

Finding Employees: The Next Big Challenge

EMS companies are undertaking a range of measures to appeal to new recruits.

MATERIAL CONSTRAINTS COMBINED with unanticipated spikes in demand and shortages in transportation capacity apparently aren't enough of an electronics manufacturing services (EMS) management challenge for 2021. Labor shortages are also an issue, despite unemployment numbers double what they were pre-Covid. The reasons are complex. While government stimulus payments and more generous unemployment insurance may be incentivizing some to stay home, other factors such as lack of childcare resources or health concerns are also at play. The availability of more remote work options and relocation of previously available workforce due to Covid restriction adaptations are also factors.

In a constrained labor market, the manufacturing sector often finds it hard to recruit. Several decades ago, everyone had friends and family who worked in factories and spoke of the benefits of that career choice. The service economy and offshoring changed that. Today, many potential employees do not even consider manufacturing sector jobs.

How can these trends be changed? I've interviewed executives at Firsttronic and SigmaTron International to discuss what works for them. I also interviewed a recent "new to manufacturing" hire at Firsttronic to add perspective on what makes factory work appealing.

Innovative hiring practices in place pre-pandemic at Firsttronic's Grand Rapids, MI, facility are working post-pandemic too. During a previous hiring spike, the company worked with a consultant to develop an Accumax survey that screens candidates for the right aptitudes and attributes for the job. This tool helped reduce turnover when initially introduced, and continues to help focus recruitment efforts on candidates likely to succeed. Several years ago, it converted to four 12-hour shifts in a 24/7 work schedule, which gives most production operators alternating three- and four-day workweeks. Shifts 1 and 3 are day shifts, and shifts 2 and 4 are night shifts. Two years ago, a "Weekend Warrior" shift was added, which runs Friday, Saturday and Sunday for 12 hours each day, with full benefits and a shift differential premium. It has the least turnover and appeals to the area's college students. Some regular employees switched as well.

Pay was also increased toward the end of 2020.

"We doubled both of our night shift premiums," said Sandy Kolp, VP of quality and program management, Firsttronic. "Shift four, which has people working Thursday, Friday and Saturday evenings, pays the most. We've also just added a productivity bonus program for all direct employees."

The efficiency bonus is based on established output metrics for each job. When a worker's output exceeds 85% of the goal, he or she is eligible to earn a sliding scale bonus equaling up to 35% of their current wage. Efficiency rates are input from engineering, and the shop floor control system calculates efficiency against the products the operator is scanning in. A daily report is emailed to each supervisor and the plant manager who details efficiency by operator and product utilizing a stoplight color code system. While there are plans to increase the report automation, currently the plant manager reviews the report and gives accounting instructions for bonus amounts prior to each payroll processing date.

New hires get the full 35% bonus for their first two weeks to motivate them to focus on the benefits of efficiency.

"The initial efficiency bonus helps show entry-level workers how they can bump their starting compensation up to \$15 to \$17 an hour depending on shift choice," added Kolp.

Firsttronic advertises through Michigan Works and local community college and university job boards. A new pandemic-related requirement is all postings must include information on in-house Covid-prevention measures before the job requirements can be posted. All production-related interviews are done onsite.

"We discontinued virtual interviews for production jobs quickly. Candidates need to tour the facility to get a good idea of what these jobs entail," said Kolp.

The biggest recruiting success has been the employee-referral program.

"Both our existing employee and the referral candidate get \$50 each at hire date. There is another bonus of \$200 at 60 days and again at 180 days for both parties. There is \$500 apiece at the one-year mark. So, when a referral candidate is hired and stays for at least a year, both people earn a total of \$950," said Kolp.

Another successful program has been opening manufacturing jobs to students with work permits (16 or older) on weekends and school breaks.

"We've hired 16 students between the ages of 16 to 18. Some work one weekend day. Some work both days. A few worked their spring break. It is helping to build their job record, and they get the same benefits as our other employees. They have the ability to learn more about potential careers in manufacturing as they are making choices about what they will study in community college or university programs. It helps us

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build some affinity for manufacturing in a new generation,” said Kolp.

Once hired, all new employees go through an onboarding process that includes Covid prevention training, job skills training and relevant IPC-based certification training. They are also mentored on the production floor for a probationary period. Training class size has been reduced to five plus an instructor due to Covid prevention restrictions, so classes are held more frequently.

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SigmaTron operates US manufacturing facilities in Elk Grove Village, IL, and Union City, CA.

“It is a challenging hiring environment,” acknowledges John Johnson, director of HR, SigmaTron. “Pre-Covid, we were very involved in career fairs and activities with local community colleges. Those types of events are no longer happening. We continue to maintain job boards and utilize social media, although we are changing which social media platforms we use.”

The employee referral program has generated the most success. Recruiting employees merits a bonus after the referred employee completes 90 days.

“We are working three shifts in both facilities, but have more openings in our California facility. The employee referral program has been very successful in our Illinois facility,” Johnson added.

SigmaTron’s team focuses on the employee experience very carefully.

“Employees have a lot of choice right now, and it is important to structure the work experience in a way that keeps them engaged,” said Johnson.

From rapid follow-up with good candidates to an onboarding process that includes new hire orientation plus supportive interaction from each new hire’s first line supervisor, the team works to ensure new employees feel valued.

“The first few days are critical, particularly when employees are new to a manufacturing environment. The feedback we get from our new hires is they appreciate our clear policies and feel our workplace is honest and friendly. We’ve increased our Covid mitigation policy training because we’ve found new employees

A New Hire’s Perspective

Koby Lee is an SMT operator who, at the time of this writing, had been on the job about 60 days. He initially applied at Firstronic because his mother works at a business next door to the facility and noticed they had openings.



Koby Lee

“The fact that I would be building electronics was interesting. I filled out the application and really liked the walkthrough. It was a clean, controlled, upbeat environment. The staff was very welcoming,” Lee said.

The speed of on-the-job (OJT) training was also a plus.

“I’d never seen an SMT line in my life, but in two days I was running machines with someone overseeing me. The first day it seems like a lot to learn, but the hands-on training approach builds muscle memory. Everyone is focused on helping me do my job better instead of telling me what I’m doing wrong. It’s like being part of a family. I’ve never seen a workplace run this way,” added Lee.

Clear expectations were also attractive to Lee.

“The opportunities came faster than I expected. They gave me the SMT operator role right after I asked about it. The workplace rules and point system they use is easy to understand,” said Lee.

He likes the 12-hour shifts because the alternating three- and four-day workweeks provide larger blocks of free time.

The excitement of working in a technology field has also been a positive.

“When I go out with friends, they ask me what I do, and I tell them I’m building electronics — the computer chips that go into products all around us. The world is evolving, and everything is electronic. We build a ton of great products.

“With this job, I get up every morning excited about learning new stuff. I want to prosper in this field,” said Lee.

are often concerned about the potential for getting Covid. When they see our social distancing precautions and other mitigation policies, that helps minimize that issue,” said Johnson.

There is no question the pandemic, government stimulus efforts, increasing costs and changes in employee lifestyles have increased HR challenges. As these interviews underscore, quality of the hiring and onboarding process, team interaction on the factory floor, and clarity in workplace policies go a long way to attract and retain high-quality employees. The success of employee referral programs underscores the value of using those who understand the positives of a manufacturing career to recruit people with no factory experience. The EMS industry continues to be a great place to work. The challenge continues to be increasing awareness of a career option that many good candidates never considered. □