Winning the Work Force Shortage War





by Sean D. Shields

WTCA™ Work Force Development

at a glance

- There is a shortage of skilled labor in both the manufacturing and construction industries, which in turn has affected component manufacturers.
- The industry's labor shortage problem was brought to lawmakers at the 2005 WTCA Legislative Conference in Washington, DC.
- The Work Force Development (WFD) web site offers component manufacturers one solution by providing a place to search résumés and post job openings.

In the building components industry, there appear to be at least three things that are for certain. One, the harder you work and more money you make, the more money you will be expected to fork over to Uncle Sam. Two, government, whether it is federal, state or municipal, will find more intrusive ways to monitor and regulate your business. Three, the current shortage of skilled and unskilled workers coming into this industry will affect your company's financial performance. While the first and second certainties are veritable facts of life, the third is a troubling development this article will begin to address. At the end of this article we will discuss specific programs and services that WTCA is working on specifically designed to help component manufacturers in this area.

As you are well aware, a skilled and productive work force is important in maintaining a competitive edge in the manufacturing sector. Component manufacturers across the country are experiencing serious work force shortages, and the pool of qualified job candidates appears to be shrinking. Every area—from entry level workers, operators, and assembly line workers to technicians and engineers—is affected.

Help Wanted

It is an understatement to say the manufacturing and construction industries are behemoths. The National Association of Manufacturers (NAM) asserts that U.S. manufacturers employ over 14 million people. And according to the National Center for Construction Education, the construction industry is the world's largest industry, employing over 6.9 million people in the U.S. alone. By itself, U.S. manufacturing is the eighth largest economy in the world. The U.S. structural building components industry, modest in comparison, employs just under 110,000.

Yet, with all the people currently engaged in careers within these economic juggernauts, there still aren't enough calloused hands and skilled minds to go around. The U.S. Bureau of Labor Statistics estimates that between 2002 and 2012, an additional one million skilled workers will be needed to meet domestic demand for construction labor. Within the housing sector, the Home Builder's Institute estimates

If you haven't already, please take a moment to respond to WTCA's online Work Force & Hiring Effort Survey (**www.woodtruss.com/common/survey1page.php**). Results from this survey will be used to improve WTCA's Work Force Development Portal and its partnerships with educational and governmental institutions.

their immediate work force shortage falls somewhere between 60,000 and 80,000. The manufacturing sector is even harder up, with NAM asserting a shortage of nearly 13 million qualified employees by 2020 if current trends continue.

How Did This Happen?

This situation did not develop overnight. One significant factor is the aging population of those currently employed in these industries. As seasoned baby boomers near retirement age, there appears to be a disturbing lack of skilled individuals from younger generations willing to take their place. According to a recent study of their membership, NAM found nearly 36 percent of those polled have quality manufacturing jobs going unfilled due to an inability to find qualified applicants.

They key word there is "qualified," because it really isn't a lack of warm bodies that is creating the problem. However, it's difficult to place the blame on our educational system. There are plenty of high schools, technical colleges and universities in this country to teach students the fundamentals of engineering, design and architecture. Besides, traditional academic training is hardly a prerequisite to be highly successful or efficient in the structural building components industry.

No, a more pervasive problem is one related to societal culture and perception. Regardless of whether you are talking about manufacturing or construction, younger generations do not perceive these jobs as sexy or capable of fulfilling their career goals. Parents also play a big role in perpetuating this assumption, and push their kids to pursue "white collar" jobs instead.

At the heart of the matter is a misperception that manufacturing jobs are nothing but repetitive and unchallenging work. In the end, this issue must be addressed in order for there to be any significant progress toward reducing or eliminating the work force shortage.

External Trends

In addition, there are some external trends that exacerbate the work force shortage. A sustained housing boom is at the top of the list. As of May 2005, housing activity remained solid, as both production and sales remained on a level to exceed 2004 numbers.

Most importantly, the single-family sector showed another increase from April, posting a 4.7 percent increase to an annual rate of 1.704 million, while sales of new single-family homes moved up 2.1 percent to an annual rate of 1.298 million. With the Fed recently declaring at the top of their lungs that the U.S. economy is in good health, the positive trend in housing starts will conceivably continue into the future.

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It is also likely, with the declining labor supply in the construction industry, structural building components will become the framing method of choice in order to continue to supply affordable housing in the U.S. This appears true, indirectly at least, as the market share in residential housing for components has increased, new component manufacturing facilities sprout up across the country, and existing component manufacturers scramble to expand their current operations.

Based on initial results from the recent Work Force & Hiring Efforts Survey posted on WTCA's web site (www.woodtruss.com), it appears the anecdotal claim that everyone is looking to hire a truss technician is actually true. Of the 73 total responses as of this writing, 70 claimed they were actively seeking to hire a technician, or would within the next six months! Truss technicians are not the only positions in demand; 63 respondents indicated they would be hiring to fill manufacturing plant floor positions within the next six months.

Immigrant Workers

One trend that has provided relief within the context of the work force shortage is the influx of immigrant workers to the U.S. On the whole, regardless of their country of origin, these individuals appear to embrace and excel at building component manufacturing jobs. As a result, they appear to have taken advantage of the industry's competitive wages and opportunities for advancement beyond the shop floor.

However, as Congress seeks to tighten and secure our nation's borders through reform of the immigration system, it is important to remain aware of the significant impacts any action may have on this segment of the work force. For example, if the H2-B program—U.S. visas granted to foreign citizens allowing them to enter the country and perform non-agricultural work—is not expanded or at least left at current levels, it is hard to conceive how the structural building component industry's work force will not be negatively impacted.

This is why immigration system reform was the top issue component manufacturers discussed with their lawmakers on Capitol Hill during the 2005 *SBC* Legislative Conference in Washington, DC last May. They lobbied hard to ensure any reforms incorporate expanded guest-worker programs like those proposed in the past by President Bush and, more recently, Arizona Senator John McCain, that would create three-year renewable work visas. They did so again as they met with lawmakers in their home districts during the August Congressional recess. Only time will tell how successful these efforts have been.

"Home Grown" Versus "Experienced"

Okay, so let's talk about the elephant in the room. When it comes to truss technicians, there really is no substitute for

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someone who can do this job well. While there are significant training tools available on WTCA's Truss Knowledge Online (www.wtcatko.com), like the Truss Technician Training (TTT) courses, to help make a truss technician more effective, they don't do any good if you don't have someone with the aptitude to take them.

How do you find these promising individuals? The answers are as varied as the markets in which component manufacturers sell products. However, two main methods appear to be more common than others: hiring and training locally, or "home grown," and hiring experienced technicians from elsewhere.

The home grown method consists of working with your local high school or technical college, and enticing a promising student to come and work at your facility. Whether it's starting them off on the plant floor or shadowing one of your techs, you work them into the industry gradually. You sign them up for Truss Manufacturing Orientation and then TTT Level I, and you might even send them off to take a basic training course on your plate supplier's proprietary design software.

Eventually, you give them responsibility in doing their own design work in support of other department members, until they finally take the lead on a small project. You sign them up for TTT Level II, and soon you find you can give them more and more responsibility and autonomy. After five years, you have a trusted truss technician, and life is good.

Understandably, the above method is not for everyone. It takes considerable time to develop working relationships with local educational institutions and certain instructors. It takes an even greater investment to allow first-time technicians to make the inevitable mistakes and learn all the complex foibles of the structural building components industry. It's much simpler, in the short-run, to go out and hire a truss technician who has experience and can contribute practically the first day they show up for work.

In general, experienced truss technicians are found and hired through professional employment companies. This method, however, is not without its own problems. Due to the costs involved in hiring these professional "head hunters," as well as the subsequent increase in salaries and other benefits necessary to entice an experienced truss technician to leave their current employer for another, this method can be exceedingly expensive.

In addition, as competition for experienced truss technicians grows, salaries in certain markets have tended to increase beyond the corresponding value they bring to the company in the short-run. Not to mention the fact experienced truss technicians are constantly being hired away from other com-

ponent manufacturers. And once they are hired away from someone else, it often is not too long before they are gone to the next company. This method of continually re-slicing the same sized pie is bound to create frustration and even ill will within the industry.

Is There an Alternative?

Fortunately, there is. Recognizing that it may be difficult and time consuming for the typical component manufacturer to build and cultivate a relationship with their local educational institutions, WTCA is currently endeavoring to do this for every member company.

Through the new Work Force Development (WFD) Portal (http://wfd.woodtruss.com/index.php), WTCA is partnering with schools like ITT Technical Institute—and its 83 campuses across the country—to bring interested students with an aptitude for design and computer drafting into the industry. The WFD Portal is primarily an online job clearinghouse where member companies can post the positions they're hiring for on the web site. Interested individuals, such as those ITT Technical Institute students, can in turn post their résumés and search for jobs.

The WFD Portal is also an informational resource that provides promotional materials about the structural building components industry and the many career paths within it that can be pursued. It also opens the door for individuals new to the industry to self-enroll in online training like TTT Level I, to make them more competitive in securing one of our industry's technical jobs. The WFD Portal effort is also paving the way for industry-specific course curriculum development for use in technical colleges as well.

In addition to increasing awareness and use of the WFD Portal, the next step for WTCA is working with the U.S. Department of Labor's Business Relations Group (BRG) and their Business Solutions initiative. This publicly-funded work force investment system is a state and local network of resources to assist businesses in recruiting, training and retaining a skilled work force. Just like with ITT, WTCA is looking to develop a method where potential employees can easily learn about the careers available in the structural components industry and match them up with component manufacturers that are hiring.

Future Trends

Efforts like those under the auspices of the WFD Portal should provide much needed relief in bringing "new blood" into the structural building components industry. However, even more will have to be done in the realm of proactive industry promotion to combat the existing cultural bias against jobs in manufacturing and construction. In addition to WTCA's national endeavors, one-on-one partnerships with schools and other community-based entities will go a long way in opening the eyes of younger generations to the many and varied career opportunities available through this industry. SBC

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