

How to Combat Labor Shortages in Manufacturing by Increasing Workforce Flexibility

Panelists:

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Corey Gilchrist, VP of Total Rewards & HRIS, Shamrock Foods

Bob King, President, C.O.O. Services

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Steve O'Brian:

Hello, and welcome to another installment of our Manufacturing Leaders Roundtable Series. I'm Steve O'Brian, the Marketing COO here at Shiftboard. Thank you for joining us today. I also want to extend a warm welcome to our panelists who will be introduced in just a minute. Today's topic is "How to Combat Labor Shortages" through workforce flexibility. Hardly a day goes by without labor shortages hitting the news. We're all aware of our favorite product being in short supply or our favorite restaurant working at half-capacity. Businesses of all shapes and sizes are doing everything they can to hire and retain their talent, but the pressure is on and the pressure and stress on operations and frontline workers every day is super high. They're working long hours day after day, and it's leading to burnout, lower efficiencies, attrition, and it's just further exasperating an already very challenging issue.

Steve O'Brian:

Some of these issues are likely going to subside over the next few months, but there are others that are going to be longer term and I think we as a society and as a business community are going to have to ultimately respond to those changes, including expectations of what workers value and in their employment and their employers. So with that, let's meet our panelists. We have a wonderful diverse group today that I'm super excited to introduce and I'm going to start off with Corey Gilchrist from Shamrock Foods. Corey, why don't you tell us a little bit about yourself?

Corey Gilchrist:

Hi, I'm the vice president of total rewards and HRIS at Shamrock Foods company. We're a regional food distribution company and a national milk production and distribution company. I've been working in the HR arena for about 11 years. Prior to that, I grew up and played around in the public accounting, finance, IT, and operations management type role. I'm happy to be here with you guys today from Phoenix, Arizona.

Steve O'Brian:

Awesome. Thank you, Corey. Kevin, why don't you go next?

Kevin Shoen:

Yeah. Well, thanks Steve. I'm happy to be here as well. Kevin Shoen, and I'm retired. I was 34 years with General Mills, maker of Cheerios and Yoplait yogurt and other food that people love. I spend my time now in a consulting or an advisory role. I typically have four to six companies that I'm advising, from mostly North America, but from around the globe. I'm really looking forward to our discussion today. I spent most of my career at supply chain. My last many years, I was the head of our North American supply chain and we spent a lot of time on people. We had over 12,000 people in our organization, and a lot of our time was in discussions around people and building their capabilities. It's actually exciting to see the frontline workers having a front row seat to the current discussion more broadly and I'm sure we'll be interested to hear more from our panelists on how that looks from each of their chairs.

Steve O'Brian:

Exactly, yeah. Thanks Kevin. Bob, would you mind going next?

Bob King:

No, I'd be glad to, Steve. Thanks. My name is Bob King. I'm in the Seattle, Washington area. Started my career in and around manufacturing plants in the paper industry with Georgia Pacific. Was there for 27 years in their manufacturing and distribution units. I went from there to president of a large office products manufacturing company for 10 years and then maybe 10, 12 years ago started C.O.O Services, which works with mid-size manufacturers on efficiencies and opportunities to improve their performance.

Steve O'Brian:

Thank you. What a deep manufacturing expertise on this. Doug Hammond. Let's get a little bit of intro from you.

Doug Hammond:

All right. Thanks, Steve. Well, I'm Doug Hammond from Chicago and I appreciate you having me here. I am Zone president of Randstad's Inhouse Services division. We focus on high-volume custom labor solutions for our clients, so this topic is near and dear to my heart. Prior to that, I was with an HR technology startup and I started my career as a manufacturing engineer at Motorola years ago.

Steve O'Brian:

Perfect. Thanks Doug. One thing to notice is Doug's division, they have a lot of big manufacturers as customers. We thought it would be very interesting to have someone who is in the business of supplying continued labor to these organizations and being able to get that perspective since the employee perspective is a big one as part of this discussion. Thank you, Doug and thank you to all of our panelists who are here today. So with that, let's dive into the first question. I think it's a good one to set a baseline, just to kick things off, of really the two perspectives, which is one, an operational perspective or more the business perspective, and also the employee perspective around what flexibility is. Doug, I'm going to actually ask you to lead things off. What does flexibility look like from both an individual employee and a plant manager perspective?

Doug Hammond:

Steve, I appreciate the question because I think flexibility is a really interesting topic. I mean, clearly it means different things to different stakeholders. To really get it right, you have to think through it for everyone involved. For instance, what's in it for each group? What problem are you trying to solve and most importantly, how is flexibility connected to the overall goals of the business? If we think about some of these groups, think about your white collar employees for instance, they're probably looking for some level of geographic flexibility. We've heard about this migration from some of the major city centers to all over the country.

Doug Hammond:

The pandemic taught us that, especially in the white collar world, work doesn't necessarily have to be done in the same places that we thought it would have to be done. They might also be looking for some schedule flexibility to a lesser extent, although I think that white collar population of workers has really been pushing the envelope on schedule flexibility anyways. But when we think about hourly employees, that's where it starts to get pretty interesting because they're really looking for flexibility that allows them to accommodate the unexpected things that happen in their lives, like a kid getting sick, or school getting canceled, or an unexpected doctor's appointment, or even loss of childcare. These folks value the kind of flexibility that lets them work when they're available and doesn't penalize them when something comes up and keeps them from being available.

Doug Hammond:

If you find a solution that helps them while still meeting the needs of the business, that's definitely going to result in more retention and higher productivity. Employers who get this right, are going to find themselves highly competitive in a tight labor market when it comes to attracting and keeping workers, which is top of mind for everyone right now in this labor market. Speaking of employers, what they really want are outcomes that give them better value for their labor dollar. They want to achieve this without creating significant risk or uncertainty in their business operations. Maybe easier said than done, but still the good news is that at the end of the day, flexibility can and should be a win for everyone involved. If you're using framework that all stakeholders understand and they bought into, you get business outcomes with great results and we've seen this over and over again.

Steve O'Brian:

Great introduction. Other panelists, why don't we just spiral off of Doug's opening comments and jump in.

Bob King:

One of the things that crosses my mind, Doug, when I hear you talk about that is that you always have to keep the company goals in mind and the flexibility and the ability to work in different ways or different patterns needs to be meshed well with the business goals. The goal was not just about flexible scheduling or flexible workforce, it's also flexible workforce along with performance with the organization.

Corey Gilchrist:

I think one of the key things Doug mentioned was know what problem needs to be solved. That can be different for different departments, different plants, different cities, but always understanding what problem you need to solve with a flexibility solution is going to be a key to success.

Steve O'Brian:

I was going to say, Corey, would you mind just providing an example of what that might be?

Corey Gilchrist:

Yeah, sure. For example, within manufacturing lines, your flexibility might not involve working from home. Something that simple that would work for white collar workers. As Doug mentioned, those types of workers are looking for more accommodations to the unexpected, and so we've experienced that in several of our departments within the company. We have warehouse jobs that don't have a lot of flexibility that mirrors what our accounting department's flexibility or our IT department's flexibility looks like. There are different areas, different cities, and each one could be a little different.

Kevin Shoen:

I was just going to add that like politics, since we just had an election, labor issues are often local. There are some definite national trends that we're seeing, but a lot of the solutions may be local solutions. I think that's particularly challenging for larger companies that tend to want to have a policy that spans across all of their organizations, all their locations, and all their employees. That makes good sense too, but a lot of times, if you look at the needs for flexibility that Doug was describing, they can vary quite a bit depending on what geography you're in and what the needs of that specific geography are at the time.

Steve O'Brian:

Yeah, that's a good point. Even probably within a single geography, I mean, flexibility means different things to different employees. There's an advertisement out right now from Amazon talking about the person that needs to just work evenings versus the person that needs time off to be able to take their kids on Tuesdays and Thursdays somewhere. So I think that whole notion of providing flexibility gets compounded and more complicated because employees need different things from their employer at different times, at a lot of different phases, for sure. We're hitting on this first topic just to set up the conversation and contrast between the operational view of flexibility and the employee view of flexibility.

Steve O'Brian:

We're going to get into some strategies next, but is there any key contrasting points that are important to get out now in terms of either a real tension point between maybe an employee's needs around flexibility and operational, as we try to tease out ultimately the different viewpoints and how they can come together as Doug mentioned? There's lots of win-wins that are available here, but when you get down to the fundamental tension point, I guess

I want to go back to something both Corey and Kevin said and Bob as well, which is that tension between productivity and getting product out the door and meeting customer commitments, while trying to balance and not burn out your employees and run them 12 hours a day every single day with the labor shortages going on, is that the key tension point or are there others that we want to highlight that's our baseline into the next set of questions?

Kevin Shoen:

Well, I think one thing to think about Steve as you were describing that problem is "let's try and simplify the problems" as well, not boil the ocean. There's a lot of the tension on the labor issue right now in a good way, I think. We can't waste this crisis, COVID brought to the front that frontline workers matter. As a supply chain leader, I love to hear that. I felt over the years, we've eroded the value of some of our frontline workers, whether they were hourly or white collar. Now they're in the front of the discussion and then obviously, the labor shortage is adding another dimension. But let's not forget, if you were trying to get a third-shift employee in a specific location, they were always hard to find.

Kevin Shoen:

That's why we gave shift differentials to folks and the off-shifts. Looking at the problem and saying okay, what's new relative to flexibility versus what we've always dealt with, and simplifying it down into what are those maybe two or three key things. That's maybe what you're teasing out here in your question versus what are the things that are always going to exist in employees and trying to meet the business needs. I think it's one key approach to think about if you're an employer trying to answer this question around, what does flexibility really mean and how can it help me attract and retain more employees?

Steve O'Brian:

Yeah, good point. Maybe that's a great introduction and our stepping stone into our next topic, which is really, what role does workforce flexibility play in terms of productivity and operational efficiency? Kevin, since you add the last comment on the last question, why don't you go first on this one?

Kevin Shoen:

Okay. Thanks, Steve. I'll keep this short so we can hear from some of the other panelists as well. Obviously, productivity is a key driver to any supply chain organization or any organization from the employee point of view. Doug and Bob, said one of the key contrasting things that you were just talking about, Steve. There's the needs of the business that Bob described that we can't forget. We can't get so lost on what are the needs of the rest of the attributes of a business that we forget to focus that there are business needs. We need to understand what those are and clearly be able to articulate those to the employees. Then to Doug's point, what do the employees really want and need? I don't think we ask this enough, I know we haven't historically.

Kevin Shoen:

I think one of the key drivers to increasing the productivity of your workforce and the productivity of your organization, as leaders in these companies, is taking that new point of view. Sitting down and really thinking about that question, what do the employees need? What is their definition of flexibility? All the things that we've heard described here already today, and how could we develop a creative plan that is going to help attract and retain folks through the lens of flexibility? I'll just give one quick example. I've got a niece that works in nursing. She's in her late twenties now, right out of college, and she loves flexibility. She has one young son. She's a frontline worker, so she has hourly slots that she has to meet. She could be on any one of three shifts any week. Her definition of flexibility is visibility. I want visibility into my schedule two months out, three months out, four months out, so I can plan. She's a planner. When I ask her about this question she goes, you mean flexibility or visibility?

Kevin Shoen:

She boiled it down to “my flexibility is through visibility and I also want an easy way to do that.” So she threw in a third word that I liked, “usability.” The hospital system that she works for down in Kansas City has a pretty flexible technological app. It’s a way to keep in touch with her schedule. A lot of what you guys do there, Steve, at Shiftboard, where you’re trying to use technology to lessen the friction between the employees, the employer’s needs, and the flexibility and needs of the employee. It’s just interesting to see one of these millennials, like my niece, describe it in a way that I hadn’t thought of. I always think about the flexibility of coming and going, different hours, different shifts, and she really described it as “I’d like to see further into the future. Then that gives me the flexibility that I need to live my life.”

Steve O'Brian:

Yeah, good points on the employee’s side. Visibility has been one flavor of flexibility. We also often hear certain employees talking about just consistency of schedule because consistency is more valued than flexibility at some point. I guess going back to that point of different employees looking at it from a slightly different ladder. On the employer side in terms of how to view flexibility and how to maybe some tactics and strategies around how manufacturers today are trying to leverage workforce flexibility regards to the panel. What are your observations?

Bob King:

A couple thoughts, Steve, that come to mind back on what Kevin was saying a minute ago is that the premium on having quality conversation between the workers who are wondering what they want in terms of flexibility and listening to that well enough to know what problem you’re trying to solve for them to work with the group. But the communication piece, it just came to mind as I was hearing Kevin talking. I’ll say back in my day, the communication or the ease of communication was way more difficult. The technology that’s available today, and the timeliness of the technologies that’s available today, give you a lot more opportunity to get into some of the detailed scheduling changes that get made on an hourly basis in some of these plants. Getting into using technology to help improve that level of communication, I think is essential. It’s one of the basic steps that’s got to happen to really make this work well. I just wanted to camp on that a little bit, Kevin. Before we got too far, I think this whole idea of communication and technology has to be part of the solution.

Steve O'Brian:

Yeah, good point. Is any of the manufacturers you’ve worked with leveraging things like flexibles or groups of employees who maybe have multiple multi-skill sets or various ways to flow headcount to the point of need? Is that a strategy being deployed by any of the manufacturers you’re involved in?

Bob King:

Right now the only real technology enabled thing that I’ve seen my clients working with is bidding for openings. That changes in schedule or openings are being able to be put up on some virtual board and people can bid on those almost immediately to fill or empty whatever they’re going to do. That’s, I don’t want to say basic, but a fairly basic way of helping some flexibility and short-term, quick turnaround type of needs.

Steve O'Brian:

All right. Doug, anything that you want to say?

Doug Hammond:

Yeah. Steve, I’ll tell you we’ve got a number of clients that we’ve developed labor solutions with that have flexible labor pools as a critical part of the solution that’s been put in place. I think one of the points that I really want to make sure we bring home on this webinar is that flexibility doesn’t have to mean “no rules.” It’s not the Wild West.

In fact, I think the best labor solutions have flexibility within specific guardrails that are directly linked to the business outcomes that employers need to accomplish. You're less likely to see with our client base, full-schedule flexibility where workers can just decide to come and work for three hours or five hours one day, two hours the next, 10 hours the next. That's a lot of flexibility, and that's hard to accommodate on the manufacturing or the logistics floor.

Doug Hammond:

But scheduled flexibility is something that's very easy to accommodate. We have found that when we give workers the opportunity to say "yes" for this coming week, "I'm going to work first shift Monday, Tuesday, Thursday, Saturday," they come to work because they've chosen those days. Those days match their own personal needs within their own lives. They're much more likely to adhere to the schedule that they signed up for compared to when someone just tells them "hey, you're going to work Monday through Friday on second shift and oh, by the way, non-volatile overtime, Saturday and Sunday too."

Corey Gilchrist:

That's a great point you make. I think when you get into a position where you can do that and allow employees to pick those days or be a little bit more flexible, you're going to have a lot less calloffs, which are all of our worst nightmares, right? When you get the calloffs an hour before the shift starts, which with the current shortage going on, it complicates it even more because you're already running lean and mean. The more predictive we can be about who's going to be there on whatever given day, the better off our manufacturing or other lines will be. We'll know what to expect a little bit better.

Steve O'Brian:

Yeah. Good point, Corey. I haven't heard pay come up so much right now in terms of a driver of potentially incentivizing some additional capacity. Is that tapped at this point? Just curious from your perspectives. I mean, pay has been the easy carrot. That's been thrown out to have workers work those extra 5%, 10% of the hours. But with the current labor shortage, are you finding that's already a tactic that's been checked off and you're moving on to other types of things? Just interested to see how much pay is still a motivator for increasing capacity.

Corey Gilchrist:

This entire year has been a whirlwind of compensation changes for not only white collar, but blue collar. I mean, we were seeing in the month of January of this year, CDL driver wages they were jumping 6 to 12% within 30 days because everybody was short and the economy was starting to open up. It's almost as if we as employers got into bidding wars. Who's going to pay the most? Who's gonna give the biggest sign-on bonus? That went crazy for several months.

Corey Gilchrist:

It's slowed down a little bit, but it's still present. Every time there's a change in a local market, we have to be ready to shift to that market. Whatever's happening, whether it's somebody else is offering up better, or somebody's got a major shortage of employees and they throw out a massive sign-on bonus or a higher wage, we have to be willing and ready to react if we want to stay employed ourselves. My hope is that it will all calm down and everything will settle, and we'll be able to at least cruise control for a while, but it's been a crazy year for sure with respect to compensation.

Bob King:

Steve, I don't think compensation will ever leave this conversation, right? I mean, it's one of the four pieces of the pack. We've got compensation, you've got the flexibility, you've got benefits, you've got corporate culture,

these things all mixed together. And I would argue that anybody, anytime could be incentivized with some level of compensation. The question is what do you have to do, and keep the corporate goals in mind, and how much can you either improve efficiencies or how much can you pass along to your clients to cover those additional costs? At some level, you've got to moderate it or your markets won't tolerate the cost increase, but it's definitely part of the equation. I think it'll continue to remain.

Steve O'Brian:

Yeah, many talks always in terms of it. Certainly not the end at all.

Corey Gilchrist:

It's a temporary solution a lot of the times, right?

Steve O'Brian:

Yeah. Right.

Doug Hammond:

Well, I just think it's critical to know where you sit in terms of pay in your specific labor market, right? Because if you are paying below an attraction wage, wages are still going to continue to be an important part of your strategy to change things. But as you are part of median wages in your market, now you can start competing on meeting other needs in your labor force. That really starts to play in, but if you're too low on the pay, then it's going to be part of your conversation for awhile to come for sure.

Bob King:

The other thing we haven't talked about much, and maybe we should, is a little bit on this whole idea of training and what employees are trained to do with these various jobs in regard to flexibility. Certain folks can't work in certain positions because they haven't been trained to do those jobs. I think of how the airline pilots, the ones with the most experience and the high levels of training, get to bid first on any airplane in the system and go anywhere they want. The person who's the brand new pilot, who's got less experience and less tenure, their maybe only 737 qualified, their options are fewer in terms of flexibility. So there's this training factor in manufacturing, certainly on machines and machinery and safety issues, et cetera, that come into play. This in some ways limits the amount of flexibility you can have based on qualifications of the employees needing to work.

Steve O'Brian:

And, Bob, just because I know you work with a lot of different clients, are you seeing companies respond to that with trying to expand training initiatives and things such as that?

Bob King:

Yeah, I think that's one of the areas I've been most impressed with, is companies that have a good culture and they have pay that's reasonable and good, they're looking for additional ways to continue to keep employees engaged. Training is one of them that there's been a lot of focus on. It's not just about the machine they're working on. It can be all kinds of things, including formal schooling, but that's a differentiator. Of course, the more training you have, the more ability you have to work in more environments, and that increases your ability to be flexible.

Kevin Shoen:

Yeah. I'm going to add to that, Steve, tying back to the pay, what Bob is saying there, I've got a company right now that's in a really competitive labor market for manufacturing jobs and they're a notch above the entry-level manufacturing roles. And they're losing people right and left. They've done the pay thing. Two big increases there still

hasn't slowed the turnover down much. So I'm taking a completely different approach. We're actually upping the training level fairly significantly at several of the high-speed automated packaging lines so that they can do some of the maintenance as well as some of the other safety checks that Bob described and get them in a whole different pay zone.

Kevin Shoen:

They're very engaged from the training point of view. They like that because they're getting poured into. But they also like the fact that they can move up the pay scale while staying there. They don't have to change jobs because the culture is pretty healthy as well. So training can be a strategy on the pay side, as well as on the employee engagement and flexibility side. I've got a couple of clients that are in the process of executing this strategy.

Steve O'Brian:

Right. It flows back into that concept of flex pools and so forth. There's employees who have multiple skillsets that can be put into different positions. That ties back into win-wins, right? That's a big win-win for both the manufacturer and the employee if they can serve up multiple needs on different lines.

Steve O'Brian:

Well, good. We've teased out the question quite a bit, I think, around the whole concept of what flexibility can mean. Why don't we shift gears and talk a little bit about just the tactics and strategies that employers could take. So, Corey, I'm going to have you take this one. What do you consider to be the most important first steps when launching a flexible workforce initiative?

Corey Gilchrist:

Sure. I'd love to tackle this one. We've talked about a lot of it already though, right? I think the most important thing to understand is the problem that we're trying to solve. If we go after this without trying to solve a problem, we're just creating a program to have a program, or we're even going to potentially create a new problem that doesn't exist for us. Have a defined problem and go after that, and approach and attack that, right?

Corey Gilchrist:

That problem, it might be a safety problem. We have some meat cutting lines, during the pandemic our flexibility was a lot different. It wasn't sending people home, it was spacing them out and letting them work in different areas to social distance, if you will. It might be a recruiting problem that we've already talked about, right? And you might have a need for a lot of IT workers and everybody's offering massive flexibility for IT workers. They can work literally from anywhere in the world that they want to, and you have to be flexible enough to accommodate your needs as a business, but to compete from that recruiting perspective.

Corey Gilchrist:

Understanding that problem is key to the entire thing. So from there you get into a whole bunch of other things we've discussed, flexibility by job, flexibility by location, what do they look like? How are they defined? Understanding what the employees think flexibility means because if their definition of flexibility is very different than yours as management, you're going to create a program that doesn't accommodate them. And they're not going to be happy, especially the blue collar jobs. They won't be happy if your definitions aren't aligned. So getting that in alignment is great.

Corey Gilchrist:

Obviously the pandemic threw us into a very flexible workforce, I think one of the biggest things we found was that there were a bunch of managers that weren't necessarily onboard with flexibility. Even in departments that

you could accommodate virtually any type of flexibility. So I think it's very key to understand which management members are onboard with it, which ones aren't on board, and try to figure out, okay, why aren't they on board and how do we resolve their concerns? How do we help them understand flexibility and how it might work in their arena? Because the last thing we need is a program that's created at a high level with management preventing it from rolling out to the associates. I think those are the key starting points.

Steve O'Brian:

Yeah. That's a good one. A lot of times it was managers who probably had valid concerns and you can get those resolved early in the process and figure out which ones are ones you can address and which ones you can't. The problem probably helps everybody get aligned. Yeah, really good kickoff to that. Others, jump in. That's a great kickoff, Corey.

Doug Hammond:

I think one of the things that's really useful is to understand what sort of "sacred cows" might be brought to the forefront with a change in how the labor and production happens in your facility. I'll give you an example. One of the most, as it turns out controversial topics that we end up discussing with our clients is either an elimination or a radical change to the attendance policy. I mean, lots of companies have put lots of claim into defining how points are given and points are earned, points are lost etc. So it's a whole points thing. You can eliminate or radically change that with some of these flexible work arrangements while still holding people accountable.

Doug Hammond:

We have a solution that we've got in place with a client where people are held accountable for showing up to the shifts that they sign up for. They're not punished if they only choose to work three days a week instead of five, as long as they come in on the three days that they say they're going to come to. But then it's a one strike rule. You don't come on a day that you said you were going to, and you move into a B-tier employee. And if you do it again you're out, we're just not going to schedule you anymore. So you still have accountability. But it's a real conversation, if you go to a client and say that you think they need to blow up the attendance policy, especially if they think that a point system is fundamental to getting people to come to work, we can bake that philosophically in or not. If it's a sacred cow, you've got to call it out and work through it upfront.

Bob King:

Steve, another thing that comes to mind that will start up, getting started on something like this, we've talked about what problem are we solving right here? What are we trying to get done? The other part of it is what's the goal, right? What's the outcome we're looking for as a result of doing all this work? Once we understand what the problem we're trying to solve is the goal increase productivity, or is the goal equal productivity and less turnover of people? What are we after so that we can develop an idea of are we being successful implementing what we've implemented? You start with that. What are we trying to get to and are the things we've done in between here and there the tactical moves we've made, are they working? Are they getting us to where we want to get to? But I guess just establishing some goals, parameters for what you're trying to accomplish will be helpful.

Steve O'Brian:

On that topic in terms of just, metrics, ways to establish mileposts along the way to that point, when it comes to these types of things where you are having to probably get pretty creative that some of these organizations to try to address the immediate impact. What are some of those mileposts markers that would allow an organization to see if some of their more creative exercises are paying off?

Kevin Shoen:

Yeah, I think a simple one, if you're talking around the workforce itself is a measurement around attendance slash compliance to whatever it is you're trying and you're checking on. And one of the things I'm learning in the advisory roles that I'm doing, versus what I thought I knew in my previous role was, my role when I was leading an organization, when we got ready to make a change we would think a lot about it. Especially if it involves policy and people and scheduling and shifts and those sorts of things.

Kevin Shoen:

I would say I mostly measure three times cut once, sort of a policy. For the most part that works well if you as an employee or employer, you're calling the shots and employees sort of have to comply to whatever it is you're coming up with. Even if you get a lot of input from them. We used to do a lot of self-design work systems, and we would do all of the legwork, maybe six, nine months of that, then we deploy the new work system in a plant or in a part of a plant. But within that, there was a democracy. Majority would rule, but there's also a bunch of folks in the tail that maybe didn't agree with that.

Kevin Shoen:

And I've much more come to the conclusion that it's better to do some of these, what I call low cost probes. So just try some things in a small area, maybe with one shift, in one section of the plant or one section of a packaging line and see what happens. Of course get a lot of input and communicate with your employees and then measure whatever it is that was the problem that caused you to want to change to begin with. Whether it was attendance or whether it was non-compliance to your work schedule. I've got a plan now I'm advising, and I've been floored by their willingness to try these things.

Kevin Shoen:

They're actually running a four crew system in one part of the plant, that they started up in weeks. They're running a traditional three shift system and another part on the same floor and they're running a sort of, I call it a hybrid system and yet another part of the plant. They're doing low cost probes in three, and they're going to run them for three months and then see do they end up with hybrids or something in between? I never would have taken that approach in the past. I would have been much more about let's figure out the best solution for everybody and try and deploy it across the site or a section of the site. I think we're going to need to be more creative in that sort of way as leaders going forward.

Steve O'Brian:

That's a great point. It ties back to, Corey, some of the challenges you even set up front. Which is, define the problem, but also determine where maybe some of the resistance points are and having to get those out on the table. And if you're having to do that across 40 managers versus three managers, and be a little bit more micro about it, that's a great statement. Kevin, just follow-up question. I'm sure everybody else has probably got a view of this as well as like in the example you gave of that plant that's willing to try something. What's the key ingredients there? Is it just a plant manager who's a champion of that idea? Or was it more organic coming from a couple of shift leaders or something that put their hand up? How you set that, any suggestions on how to get that kind of culture going, I guess, to just be able to be maybe a little bit more spontaneous and [inaudible 00:42:10]?

Kevin Shoen:

Yeah. I'd say there are a couple of things that I've witnessed so far. One is for sure, the plant manager in that direct leadership team, very open to ideas. It started right there. We're willing to listen and there not only just listen, but take things and run with it. But I'd say the main ingredient was, it was just pain. It was painful. I mean, they were having to shut down parts of the plant. It was painful for the employees. I mean, we're humans, right? I mean, these

folks on the floor when you're having to go through these painful situations whether you're one of the shift workers having to endure it and be enforced on overtime to cover one of the people that didn't show up or whether you're the leadership team and you're having to explain to your owners or your leaders that we didn't run any this weekend because we couldn't get employees. I'd say that's one of the ingredients too.

Kevin Shoen:

So don't waste the crisis is another thing that I've seen. But obviously you need a leadership team that's willing to try some things. In my case, if I go back to when I was a supply chain leader, that tone really starts at the top of the house. For those HR leaders, supply chain leaders, ops leaders, plant managers, are listening to call. I think the first place we have to look to is ourselves and say, are we really willing to take the risks so to speak and to trying some of these new things?

Steve O'Brian:

Yeah, really good claims.

Bob King:

Another thing that got some [inaudible 00:43:39] a bit interesting to me is it doesn't have to be a corporate program to get going. You've got multi plant locations, you've got shift of super [inaudible 00:43:52]. I mean, it can be started and tried in a lot of different places in a lot of different ways without having a way for it to come down from on high. A good plant manager, a good shift manager, an ops manager can get some of this stuff started and better it without having a weight problem.

Steve O'Brian:

Yeah. Good point. We have a customer we recently closed. I just finalized, went through their process of selection and so forth. And it was pretty interesting. They had a number of employees on their selection committee. They're trying to solve a workforce flexibility challenge. Ultimately we're just a technology that helps that. But I thought that was a really good idea on their part. Because they were able to bridge the ops leader down to the shift managers down to the actual workers that were there. It really forced them into a brainstorming mode together, to where they all were able to get on the same page around a couple of ways you could go about it.

Steve O'Brian:

Like, they're going to explore voluntary overtime because they think they have enough employees who work over time that doesn't force it on everybody else. So it affected some of these fundamental principles done to your point, right? Those holy grail kind of topics. Whether it's absenteeism or voluntary overtime or whatever those hot buttons are. Usually getting a way to get those out on the table and get the right parties together early and maybe do it in a cell fashion. Kevin, you were mentioning, right? Do it at a small scale and let some evidence come out on the table and that can in itself be the spark plug for the energy to make broader initiative.

Corey Gilchrist:

I think that example [crosstalk 00:45:44] Kevin shared where they broke it down into individual areas is a good example of where the mindset change comes into play. And understanding that we don't necessarily operate as a whole, when it comes to schedules. We have all these little sub units or sub jobs, even within the plant that can define flexibility differently. I think key to that is management understanding the data behind each job. Like what does productivity mean for this job in this corner of the building versus that job? When you understand that and you translate that into man hours and other productivity measurements, now you start opening up your flexibility. All right. How can we hit those numbers in a more flexible fashion that works here, but maybe not over here. We have to do a different mathematical formula over here. So I really liked that example that that client of yours is doing.

Steve O'Brian:

Yeah. That was a good springboard for talking about kind of the things you can do here now. Let's shift to our last angle on this, which is, let's look forward. Let's think about more strategic in terms of being able to build some operational resiliency and also just how do I address probably some of these longer term workforce flexibility issues that I think organizations are going to have to face. Bob, why don't you kick this one off for us?

Bob King:

Yeah. Thanks, Steve. We've talked about a lot of the challenges or the things up front. One that we haven't, that you had described earlier, you were talking about tension points, the flexibility versus organizational goals for example. I think one of the down the road tension points if you will, is the balance for the senior leaders allocating resources between automation or whether to automate or not in certain parts of these facilities. So there's a tension between workforce flexibility and the ability to automate to actually eliminate portions of the workforce or moving portions of the workforce to another part of the plant. I do think for the leadership people that are listening today, that's a big one. Where do you put your resources? Where do you allocate capital? Do you continue to work towards the workforce and you try to automate, is it a balance between the two? But I think that's a question that's going to have to be answered shortly. That's not that far down the line.

Bob King:

The other piece is this idea of training. The ability to bring people inside the organization of the training ladder, so that they have the flexibility to work from section of the plant to another section of a plant from this line to that line as you're starting to plan your year forward and how that training could impact flexibility and agility, I think is really key. Those are the things that I would tee up beyond the idea of automation and the real emphasis on training to enable flexibility.

Doug Hammond:

Yeah. I don't think we can emphasize cross training and the value of that enough. I think we've probably all seen multiple examples of a line getting shut down mid-shift for whatever reason, absence of parts, or maybe they met their production goals or any number of reasons. And that entire workforce getting sent home while the line next to it is running shorthanded. And I mean, that's crazy. But that's the world we live in without enough foresight to build in these cross training frameworks that allow you to build labor pools that are qualifying to work in multiple parts of the facility. But when you hit that, you really start optimizing your labor dollar.

Kevin Shoen:

Yeah. The one that I would build on both of what you guys are saying is, that whole training and workforce flexibility is key. But I also think about that additional level of training beyond being able to run a machine and the machine. And it's investing in the overall development of your workforce. This was an issue that has been on the radar, at least when I was at General Mills back in that 2012, 2013, 2014 time frame before we're in the crisis we're in now. It was a question around the millennial workforce. Who are we going to attract to work in these factories and these plants? What's going to excite them? What kind of training and capabilities are we going to need to build into them? And of course they were already demanding some different levels of flexibility.

Kevin Shoen:

When I looked at who we're hiring, we weren't hiring many folks that we were hiring 15 years before. That might be a really, well-trained, a vocational school, a kid that's 25 years old and excited to come work in a production facility. We were getting folks that are from a much different pool of people. We could see that we needed to do something on the training and the skill piece. And then the question is, what skill do you give them beyond just the skills and flexibility we're describing?

Kevin Shoen:

I think that's something every organization has to look into, whether it's continuous improvement skills or whether it's life skills, whether it's a conflict resolution skills within the teams, communication skills, all those sort of second order skills beyond the basic floor that really start to crank up your productivity as an organization, whether it's because you need fewer people or whether the ones you have are really effective. It's a hard one to think about right now. As you queue up the question of what the future look like, but I think it's going to be one that emerges once we're past the crisis that we are viewing right now.

Steve O'Brian:

Yeah. That's a really good point. Kevin. If they can't hire the right traditional demographic, then how do you develop it? The labor supply that's out there, you can look at it like it's a limited thing and that classic candidate maybe less than numbers, but that doesn't mean there's a whole population that you can get to that point by taking on some of the task of doing that and not just expecting it to be available for sure, classic kind of development programs that maybe were things that high potential traditional employees might be on, the [inaudible 00:52:50] programs like that being moved down into the frontline ranks, which is awesome. I mean, really good things that are going on there. On that topic, any anybody hear of some interesting things that clients have been doing around developing frontline workers beyond that, just simple AB checking out on a line neighbors find a year machine A versus machine B?

Bob King:

One of my clients is getting involved in this [crosstalk 00:53:25]-

Doug Hammond:

My clients runs a weld school within the facility. They're welding carts and tables and, a moveable sort of steel objects. They're living the skilled labor shortage. We bring in more entry-level folks, administer a testing regimen for them, and then move people into a paid after work weld school that the client runs in order to manufacture their own welding labor base.

Steve O'Brian:

That's a great example, Bob, you're?

Bob King:

Yeah, I was going to say one of my clients is just getting involved back when something called it, I'm looking at it now, employer resource network. Which actually is an interesting outside group that helps employees with all kinds of things including improving their credit reports and applying for loans for mortgages and that kind of skill type stuff, as well as things that are happening there at work. So I agree with that, because it's a great retention tool. It's a great way to help pay people, but you're talking about employee turnover. There's a lot of components that go into it. Workforce flexibility is one, training is one, your company culture. I mean, there's a lot to it. It's not just one topic.

Steve O'Brian:

Yeah, for sure. Corey, anything from you before we move to our wrapping up and just key points for this?

Corey Gilchrist:

Yeah. Just touching based on what the future looks like. I think the pandemic proved to us or to many employers that we can do business differently, and it sure opened the door up for a lot of change that might not have been thought about in the past. Anybody that's going to try to return back to the way things used to be, I think, is going

to have lots of different fights on their hands going forward. And so [crosstalk 00:55:38] I love the fact that the pandemic did open our eyes to change. And the businesses that survived, learned from it. Those that didn't may not have learned from it, or been able to learn from it. Just depending on their circumstance. We're definitely going to see different work forces, different work strategies, different work schedules. And so the future, I think we're just touching based on it right now. With the changes that we were forced into.

Steve O'Brian:

Yeah. Great thinking, Corey. Challenges like this put the light bulbs on for a lot of people. There's going to be a lot of innovative things that we're going to hear about over the next year two as companies, they don't really figure out the recipe to get around some of the challenges. There's always ways around that. What we've learned that through history, for sure. Well, good. Let's move to wrap up. What I'm going to ask is that, we're coming to do a little bit of just around the circle of kind of like, what are the one or two key takeaway points that you'd like to make sure the audience hears? I'll jump in first, and that it's easiest for me because I've just been listening the whole time to a lot of great points back.

Steve O'Brian:

I think one of the themes that kept jumping out at me that was threading through conversations was just the whole notion of getting the thoughts around opportunities and what innovative programs you can do out on the table, get the right parties lined up. Don't forget about your employees. Don't forget about those frontline managers who may be resistant. But go after the problem less. And Kevin the way you framed it up, less holistically and in the perfect program and try stone. If you can try stuff and get all the parties at the table to come in with good ideas, a little bit more of like a brainstorming tiger team kind of approach. That was one thing that certainly resonated with me as a great tactic to take going forward. So Bob, top left, at least on my screen, why don't we start with you for your closing comments and we'll go around the barn.

Bob King:

Yeah, thanks. It really strikes me, the whole idea of making sure you know what the employees are really looking for. Then start working out solutions with them to solve those problems or challenges along with keeping the company goals in mind. That's really what I think this is all about. If employers can really think about it in a way that says, if we can get to where we need to get and allow maximum flexibility, then everybody wins, then it becomes a win-win scenario. And that's really what need to endeavor to get to is really a win-win piece. So that's mine. The secondary one would be the gold training idea increase the ability to be flexible by increasing the amount of training that you're doing giving to, or working with employees.

Steve O'Brian:

Yeah, [inaudible 00:58:58]. Corey?

Corey Gilchrist:

I think one of the key things is just be willing to fail in your attempts to create these flexible programs. I mean, we've talked about the diversity of how this can play out. So start small and grow from there. It's always easier to add to a flexibility program than it is to take away, keeping in mind the P and L. Don't do it at the punishment of the P and L. Those goals of the company are still foremost, the most important thing to do. But at the same time we have to stay competitive. We have to meet employee needs with the changing workforce, as we're all seeing. Yeah, just work fast, but work smart as you're developing these plans and be flexible.

Steve O'Brian:

Good words, Kevin.

Kevin Shoen:

Yeah. I totally concur with what Bob and Corey are saying and what you mentioned too Steve. I think the different one that we haven't talked a lot about, but I think we need to really think about, and that I've heard pieces of this is we seem to know a lot of the basics of what needs to be done with attracting employees and retaining them and developing them. It's not brand new to us, but I think it's gotten highlighted with where we're at. The one that we haven't really seen apply yet. It's more of a, how is the technology applied to it?

Kevin Shoen:

And I just think about how much my life has changed personally in the last 15 years with the advent of smartphones and how little we sort of apply that to the frontline workers. I think about the policies I had when I was still working and we wouldn't allow people to take phones on floors a lot of times, especially if they had cameras. And it's like the attendance policies Doug were talking about. I mean, they were all there for really good reasons. But I think we need to re-look at that and see if there's a place that we can leverage technology to really get at some of the other great ideas and other discussions that we had here today.

Steve O'Brian:

Yeah, absolutely. I mean, there are so many technologies are out there today. Everything as alternatives to smart smartphones on the floor to... you hear about manufacturing phones with robots delivering parts of [inaudible 01:01:31] stuff. I mean, there was just a limitless level of innovative companies out there that are certainly trying to record. That's a great point. So Doug, we started with you, we're going to end with you. So Doug, give us your final thought.

Doug Hammond:

It's hard to give final thoughts after three people before you and give a lot of great final thoughts. But I think maybe let me leave everyone with this. The definition of insanity is doing the same thing over and over and expecting a different outcome. I know that's cliché, but it's true. And Kevin, got to this point as well, but if employers are conducting business the same way they did five years ago with no changes, they're getting left behind. Because I mean, the world shifted, the world shift hard and it was moving as it was. There's a lot of value in looking creatively to find solutions, that meet business and employees needs. Don't be scared that change means no rules. I think it just means different rules. But to be concerned about doing anything and have that paralyze you from doing anything, I think is going to be a real problem.

Doug Hammond:

As Corey made a comment about other employers maybe not making it and if we think post pandemic, the world's going to look like it was pre pandemic. It really isn't. We've done some polling. We do quite a bit of work in the call center space. Our work from home call center space just grew exponentially through the pandemic as clients closed down their call center and sprinted to put these programs in where people could work from home. And we've started polling our workers on what they would need to see from a wage perspective in order to leave their home and come back into the call center. I mean, you're talking 25 to 35% increases in wages in what people are saying would make it worthwhile for them to have to start paying gas again, have to buy professional dress, pay for lunch.

Doug Hammond:

I mean all these different things. I think it is really critical to keep an eye on what the future brings? These low cost probes that Kevin talked about, I think are brilliant. That's absolutely a fantastic strategy to sort of test in a small way to find your way forward. Having a tool that gives you the power to do these experiments, I think is really important to you.

Steve O'Brian:

Yeah. Good points by everybody. I mean, just in some, I think there were some good near-term things talked about today. The whole training, the whole kind of tiger team concept of going after the problems in a more small contained band, don't try to solve everything at one time. But I think that ultimate thing that opportunity is knocking on the door for are all businesses right now. And now is the time to step back and also think more fundamentally. Challenge some of those core premises that have been sitting there a long time because likely your neighboring competitor is going to be doing that themselves.

Steve O'Brian:

So both will need to be done and where there's challenges there's opportunity. These are going to be served in ahead over the next three or four years out of this. It might be painful now, but it will lead to some pretty big cool changes that all of us will look back on and say, "Oh, that's so obvious. Right? But it wasn't so outstanding looking at it." Awesome. Well, thank you so much panelists and thank you audience. We're going to wrap things up.