



PLANT OPERATIONS

Labor Shortages... The New Reality?

by *Don Hutton, TIBOPAK Emballages. Inc.*

Prior to the pandemic, most of the labor shortage conversation in the ice industry revolved around finding and retaining delivery drivers. Although this conversation remains an important one, the growing worker shortage is turning out to be as complicated.

With the worst days of the pandemic hopefully behind us, several countries, including the United States, are experiencing widespread worker shortages. Most of the labor force shortages are focused on occupations that are physically demanding, monotonous and offer relatively low pay.

The reasons behind the worker shortages are not entirely clear. A common assumption is that extended government aid to furloughed workers has allowed people to remain out of the workforce. However, evidence from several US states that discontinued unemployment benefits early suggests that the extended payments may not have played a major role. Many workers have simply reassessed their willingness to do difficult and often unrewarding jobs in return for low pay.

Currently, the U.S. Bureau of Labor reports that there are 10 million job openings and 8.4 million unemployed people actively looking for work. Statistically speaking, there's a job out there for every person actively searching for one. Therefore, there are no shortage of opportunities for job seekers, yet the overwhelming amount of "Help Wanted" signs across the country are evidence of a substantial mismatch between the millions of job hunters and millions of available jobs. (Strategies to Overcome Labor Shortage Challenges in Manufacturing; www.shiftboard.com)

This mismatch may be directly related to a younger generation now entering the workforce. Simply put, fewer young people are attracted to manufacturing jobs. There's a perception, for young workers, that manufacturing jobs offer limited advancement and training opportunities and that work-life balance is a constant struggle in those careers. Several of these potential workers have grown up with parents who struggled to make ends meet with manufacturing jobs and do not want that life for themselves.

So how do we continue to produce and deliver ice when we are faced with a shrinking working population (Baby-Boomer retirement), fewer young people interested in manufacturing jobs and lack in reliability with employees we currently have? How do we fill the void in a seasonal industry?

A potential solution that has been working in the Canadian agricultural sector, since the Second World War, is temporary foreign workers. Canada's Temporary Foreign Workers Program does not impose a cap on the number of workers that can be hired. Employers sponsor the number of foreign nationals with work visas to match their labor demands (Matz, C., 2020). Often these workers are housed by the employer and paid fair wages. In several cases, the same workers have been returning to Canada for 25 years, each time spending up to 8 months working.

In the U.S. there is a temporary Non-Agricultural Program available to employers. The H-2B certification is offered to employers by the U.S. Department of Labor. To receive an H-2B certification you must prove that:

1. There are not sufficient U.S. workers who are qualified and who will be available to perform the temporary services or labor for which an employer desires to hire foreign workers; and
2. The employment of H-2B workers will not adversely affect the wages and working conditions of similarly employed U.S. workers. (www.dol.gov)

The key factor to consider in point 1 is "workers who are available". If you've had a job posted for several months and no candidates to fill the position and can prove it, there is a potential to apply for this certificate. Also, there are a couple more key factors that could work in your favor.

- The work offered must be temporary (9 months or less)
- The position must be full-time (35 or more hours per week)

Due to the seasonality of the ice industry, these two points would be easy to abide by.

For more details: <https://www.dol.gov/agencies/eta/foreign-labor/programs/h-2b>.

There is another potential solution to labor shortages: Automation.

Automation, once viewed as a nasty word, is becoming a necessity as we look for ways to guarantee production and overcome labor issues. As equipment manufacturers and service providers continue to develop and present automated solutions to improve your manufacturing process, they are also providing viable solutions to reduce your dependency on labor.

Investments in automation can eliminate costly, non-value-added tasks such as repetitive movements, transporting items and stacking items within a facility. Automation enables companies to focus their most precious resource — human talent — on higher-value problem-solving that requires cognitive skills and creativity, including analyzing data for optimizing the automation and maintaining the technology to ensure effective operation (Rock, J. 2021). Essentially, it allows you to keep your best employees and weed out the unreliable ones.

For business owners and managers, the pandemic has forced you to rethink how you are going to get that bag of ice from the bagging line to the customer with little interruption. There are several options available to you; you can offer more money to entice people to come work for you; you can offer flexible work hours; you can decide to look elsewhere for seasonal workers, or you can automate your facility. It's up to you to decide how you are going to get it done, but it is going to require you to break from convention or think "outside the box" to entice people to come work for your company or going to automation.