shifts so I'm not getting forced for this or that because I've got this robot buddy next to me, that's helping me do some of the menial tasks. And some of those automation solutions aren't super expensive and you can see as you start paying people more and more by the hour the ROIs get easier to hit when you can do some of those things.

**Steve O'Brian:**

Yeah, good points.

**Peter Draper:**

Yeah, great point. Wes had commented a lot on the demand side of the equation, right? If you can't affect the supply side as much as you would like in terms of the available labor, make sure you're being efficient with the labor that you have. And again, I hear a lot from our manufacturing production line customers in particular on this, which is the value and the impact of a single employee now is potentially much greater. We hear stories of, on occasion, people have to shut down a production line because the one employee with a one set of skills is not available. So actions that you can take to sort of figure out the demand for the labor and spread that out, and Wes sort of touched on some of these items, is going to give you much greater dividends than maybe it did before given the supply constraints we have.

**Steve O'Brian:**

Like cross-training and some of those roles crossing. Yeah. Great point. All right. Well, let's shift gears and talk a little bit about kind of the same issue, which is just strategies companies are doing. Let's shift from shorter-term, near-term things to the big, long picture. Assuming this labor shortage isn't going to be going away tomorrow or the next month, what can organizations think about for the medium-term and the longer-term that might be things to be getting on their objectives and priorities right now?

**Libby Andrews-Simmons:**

One of the things I think is very important and just pays those long-term dividends is, are we investing in our first level leaders? So primarily those individuals who supervise your key workers, typically your hourly employees. One of the things we always want to be mindful of is the number one reason people leave companies is because they don't like their boss. And so if we have our first level, front level supervisors there, and we don't have them equipped, not just to supervise because typically people get promoted because of their technical skills, but they also have to have some leadership skills, they need to be able to coach, they need to be able to provide good feedback, they need to be able to allow individuals to have input into the work that they're doing. They need to be able to provide good recognition for a job well done. They need to be able to discipline employees in a way that doesn't erode relationships.

**Libby Andrews-Simmons:**

All of those things are skills that, long-term, pay really high dividends literally and through productivity. Companies that are investing in their first level leaders are going to see a better safety outcome, which is always going to be important in manufacturing, but the productivity and engagement comes from making sure those supervisors can lead people. And beyond that, I think having a strong communication plan where you're getting all levels of leadership out in front of employees, where employees know what's going on, where they have a sense of connectivity to the organization, is important as well and as much as you can increase that face-to-face communication.

**Libby Andrews-Simmons:**

And I think just lastly, as far as long-term strategies, employees want to see companies out in their community. Being a good community steward, that's really a license to operate for an organization and particularly a manufacturing organization. People want to see things not just going out for sale, but they want to see things coming out that help and benefit the individuals who live and work near where we're located. And it's not just money. Of course, they want to see scholarships, they want to see us give money back to community charities and efforts, but they also want to see things like mentoring. They want to see us promoting STEM learning, particularly for diverse groups of individuals, and bringing people in that have never had the opportunity to work in this environment before. We want to see kids being developed to be engineers, to be managers, and also to have other skills because we can use skills at all levels of the organization.

**Libby Andrews-Simmons:**

And that's even something particularly for development that we may have missed as an industry – making sure that people understand there are good-paying jobs in manufacturing that don't necessarily require a four-year degree. You can get a two-year degree and go to work and make some really good money and have a sense of stability and raise a family on that. And then are we measuring engagement? Do we have a good idea of how rooted employees are? Do they have a sense of ownership in their organization? And do they have a sense of connectivity to the leadership, again, at all levels of the organization? And so back to our hurricane model, all of those things take a lot of time and you can't do it once you get caught in the storm. As we've talked about this, these are not short-term objectives. It takes a long time. It takes about five years just to effect a true cultural change in an organization. So obviously the sooner we get started, the sooner we'll start to see those results.

**Steve O'Brian:**

Yeah. Great points. And kind of along the themes that Rue mentioned, it sounds like you see this as really an opportunity for organizations to do some things they necessarily haven't had that time or focus to be able to go do. So great points. Other follow-up to what Libby introduced?



**Wes Swearingin:**

Something Libby started off with, talking about the frontline supervisors just... One of the best articles I've ever read, and it's a 1980s Harvard Business Review article about "let first level supervisors do their job." It talks about individuals who in all likelihood just yesterday were hourly team members and not in a leadership role and they're thrust into this new role as a frontline supervisor expected to represent the organization and in a different way, be a leader, make difficult decisions, and probably haven't had all the training and development that they need. So I think just keeping that in perspective and remembering that they're not that far removed from being an individual contributor, so it's going to take some time and a lot of mentoring and attention to get them to where they need to be, and be especially cautious for those that are working in the off-shifts that have even less support and have become self-sufficient.

**Rue Patel:**

Wes, that's a great point. I actually get asked that quite a bit with clients that I go work with. So I think people are starting to recognize some of that because the best electrician does not make the best supervisor in most cases, right? We hire people, advance them for the wrong reasons, as opposed to giving them an opportunity to do what they really do well. I've had several requests for people to say, "can you put together a supervisory development plan based on the architecture we have in our company and where our folks have come from?" And I get that more and more, so to your point, Wes, I think people are figuring that out, and that is... It goes back to exactly what Libby said is, people leave poor leaders. I think in today's age, they also leave poor jobs. But by and large, if your leader is a good leader, they can make up for some of those job strains and stresses by just providing great leadership like Libby talked about.

**Wes Swearingin:**

Just to emphasize one point though, I think there's a lot of great plans, development plans and information available, any number of places, but to have somebody that's there with that new supervisor on the hours they work providing that support, I think is missing from a lot of training and development programs that organizations have.

**Rue Patel:**

Yep.

**Libby Andrews-Simmons:**

Well, and Wes you hit it on the head. One of our development programs actually included some on-site coaching with the consultant where our supervisors could come and actually talk about one-on-one with a coach around, okay, here's some of the things I'm dealing with and get that individual coaching. When organizations have that opportunity to do it, it's definitely worth taking the time and investment to do it.

**Steve O'Brian:**

Great. Well, let's switch gears a little bit, because COVID obviously came up in the opening salvo of just the first question about some of the challenges. So let's talk about COVID-specific challenges and what companies are needing to do with all the mandates and so forth out there. Peter, you interact with a lot of customers on our behalf, so I'll let you kick that one off.

**Peter Draper:**

Sure. Thanks, Steve. So the impact of COVID is obviously hard to avoid in almost any conversation, particularly staffing and our sort of "short-term period of COVID" is now 18 months and counting and I think we all know that it's probably going to continue for a little while longer. And I think we're still seeing some of those initial impacts today whilst the level or acuteness of some of the fallout is obviously less today than it was a year ago with the

vaccine rollout. I think that the patterns that we're seeing in manufacturing and energy and the impact from the labor market is really very similar to what we were seeing 15 months and 18 months ago in terms of the level of disruption and the level of uncertainty that it causes. And I'm hearing from our customers they're seeing that in really three areas.

**Peter Draper:**

They're seeing it number one in skewed and unstable demand patterns. So the demand for individual companies' products and services is... Flip-flopping is a little extreme, but it definitely sort of skewed high for masks and PPE early in the pandemic, but we're also seeing less stability in those demand plans, the pattern. They're having to respond much more quickly to greater shifts in some sectors of the economy. The second area is supply chain disruptions. And in a sense, we're seeing more of that now, even than we did a year ago. I talked about people getting production lines stopped earlier because of one worker. Well, you can also have production lines stop because a critical ingredient to what you're making didn't come in as planned and I'm hearing that a lot.

**Peter Draper:**

And then of course, the third area we touched on earlier, which is the employee attendance problems and the disruptions that those cause. So that's how COVID is impacting us. And obviously it drives a strategy for talent recruiting that needs to number one, respond quickly to rapid demand shifts, number two, handle short notice production schedule changes for those demand pattern shifts and work callouts impacting it as well. Challenging. In terms of what organizations are doing about it, it very much depends on their own situation, but there are some common themes I'm hearing. Definitely maximizing the amount of remote work and flexibility, which was mentioned, is key. Wherever you can do it. You can't do it, obviously, in all cases but that will both help your employees out and it will mitigate your COVID risk if you just have less overlap. So that's number one and that's sort of universal.

**Peter Draper:**

I think building some resilience into your production schedules so that if you have those last-minute changes from supply disruptions, you kind of know what your contingency solution or skill or product that you can go to is if you can't make the primary skew that you want to make. I'm hearing about those strategies starting to develop more so than we had before when you had greater reliability. And then the last area we sort of touched on earlier in one of the earlier questions, which is, you've got some key employees with some key skills, which means you've got a single point reliance if those employees get pulled out or something happens. Anything you can do in terms of cross-training or perhaps moving some of those functions to a part-time or temporary employee to free core team members up to more fully to focus on their core functions. I'm hearing a number of those strategies as well.

**Wes Swearingin:**

Well, I think too, Peter, understanding what everyone's capabilities or competencies are because you may not even be aware that you have an opportunity to shift this individual to another area or consolidate activities to this group of individuals who are qualified to do that work.

**Peter Draper:**

That's absolutely right. I had a couple of conversations with people who've sort of done that deep dive into what people did, and it was sort of two-part, one was, "I had no idea they were involved in all these mundane functions, which frankly I could move to someone else" and number two, "I didn't know they could do this as well." So that inspection really helped.

**Steve O'Brian:**

And our thoughts on COVID-specific situations you see in organizations?

**Wes Swearingin:**

I try and look at the positive in things and one thing about COVID is I think it greatly accelerated people's ability to adapt to new technology, new processes, new changes. Look at Zoom, how often do we have meetings now remotely via Zoom or GoToMeeting or whatever? And 10 years ago, or even three years ago, it was a mere fraction. I think people have a willingness to take those leaps when things are more chaotic than when they are calm. I don't know why I'm stuck on disasters, but when all heck is breaking loose, no one has any problem buying inventory. "Give it to me. What costs? I don't care. As long as you get it to me." What am I carrying? It doesn't matter. It's just a matter of how much I can produce. You get outside of a disaster situation.

**Wes Swearingin:**

Organizations, manufacturers, distribution, retail, they've gotten their inventories as low as they've ever been, their labor is efficient as it has ever been. All those things though, it's like you just remove the shocks from your car and here comes the speed bump and we just all hit our heads on the roof of the car because nobody had any of that resilience left in their supply chain. And so now it's about figuring out, where can I put that resilience back in, or is there a different way other than just a whole bunch of inventory or surplus labor that I can... Are there other resources I can leverage to still have that same reconnection?

**Rue Patel:**

Steve, part of your question was around short-term recruiting and talent acquisition. So I'm not sure we got to the recruiting part, but recruiting has changed in the last year as well. You can't have the big trade fairs, career fairs, open houses. You can't have the on-the-job previews type stuff. Finding ways to do those virtually, finding ways to do those remote, really has become a critical part of how we do that and the question always becomes this: when you can't physically be in the same room and assess things like body language and stuff, it's just harder to recruit the right talent. And I'm not just talking about the hourly-wage levels. I'm talking about all levels of the organization. When you're doing this virtually the risk of finding a bad hire increases and obviously, as we know, when you have a bad hire, it can be damaging. The risk of what they do to you and by the time you fix it or get it out is even greater now than it's ever been before. So combine that with the competitive space for talent, that becomes really challenging.

**Rue Patel:**

HR teams that I'm seeing are helping people and creating specialties on how do you recruit online and what things do you look for and how do you look at a resume with even more scrutiny than you did before and learn what questions to ask legally that will vet out the three or four characteristics that we're looking for. It's just so much different from being able to go walk, shake hands with somebody, and sit across the table from them, or grab lunch with someone and do the assessment that we're kind of used to, but times are changing, and the client base is changing, and so we have to adapt to those things as well.

**Steve O'Brian:**

Are there any interesting new sources of labor supply that anyone has heard about or tried to tap? And obviously there's a lot of temp agencies out there that maybe were used a little bit before. Are you using them more now, just in terms of strategies to expand your workforce capacity? Just interested in thoughts on that.

**Wes Swearingin:**

I was going to wait and hopefully hear some new ones that I haven't tapped into. I've got my pen and paper. I think you have to use everything that's available. I mean, whether it be a gig, vocational improvement programs. We're finding ways to extend our use of vocational improvement programs just because I think we need to push some boundaries. Temp, part-time, full-time people. If somebody is interested in work I'll find a way to put them to work.

We're all at that point right now, so that obviously adds a lot of complexity and I think we have to be sophisticated in how we approach the diversity of sources. You can't make it too difficult for the frontline leaders. We talked about supervisors not having a lot of experience doing this when they first get thrown into the job, so how do we make it easy for them to see what's available and assign that work.

**Rue Patel:**

Libby talked about working with our community's colleges and providing things like scholarships and stuff, right? So those things open the door to a lot of opportunities in those colleges. Cash always is king, but if you're providing a scholarship, can you get into a class and teach? Classes are back in session now, right? You may be masked, but you can see what the behaviors are. You can talk to professors and maybe get access to sharing what your company does as you present a scholarship and give some visibility to who you are.

**Rue Patel:**

The other piece is, two years ago, there might've been two or three online platforms for recruiting and now there's hundreds. You have to be where your client base is going to look, and whether it's Indeed or something else, you have to do a lot of those sites as opposed to just one or two of them, find different ways to get at people.

**Wes Swearingin:**

Rue I'm not arguing against your point, but something I was going to kick to Libby, I'm not sure we can rely on everything online for the types of individuals who are coming in to work in a manufacturing environment or a warehouse environment. They are used to face-to-face and they may get frustrated with an online interview. Whether it's a trust thing or they just want that direct interaction I think we have to, especially with COVID, we have to find ways to still protect our team members and the individuals who might be interested in coming to workforce, but... I don't know, at least, I've seen mixed results with... I should say a large organization that's trying to keep as much work remote as possible, clashing with distribution and manufacturing which is very much hands-on and requires labor that is having to show up to touch things and... I don't know, Libby if you had-

**Libby Andrews-Simmons:**

No, I absolutely-

**Libby Andrews-Simmons:**

Yeah. I absolutely agree with you, Wes. It's very difficult even in-person to get a really good sense from individuals as you're interviewing and to that end, I think probably most employers would prefer to defer hiring rather than having to go that route in terms of the virtual hiring processes. But understandably so sometimes that just can't be avoided even though it certainly wouldn't be my preference for an interview. I guess the one thing that hasn't been talked about that I just wanted to add around COVID is it's really tested hands-on manufacturing, how engaged our employees are, because you think about with COVID protocols, we've had to ask employees to wear masks, we've had to ask them to social distance. We've had to ask them to wash their hands. And none of these things can be done without the cooperation of the employees. This has tested how engaged our employees are, how important is it to them to see their company do well, and to make sure that they're contributing to the success of the company under some very challenging circumstances.

**Libby Andrews-Simmons:**

One of the things that I would advise for any employer regardless of the industry, is that if you don't have some measure of how rooted or engaged employees are, you probably don't understand it. I mean, I think there was, I don't want to call a particular fast-food restaurant out, but there was one where all the employees just quit and put something on their marquee that "we're closed because we don't work here anymore" and they just left. Obviously,

you don't want to see that happen, especially when you're trying to run a process unit. But again, in these times we've really... If you didn't already know how engaged your employees are, how connected they are to the organization, do they trust their leadership, do they believe we are going to look out for their best interest? If you didn't have a sense of that, you probably have a sense of it now.

**Libby Andrews-Simmons:**

Having to ask people to do things not only while they're working, because we have to, as employers, we have to ask employees to think about what they're doing on their off-time too. Are you going to the grocery store? Are you going to family events? Are you going to public events that are going to potentially put your health at risk and bring that back to the workplace? And we really had to have already as employers a good trust and bond with employees to hope that they would do the right things when we needed them to do the right things.

**Steve O'Brian:**

Yeah. Great point. In fact, I think that is a great way to maybe transition a little bit. We were talking a lot about the operational challenges and strategies that organizations are doing from an operational side. Let's switch gears and talk about it from the worker perspective. And it kind of leads into a lot of the stuff that was talked about early on, which was, you have COVID, you've got a lot of people retiring, less workers coming into the workforce, right? All these various drivers that are kind of now front and center. So, a big picture question, are we at an inflection point today with what workers expect, and what are their expectations? And Libby, maybe let's start with you on that one.

**Libby Andrews-Simmons:**

Okay. I think as far as the expectations of employees in manufacturing, are we keeping our employees safe? That would be one of the first concerns. Things like paying benefits are pretty much given expectations, but are we keeping them safe? Are we running our companies in a way that they feel that they are working for a stable employer? Are we being responsive to their needs in terms of what's coming out of the community? That whole work-life balance, which we've talked about already is always going to come up, are we requiring too much overtime? Are we asking too much of individuals? All of those things I believe are creating that inflection point. And then just having more expectations as we'll talk about in terms of how we are connecting with our environment and our community and whether we're existing more than just to make money, I think are all very important points from the perspective of the employee.

**Steve O'Brian:**

Rue, Wes, Peter?

**Peter Draper:**

I'm not sure we're at a single inflection point. I see the journey in terms of the expectations as more like a series of inflection points. I think if we are at an inflection point today, it's in a general sense that... Whereas before we may be thought, "Okay, it's gotten bad and it will get better and will "return to normal." I think the inflection point we're at right now is people realized that the "return to normal" will be a new normal. I don't think anyone fully understands what the new normal will be, but when I talk to a number of our customers, there is a recognition with them and the workforces that they represent, that the new normal is going to be different. And they know that will apply to things like greater capacity for remote work. They know that it will involve a lot more paperwork for a while to come on managing COVID and things like that.

**Peter Draper:**

I don't think it's in the details, Steve, but I think there is an inflection point in terms of the expectation and the

acceptance of, yeah, this is the new reality.

**Wes Swearingin:**

Yeah. I would say this is the new normal. I mean, people have been working from home for the last year, plus, probably going to have a tendency to stay home, at least a large majority of them whether it's because employers have given in and seen that work from home can work, or the fact that the employees they're going to say, I like this work from home and I don't want to go back. And there's plenty of other people, especially in this market, thinking "They'll hire me under whatever condition. I'm in a position. I get to set the terms now."

**Wes Swearingin:**

And the people that... I don't want to say have "aged out" but have made a decision to leave the workforce early, they're not going to come back. And it may be a while before... We may have pushed up the starting age of the people entering the workforce. I don't see it changing. I see a lot of people, fortunately, have embraced this and this is just set their course and this is how we're going to move forward. I think the sooner the rest of us realize that that's where things are going, the better.

**Steve O'Brian:**

Rue, anything to add there?

**Rue Patel:**

No, I totally agree with these points made. I've been in cases where people have been working from home for a year and a half, and they asked, okay, we're going to open the office and we want you to come back in and they're like, "nope, not doing it." I have an office and if it was good for a company through an entire fiscal year, people will say, well, it's good for you for the next year. And I found a little more balance in my life and flexibility and I'm okay being in my pajamas all day and I'm still getting work done for you, so now it's my choice more than it is your choice as an employer. I think people have to be cognizant of that. Obviously, as we talk about manufacturing jobs on the floor, it's a little bit of a different game, right? We need people with skills and bodies to actually go operate equipment, but all the support staff in today's day, they have options.

**Steve O'Brian:**

Yeah. Oh, go ahead, Wes.

**Wes Swearingin:**

I was just going to say, agreeing with Rue and touched on something else. So now you have two... We've created a class, another situation that's difficult for us to manage. We've got a group that has to work, come to work every day and a group that can get to stay home. And certainly the group that has to go to work every day is going to be, I don't want to say upset, but have a... "What are you doing for me because you're making me come to work?" mindset. And how are we going to deal with that? Or someone gets to work from home a couple days a week and why do I not get to work from home? Yeah. Those are questions we've had to answer much more frequently.

**Steve O'Brian:**

Yeah. Certainly, it seems like the pressure of what's going on in office environments and the flexibility and the hybrid-ness that we're all accepting as part of just go forward, the "new normal" as Peter calls it, is going to have ramifications to the floor. And there might be a different version of what that looks like, but certainly I think that part of the workforce is going to expect some flexibility that came up earlier and some other things in terms of what does it look like for them, which will definitely be a grappling point as you mentioned, Wes, in terms of going forward.

**Steve O'Brian:**

All right. New question. So there's the whole notion of the circular economy and we've touched on this a little bit. Libby you've touched on this a little bit in one of your previous answers, but what's the impact on human resource management and the whole notion of the concept of a circular economy?

**Libby Andrews-Simmons:**

So as a manufacturer of plastics, obviously we have an obligation and commitment to be a responsible manufacturer. We want to engage with our customers, our employees, and the community to make sure we're helping to protect the environment. And that is just something that's part of what we do, part of what we want to be committed to and being responsible. And so for HR, we need to recognize that more and more employees who come to work in our manufacturing facilities and in manufacturing in general, this is a concern for them because they're looking at what this whole carbon footprint looks like for me in terms of my future, the future of my kids, are we conserving resources? All of that.

**Libby Andrews-Simmons:**

And so, again, coming up with initiatives around our own manufacturing processes, making sure we are actively engaged in recycling, whether it be paper, plastics, other items, all of those things and showing that we're committed whether it's conserving water, whether it's other environmental elements that, again, we want to make sure because our clients demand that of us, our employees want to see that from us, our communities want to see that from us. It's very much front and center and should be part of any planning that we're doing. And again, making sure that our employees make a personal commitment as well along with some of the maybe technical commitments we're looking at. And so it really involves every employee, it really involves every member of our communities that we support.

**Libby Andrews-Simmons:**

And if I may just take a shameless plug, one of the things we are asking everyone to do, and I'll challenge everyone here on this call, is if you get all of those little flyers in the mail, maybe brochures, things that you don't really want to receive, go ahead and contact those individuals, those companies and say, "Well, hey, I appreciate, but don't send me anymore paper because we're just cutting down trees for no apparent reason." So let me have a shameless plug there, but again, it's really about being responsible and making sure that as leaders in industry, that we are holding ourselves to a high standard around our commitment to limiting that carbon footprint and that we are engaged with everyone who wants to be a part of this effort.

**Rue Patel:**

Yeah. Libby makes a great point. It's not only who you are as an employer, but how you show up in your community. The representation of your brand as a good place to work is important and being part of charitable events, helping the community, I think is a big deal especially when you get to smaller communities, like the one I live in. That's important. People would be like, "I've heard of you guys, and I've always wanted to work there." And they had never been in the building, but they've always wanted to work there because we built that brand over many, many years, which is nothing but help when it comes to tough times like now.

**Steve O'Brian:**

Yeah, good point. It kind of goes back to the point of, this is an opportunity as much as anything, as much as a set of challenges. These kind of places that reaffirm who you are and your identity and your purpose start shining through, right? That's the authentic side of what organizations stand for. That puts you to the test. Oh, go ahead, Libby. It looks like you're going to-

**Libby Andrews-Simmons:**

Yes. So I don't think I heard a commitment to my challenge from everyone.

**Steve O'Brian:**

I'm committed, Libby.

**Wes Swearingin:**

Libby, I have absolutely zero objection to stopping all paper things coming to my house, especially the catalogs.

**Steve O'Brian:**

There you go.

**Libby Andrews-Simmons:**

All right. And make sure your family members do that. And pass it on to your employees if you haven't. Thank you.

**Steve O'Brian:**

That's a good one.

**Rue Patel:**

As we head into the holiday season, this stuff just escalates, right? So, Libby you're right on.

**Peter Draper:**

Oh, exactly.

**Steve O'Brian:**

All right. Moving to our final question, we've dug into a lot of different aspects of different challenges, short-term, longer-term, COVID. Now, let's kind of just back up and just have some parting thoughts in terms of what should manufacturing leaders be thinking about right now in terms of moving forward and from a leadership perspective, what would be our recommendations of those key things? And Rue you started things off and did a great job kind of laying out the big picture, going to give you first crack at this as well.

**Rue Patel:**

Well, let's put a bow around this thing. I think the common theme today has been leadership. So that was part of the wording in your question. And it is leadership and it's... Libby said this earlier, people used to leave bad bosses. I think they still leave bad bosses, but they also leave bad jobs now. I'm working with a couple construction companies where crew members will leave over two bucks an hour, so what are you doing around creating a great place to work so they're not looking somewhere else for two more bucks an hour? Leaders should come with a clearer vision, especially when times are cloudy right now. And the vision may not always be the right answer. It may be like, "hey, this is the best I know so here's what I got." And it may change. Be very cognizant and honest about this game, it may change in three weeks but I'll be talking to you about it then.

**Rue Patel:**

So, a clear vision with good communication, a genuine care for the people that you've got. The first thing we care about is our employees' safety and their wellbeing. And then we can give us license to look at the rest of the stuff. Addressing issues, creating and fostering the culture, being active around that culture, creating a good brand in your place, outside your place, within your community, that it feels good to work for that company. "I've heard good things. I've always wanted to be there." Kind of stuff.



**Rue Patel:**

Then one thing that I'd add is in today's time of stress, the extra care really matters. We are providing resources to deal with things like... with mental health issues and helping our employees through those things because we see that, well, our folks are definitely dealing with the same things and we put them on longer schedules or more rigid work. They might be dealing with more of that than less of that. So, are we helping our folks and their families? Yeah, that costs money, but it's a family proposition. I mean, the employee takes that stuff back home or brings stuff from home back to work, so where we can help them certainly creates a better environment. Now we are aware of our surroundings, it's a factory down the street or the office down the street paying. Our benefit's changing, our time-off policy's being more flexible, it improves the quality of work.

**Rue Patel:**

So that's all in that bucket called leadership. And you laid that out and it's what we've been talking about for like the last hour or so, that is the answer and it doesn't... Leadership doesn't have to be right all the time, but leadership has to be right on in terms of being available, being caring, being the voice of reason, being the shoulder to cry on and the hand to pick people up with and that in times like today —that's needed.

**Wes Swearingin:**

Yeah. Just to add to something Rue and Libby talked a lot about, I don't think it has to be expensive. Just engaging with team members and letting them know that, "hey, I'm going through the same thing. Let's talk about it." Saying it's okay, everybody's feeling similar, acknowledging that these are difficult times right now and everybody's tired and probably rather be dealing with a different set of circumstances and being authentic in it. So doing that empathy. I also think a lot of the stuff we talked about, particularly with the flexibility and alternate sources of labor and... It gets complex. We have to have a willingness to search for more sophisticated tools or develop more sophisticated ways of managing labor, and scheduling labor, and utilizing labor, and making the job for our leadership, especially those frontline supervisors, easier.

**Wes Swearingin:**

If we just say, "Alright, it's tougher, it's hard, it's more complicated. [Frontline leaders] can take all these things into consideration now." Then we're going to create a bigger problem to solve. We've got to figure that out upstream and take that off [the frontline leader's] plates so they can have that engagement with the employees that's so needed right now.

**Peter Draper:**

I think building off Wes' point, I think a big part of leadership and I think an opportunity for leadership right now is to find the win-wins for both the employer and the employee. Shift flexibility is a perfect example of this, but there's many examples of this, where if you look carefully at the issue and the problem around supply shortages and staffing shortages, and the need for employees to have flexibility in their schedules, not all the time, but quite often the solution is actually something that potentially the employees would want and is good for the organization and is good for your production schedule resilience. Instead of going in with very fixed schedules, you go to a more flexible approach. I think as leaders, we need to look for those opportunities in this market, and I think they exist. I think ironically in COVID they may actually exist more than perhaps they did two years ago.

**Steve O'Brian:**

Yeah. Yeah, good point. Libby, going to give you the final word.

**Libby Andrews-Simmons:**

Communication is key, always being concerned about the safety and wellbeing of our employees, and we talked

about the weather, having that hurricane plan already. If you're just trying out your strategy when the weather comes in, you're pretty much guaranteed to not be successful. This is a process, it's an ongoing process, and it's definitely something to be focused on when things are going well and to be ready for when things aren't going well.

**Steve O'Brian:**

Yeah. Well stated. Well, I want to thank our awesome team of panelists here today for your generous time and the conversation. I thought it was great and covered a lot of different areas. I want to thank the audience for spending your time, watching this and listening in as well. And just a reminder, if you have submitted any questions, we will be getting back to you very shortly with answers. So, thank you for joining and thank you again, panelists and everyone have a great day. Thank you.