

PART 2: Industry taking on skilled labor shortage head on

By Devin Steele

As noted in [Part 1](#) of our two-part series, the skilled labor shortage has been one of the major issues affecting the U.S. sewn products industry and the larger manufacturing sector for years. Throw in the fact the U.S. is experiencing near-historic low unemployment during an extended period of economic expansion, and the problem is only exacerbated.

Plus, U.S. manufacturers and their suppliers are experiencing some of the highest levels of growth we've seen in decades, yet the industry seems unable to keep up with the resulting rebound in job growth. This poses major challenges for manufacturers and may threaten the vitality of the industry and our economy long term.

This issue is extremely important to our sector as the industry seeks to reshore back to the USA to take advantage of new technologies and meet the demands of today's ever-changing consumer. SEAMS' goal is to help "Build a Supply Chain Bridge" for a more viable, faster, more efficient sewn products, textile and apparel manufacturing.

SEAMS sent questionnaires to several members and non-members to see how they are responding to the challenge of finding – and keeping – skilled employees. Part of SEAMS' mission is knowledge and idea exchange, so we see sharing their feedback as beneficial to members who may be struggling with some of these same issues.

Here, in Part 2 in our series on this issue, are highlights of participating companies and education and training centers.

Precision Fabrics Group

Precision Fabrics Group (PFG), headquartered in Greensboro, N.C., has evolved from a traditional textile company into an engineered materials business, focused on highly technical, high-quality woven and nonwoven fabrics. In addition to North Carolina, the company, celebrating 31 years in business, has manufacturing facilities in Virginia and Tennessee.

Precision has a large labor force of manufacturing associates (500+), including machine operators, inspectors/graders, warehouse, technicians and skilled maintenance. It also has a senior workforce, with an average tenure of 22 years.

The company has experienced substantial growth during the past 12 months, but is struggling with manufacturing candidates available to fill entry-level positions. David Eller, Precision's director of human resources, blames part of the problem on the education system for not preparing high school graduates for skilled labor jobs in particular, as well as the perception that manufacturing is outdated or undervalued.

Baby Boomer retirements are having a huge impact on the company, as seniority, experience and knowledge can't be replaced, Eller said.

The skills gap crisis is definitely impacting Precision's ability to keep up with production orders and to increase business and/or expand, he added.

"With our spike in business, our hourly turnover has almost doubled," Eller said. "We mostly use temp-to-hire (contract labor) to fill our wage openings (120 day period before converting). This is a two-fold problem – finding the labor pool and then retaining them."

Since it uses contract labor (temp-to-hire) to fill manufacturing positions already, Precision has had to increase the number of these vendors it uses, he noted.

Thirty-nine percent of its voluntary terminations were attributed to employees leaving for first-shift opportunities, he added. "When you run multiple shifts as we do, money and benefits can't compete with day-shift opportunities," he said.

To help fill jobs, the company has more than tripled its cash incentive program for employee referrals and increased starting wages for contract labor to almost mirror its entry-level starting pay, Eller pointed out. The company also offers tuition reimbursement and free, onsite medical care, he said.

However, he added: "We are a bit more flexible in hiring requirements but still maintain the ethical and professional standards we hold our current employees to."

Precision utilizes its current workforce in its efforts to recruit talent, Eller said. It offers an updated PFG referral program financial incentive, and partners with local schools and non-profits for talent options, he added. The company also participates in job fairs, uses social media to announce openings and benefits and hires contract and temp agencies, with "moderate success," he reported.

For retention purposes, the company uses several programs to increase engagement, he added, including such things as food trucks for lunch on all shifts, associate raffles to encourage safety and attendance, gift cards to recognize associations who have gone above and beyond, contests, service anniversary recognition, an enhanced benefits package and more.

Eller pointed out that people leave managers, not companies – that is the No. 1 reason people move on, he said. As such, the company engages in effective communication and associate engagement training for supervisors; generational gap recognition; and harassment training.

Eller listed several good reasons someone should consider a career in manufacturing, including: the use of technology, cutting-edge products; making a difference in your community and state; and working in a team environment. With those tenets in mind, he noted that Precision reaches out to the community to educate them about the benefits of manufacturing during its recruitment efforts.

Shuford Yarns LLC

Shuford Yarns, based in Hickory, N.C., is a technical yarn spinner of a variety of technical fibers used in specific markets. The company offers about 250 jobs mostly in a manufacturing environment, and is about 90 percent at full employment capacity, according to President & CEO Marvin Smith.

With the unemployment rates in its area in the 3 percent to 4 percent range, the company has found it is "very difficult" to recruit associates, he said. "We are improving pay, benefits, bonuses, etc. to attract the talent we need," he said.

"The image of the textile industry has taken a hit over the last 20 years with the announced closings," Smith said. "Most people do not realize that the industry still exists so we have to do a good job in promoting our industry as well as our specific place we fit in the industry."

He added that in the next 10 to 15 years, the company will experience a rather large turnover due to retirements, not only on the production side but among management. "We

have already identified a number of younger people to train for those jobs in management in order to get them the experience they need to lead our company in the future," Smith said.

Despite the difficulty in maintaining full employment levels, Shuford Yarns is keeping up with the demand so far, he added. "We are concerned about the cost of overtime paid in order to meet the demands due to not being able to find enough qualified people."

To help alleviate the skills gap crisis, the company has tapped into "out-of-the-box opportunities," Smith pointed out. For instance, it partners with the county prison system to help those who have come through their system into a workplace environment. The company also provides job training as well as helping them with finding places to live, etc. in order to help them back into a work environment and community.

"This has worked well for us and the associate," he said. "We continue to work with high schools to find those who may not want to further their formal education but want to begin a career right out of school. We also work with the local technical schools to provide training and employment for selected individuals that need and want a job."

Despite the difficulties in finding talent, Shuford Yarns has adhered to its normal hiring requirements and does not believe it should lower its standards, Smith said.

Beyond increased incentives such as wages and benefits, the company has allowed employees the opportunity to feel like they are a big part of a larger picture to meet company goals, he added.

"We operate our production areas with a self-directed team approach where each person has a specific responsibility to participate in the decisions that each team must make during their time at work," Smith said. "We challenge them and allow them to make decisions that help each time to meet their self-imposed goals. We want each associate intimately involved in running our business."

This approach is helps differentiate Shuford Yarns among a number of manufacturers, he pointed out.

"For us specifically, our self-directed team approach to operating a business engages each associate," he said. "It provides a way for them to engage in decisions in running our business from the floor up as opposed from top management down. This builds ownership in the business where they are an integral in the decision making process."

Shuford Yarns continually looks for equipment that would help reduce labor needs, Smith added. "We are investing a lot of dollars in up-fitting some of our equipment," he said. "We are limited in how we can use robots, etc. due to the complexity of the business we have."

The company also trains each employee to have the skills not only to operate its equipment but also the skills that needed to make decisions that affect everyone in the company. They learn technical info that helps them make decisions concerning quality, cost, customer service and more, Smith said. They also learn people skills related to working with teammates in motivating each other to achieve the results the company is looking for.

To increase its Q rating and raise awareness in the community, company personnel participate in numerous endeavors in the community, from providing investment in community-driven entities as well as personal time being engaged in community clubs, etc."

Textile Technology Center at Gaston College

As an important resource to the textile and sewn products industries, the Textile Technology Center (TTC) at Gaston College, Belmont, N.C., provides product development, testing and training services to the textile industry. It maintains a technically trained staff with industry experience in extrusion, yarn formation, weaving, dyeing, physical testing, analytical chemistry and microscopy.

“We are creating holes every day as our veteran staff makes plans to retire,” said TTC Director Sam Buff, who noted that the center has 93 percent of its workforce positions filled. “Our labor situation is challenging due to a very low unemployment rate and competition for the same talent pool.”

Buff cited a number of reasons for the skilled labor shortage, including trade agreements that moved a lot of manufacturing offshore.

“At that time, a lot of talent left the industry, to never return,” he said. “For the next decade or so, companies struggled to figure out how to survive. I do not believe that they spent a whole lot of their time recruiting, developing and retaining talent. So, a decade of talent never entered into our industry and companies are now finding themselves without a bench to pull from as they had enjoyed in years past.”

Buff, who interacts daily with representatives of companies in our industry, added, “the one thing that keeps me up at night is losing our Baby Boomers. We simply cannot replace their experience in the short amount of time we have in front of us. We have done a poor job of developing young talent.”

However, the TTC has not failed to keep serving the industry’s needs, he added.

“We have been lucky to this point,” he said. “Our loss of knowledge has been manageable but the continued retirement of many key people will certainly have a negative effect if we do not aggressively address the issue.”

Using contractors as a solution to losing technical knowledge has worked well for the center, Buff said. The TTC enjoys strong relationships with many retired technical textile professionals and call on them often to help them address complex projects, he noted.

Regarding strategies for talent attraction, the TTC has recruited at N.C. State’s Wilson College of Textiles, Gaston College and “good, old-fashioned word of mouth,” he pointed out. “We have been successful with all three methods but there’s nothing better than a referral from someone you trust.”

The center has used its resources at the college through its work/study program, has been aggressive with internships, has hired many military veterans and given countless student tours throughout the years. “I believe they are all successful in their own way,” Buff said.

Of the younger set that is often said to place more important goals on intangibles beyond salary and benefits, the TTC has offered its staff flexibility in their schedules, which goes a long way toward maintaining a work/life balance, according to Buff. “This is perhaps the most important benefit to our Millennials,” he said. “We also give them many opportunities to lead activities (meetings, tour groups, training, etc.), which were led by more senior staff members in the past.”

The center has added many new modern technologies in its testing and processing equipment, he added. Robotics are also present as well as Artificial Intelligence. "I have seen great strides in the software's ability to troubleshoot a problem based on data," he said.

"I would recommend that anyone considering a career in manufacturing take the time to visit as many facilities as possible," Buff said. "There are many textile companies that have state-of-the-art capabilities to manufacture for a wide variety of industries: aerospace, medical, communication, etc. The industry is vast. There are tons of opportunities out there in the most unlikely of places – you just have to look for them."

As such, the TTC does its best to constantly promote the textile industry, he added. It hosts many events throughout the year, provides tours to public school students, help Scouts earn their textile merit badges, offers internships, speaks to college classes about career opportunities in textiles and more."

The center also aggressively trains and cross-trains staff and always keeps an eye on retention. "Our hope is that if we provide staff with opportunities to grow, flexibility of schedule and a happy workplace, they will stay with us for years to come."

Anonymous supplier

A large, U.S.-based global supplier to the textile industry, who asked to remain anonymous, said its largest need is for line operators and employees with mechanical skills. The company is currently operating at 95 percent employment capacity, which is much improved from just nine months ago, the company president said.

A lack of apprenticeship programs is a major factor in the skilled labor shortage, and an aging workforce makes the issue more problematic, he added.

The company has been able to keep up with production orders despite the crisis, but it has had to increase its costs to operate, he said. The manufacturer has attracted and retained employees by raising salaries above average pay, and increasing productivity incentives and work and training premiums, he added.

The firm also has had to source contract manufacturers for punctual jobs, with mixed results, he pointed out. Some of its most successful recruiting strategies are through temp agencies, shifting foreign affiliate technicians to the U.S. and hiring from other geographical areas within the U.S., he added.

In addition, the manufacturer has used community colleges and veteran placement programs, with limited results so far, as well as pulled from students of specialized college tracks for management trainees, he said. To help attract younger employees, the company uses a younger recruiting staff, he noted.

To also address the issue, the company does utilize robots and automation for repetitive tasks, and is researching human/machine integration and Artificial Intelligence, he pointed out.

To get the word out of the good things happening within the company, especially for engaging prospects, it has a strong web presence, particularly on social media and through blogging.