

OPTIMISM OR CONCERN?

Workforce issues are on everybody's radar screen these days. Workforce concerns seem to pervade all industries and are driven by both quantity and quality (and outsourcing).

Supply chain practitioners in the Memphis, Tennessee metro area are especially concerned about supply chain workforce trends, with recent media coverage focusing on the difficulty local businesses are having finding enough qualified people to fill positions.

Dan Randall, president of the Mid-South Regional Roundtable of the Council of Supply Chain Management Professionals (CSCMP), has been encouraging the roundtable to provide leadership on this issue. He pointed out that the roots of the problem are varied and that the problem exists across the supply chain industry in Memphis—warehousing, distribution, third party logistics, transportation, light assembly, etc. Randall noted that the problem results in additional costs for supply chain companies because of the costs of recruitment screening, high turnover rates, and level of basic training necessary after an employee is hired.

A portion of an article that appeared in a July 2005 issue of *The Commercial Appeal*, a Memphis daily newspaper, highlighted the severe workforce problem:

"... Mid-South labor challenges:

- Unmotivated workers
- Low value for education and career development
- Decline in math- and science-skilled workers
- Shortage of tech workers
- Shortage of skilled workers
- High employee turnover
- Reduced state funding for higher education
- Lack of skills preparation
- Linking jobs with education."

A similar article in a May 2005 issue of the *Memphis Business Journal* stated: "Memphis continues to be behind the power curve when it comes to educational levels, which means a large percentage of the city's working population may struggle to meet their ultimate career aspirations and earnings potential..."

A survey from the National Association of Manufacturers revealed that 80% of companies report "moderate to serious" shortage of qualified job candidates.

For hourly workers:

- 59% report "poor basic employment skills"
- 26% report "inadequate math skills"
- 32% report "poor reading/writing skills"

This data is consistent with the Memphis area.

The CSCMP Mid-South Regional Roundtable is taking up the challenge and working with the Memphis Regional Chamber of Commerce to encourage communication and community involvement in solving the workforce dilemma.

These two organizations sponsored a recent workforce forum

where local business and workforce resource groups (with participation from the Mayor, the Superintendent of the Memphis School System, and the President of the Memphis Chamber) collaborated to discover solutions to the worker shortage. Forum highlights included:

- The forum received wide press coverage. *The Commercial Appeal*, *Memphis Business Journal*, and local CBS-TV affiliate, Channel 3 News, all covered the event and generated a lot of public interest.
- Three management executives attending the forum committed their time to the New Leaders for New Schools Program, which is a mentor program for incoming urban public school principals. This effort involves business leaders mentoring the next generation of school leadership. (For more information, visit www.nins.org.)
- Most attendees discovered local workforce resources they never knew existed, including workforce development programs and financial assistance. This has resulted in an ongoing effort to better promote these resources so that companies can use them.
- The Chamber of Commerce reported that it heard from a number of forum attendees who volunteered to help with workforce development projects.

Under Dan Randall's leadership, the Mid-South Regional Roundtable also accomplished the following during the past year:

- It provided two college scholarships to students.
- It sponsored a college student's attendance at the 2005 CSCMP Annual Conference.
- It is assisting the local chapter of the Memphis Boys and Girls Club in gaining visibility for its new Technical Training Center. This center opens in spring of 2006 and is dedicated to providing basic job skills training to young people. It is an impressive commitment as its curriculum is based entirely on local company needs, with hands-on training offered in both classrooms and laboratories.

Here in Memphis, we've discovered that there is a significant commitment from all levels of the community to solve the serious workforce shortage problem that plagues local companies.

So...are we optimistic or concerned? I believe we are optimistic. The workforce issue is certainly real, but there is so much reason for optimism.

Innovative and creative solutions to problems like this are often spontaneous, and come from the interaction of people and ideas. Just as we need to keep the innovative and creative engines running in our own

businesses to survive, we've found that we can impact the workforce shortage issue by encouraging this same spontaneity in both the private and public sectors in the Memphis, Tennessee area.

All it takes is a collaborative commitment. ■

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