Staffing During a Labor Shortage

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Our Company

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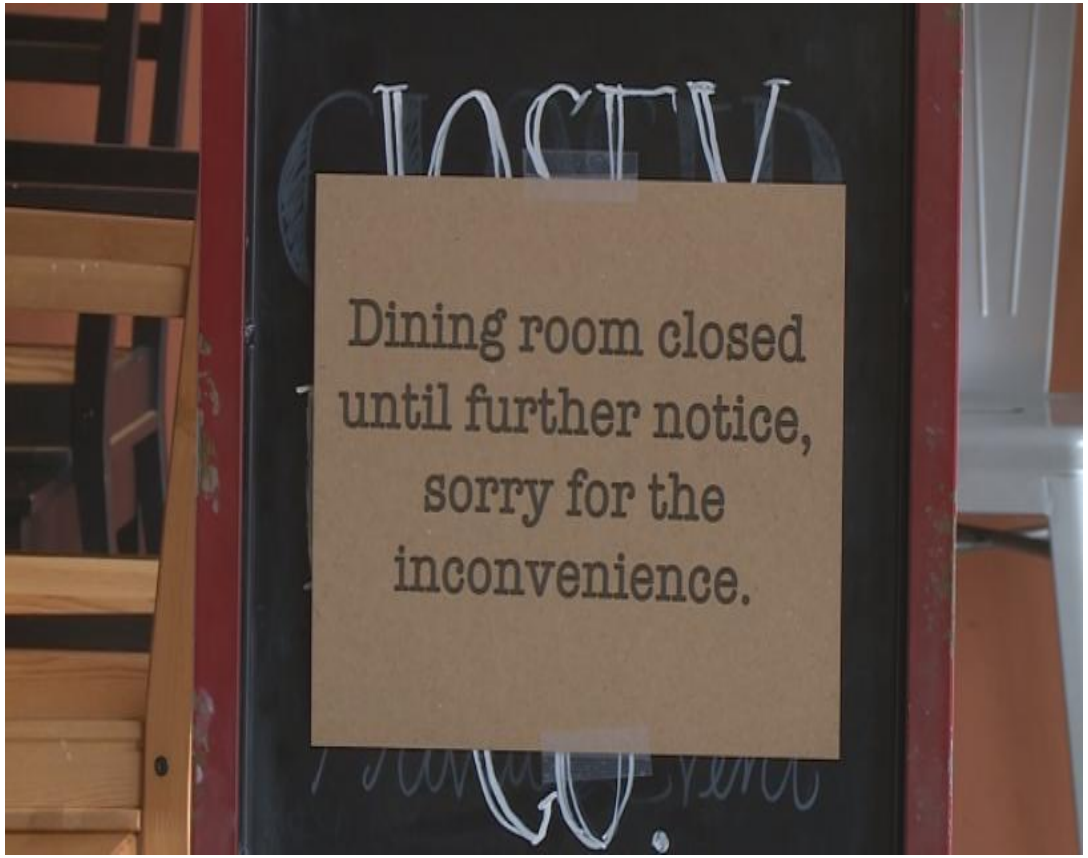
Supply Chain Footprint

Signs of the Times….



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From Couch to Work: The Challenge

Total Labor Management (TLM)

Pactiv Evergreen's Call to Action

- Demand outpacing supply
- Production below 2019 levels
- Competing with government stimulus programs
- Single largest source of line downtime = **Lack of Labor**
- Traditional recruiting efforts not effective
- Skilled workers switching jobs chasing higher wages

The companies that solve this problem will gain market share and improve profitability!

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Total Labor Management

What We are Doing

Decided on a holistic approach to addressing labor shortages.

TLM is designed to address aspects of labor management that directly impact the ability to attract and retain employees.

1. Facility Culture
2. Recruiting
3. Training
4. Retention

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Total Labor Management

Summary of the Process:

- Validate the business problem and financial benefit (Why do we care?)
- Use data to clearly define the problem(s)
- **Prioritize the problems** and pick 3 to 5 to work on (must prioritize)
- Dig down to the **root causes** (must be supported by the data)
- Establish metrics to determine if actions are making the impact
- **Develop solutions** to the root cause problems
- Build out detailed A3's (action plans) and resource commitment
- Establish working teams to implement plan (try to support teams with at least **60%** of the resources external to the plant)
- Weekly\biweekly follow-up meetings

Total Labor Management

Facility Culture

Conduct an onsite cultural assessment

- Utilize a third party
- Items addressed:
  - Employee attitude
  - Consistent fairness
  - Plant environment
    - HVAC, breakrooms, bathrooms, parking
  - Staffing, turnover, overtime
  - Management engagement
  - Frustrating equipment

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Recruitment

- Typical model is to use a ‘Temporary to Fulltime’ approach
  - ✓With the abundance of job openings this no longer works
- Now using a dual approach of direct hire and temp to hire
- Recognized our field HR not experienced in direct hire practices
- Assigned a full time ‘corporate recruiter’
- Now utilizing these incremental tools to drive velocity
  - Radio
  - Job Fairs
  - Employee Referral
  - Job Boards
  - Billboards
  - **Sign-on Bonus ($2-5K)**
  - Social Media
  - **Candidate Ombudsman**

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Training

- Established a Training Coordinator position
- Expanded the ‘Train the Trainer’ program
- Dedicated trainers with incremental step up pay
- Implemented a ‘pay for skills’ progression program
- Training done on shift they will be assigned to work

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Retention

- Facility manager one on one with new employees weekly
- More plant ‘celebrations’ (cook outs etc..)
- Wage analysis
- Reduced salary to hourly headcount ratio
- More frequent small group ‘Let’s Talk’ sessions

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Typical Event (1.5 Days):

- Participants: Corporate (VP Mfg, HR Operations, Compensation, Recruiting, Program Manager, Data Scientist) Facility Leadership Team
- Kickoff ‘Why do we Care?’ State the business case
- Go thru the main Data deck to develop very granular problems statements
  - Example:
    - Good Problem Statement: We only retain 50% or our operators that have been with us for less than 6 months on Line 117
    - Inadequate Statement: We have an operator retention problem.
- Prioritize and pick the key problems to be tackled first
- Break into groups to drive to root cause for each problem
- Come back together to peer review each team’s root cause list

Total Labor Management

continued...

- Break back out and develop:
  - Metrics (how going to measure success)
  - Proposed solutions
- Peer review the metrics and propose solutions
- Break out to develop A3 for root cause (actions, timing and resources needed)
- Peer review the macro A3's
- Establish on-going for expectations, Team Leaders, resources, etc…
  - Steering team
  - Team report outs

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Current Staffing / Gaps – by shift

2024 Projection

- Direct Labor –

Growth Assumptions

2023 + 3 formers and 3 printers

2024 + 3 formers and 3 printers

Vacation / Absenteeism	10.0%
Relief Factor (1 for 6)	11.7%

2024

121/2021

Current Direct Labor Staffing

Direct Labor

	12 Hr				8 hr			
	1	2	3	4	1st	2nd	3rd	
Inspector Packers (Form/Print)	19	20	15	13				67
Inspector Packer (T)	10	9	4	10				33
IP WGL	1	1	1	1				4
Total	30	30	20	24	0	0	0	104

	12 Hr				8 hr			
Operators (Form)	8	6	8	6				28
Operators (Print/SBL)	4	4	5	3				16
	12	10	13	9	0	0	0	44

Target Direct Labor Staffing (Ideal)

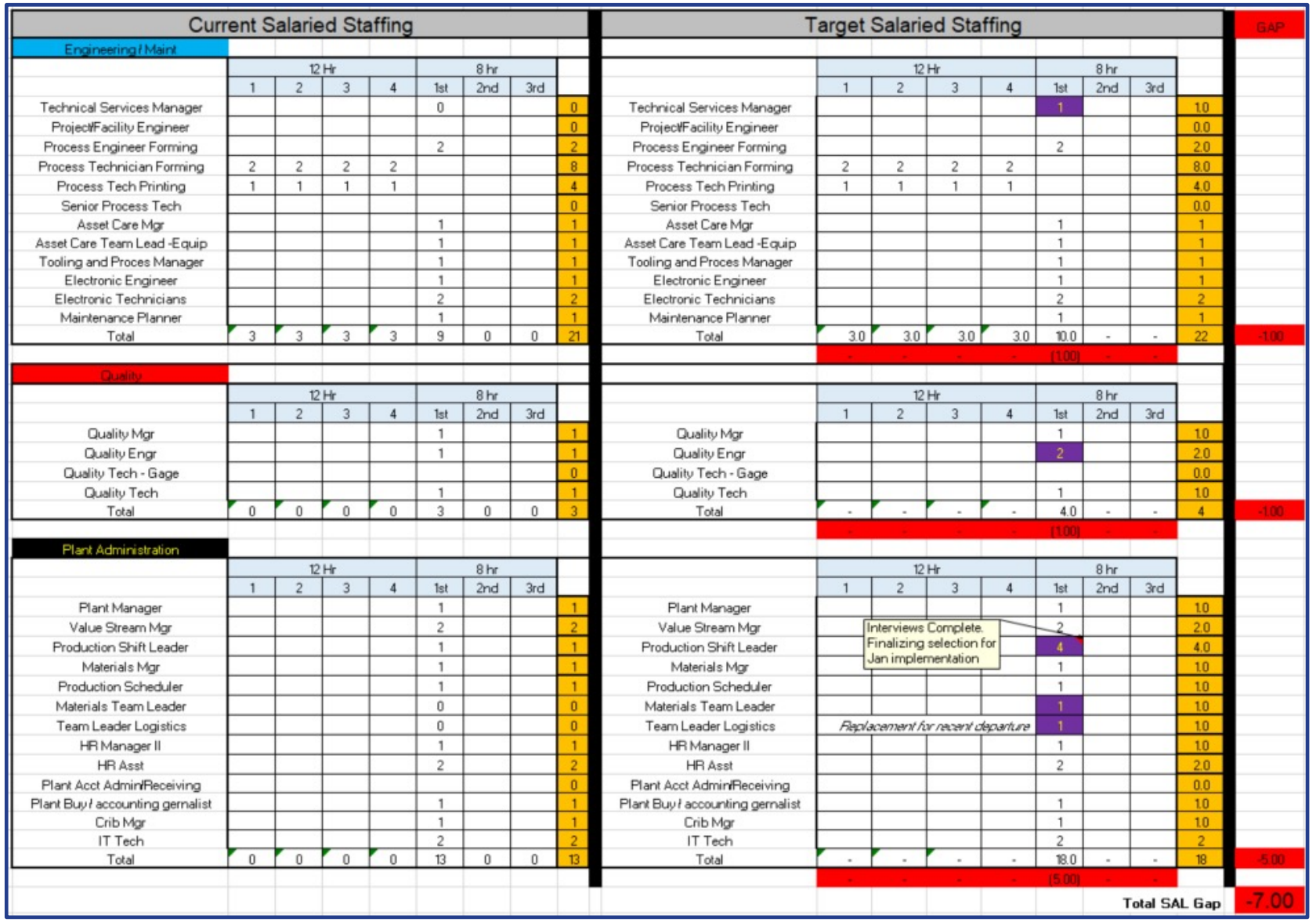
	12 Hr				8 hr				
	1	2	3	4	1st	2nd	3rd		GAP
Inspector Packers (Form/Print)	73.7	73.7	73.7	73.7				294.9	
Inspector Packer (T)	0	0	0	0				0	
IP WGL	1	1	1	1				4	
Total	74.7	74.7	74.7	74.7	-	-	-	299	-194.89
	(44.72)	(44.72)	(54.72)	(50.72)	-	-	-		

	12 Hr				8 hr				
Operators (Form)	15	15	15	15				60	
Operators (Print/SBL)	6	6	6	6				24	
	21	21	21	21	0	0	0	84	-40.00
	(9.00)	(11.00)	(8.00)	(12.00)	-	-	-		

Total DL Gap -234.89

Current Staffing / Gaps – by shift

- Salaried Labor



Current Salaried Staffing

Engineering / Maint

	12 Hr				8 hr			
	1	2	3	4	1st	2nd	3rd	
Technical Services Manager					0			0
Project/Facility Engineer								0
Process Engineer Forming					2			2
Process Technician Forming	2	2	2	2				8
Process Tech Printing	1	1	1	1				4
Senior Process Tech								0
Asset Care Mgr					1			1
Asset Care Team Lead -Equip					1			1
Tooling and Proces Manager					1			1
Electronic Engineer					1			1
Electronic Technicians					2			2
Maintenance Planner					1			1
Total	3	3	3	3	9	0	0	21

Quality

	12 Hr				8 hr			
	1	2	3	4	1st	2nd	3rd	
Quality Mgr					1			1
Quality Engr					1			1
Quality Tech - Gage								0
Quality Tech					1			1
Total	0	0	0	0	3	0	0	3

Plant Administration

	12 Hr				8 hr			
	1	2	3	4	1st	2nd	3rd	
Plant Manager					1			1
Value Stream Mgr					2			2
Production Shift Leader					1			1
Materials Mgr					1			1
Production Scheduler					1			1
Materials Team Leader					0			0
Team Leader Logistics					0			0
HR Manager II					1			1
HR Asst					2			2
Plant Acct Admin/Receiving								0
Plant Buy / accounting gernalist					1			1
Crib Mgr					1			1
IT Tech					2			2
Total	0	0	0	0	13	0	0	13

Target Salaried Staffing

Engineering / Maint

	12 Hr				8 hr			
	1	2	3	4	1st	2nd	3rd	
Technical Services Manager					1			1.0
Project/Facility Engineer								0.0
Process Engineer Forming					2			2.0
Process Technician Forming	2	2	2	2				8.0
Process Tech Printing	1	1	1	1				4.0
Senior Process Tech								0.0
Asset Care Mgr					1			1
Asset Care Team Lead -Equip					1			1
Tooling and Proces Manager					1			1
Electronic Engineer					1			1
Electronic Technicians					2			2
Maintenance Planner					1			1
Total	3.0	3.0	3.0	3.0	10.0	-	-	22
	-	-	-	-	(1.00)	-	-	

GAP: -1.00

Quality

	12 Hr				8 hr			
	1	2	3	4	1st	2nd	3rd	
Quality Mgr					1			1.0
Quality Engr					2			2.0
Quality Tech - Gage								0.0
Quality Tech					1			1.0
Total	-	-	-	-	4.0	-	-	4
	-	-	-	-	(1.00)	-	-	

GAP: -1.00

Plant Administration

	12 Hr				8 hr			
	1	2	3	4	1st	2nd	3rd	
Plant Manager					1			1.0
Value Stream Mgr					2			2.0
Production Shift Leader					4			4.0
Materials Mgr					1			1.0
Production Scheduler					1			1.0
Materials Team Leader					1			1.0
Team Leader Logistics					1			1.0
HR Manager II					1			1.0
HR Asst					2			2.0
Plant Acct Admin/Receiving								0.0
Plant Buy / accounting gernalist					1			1.0
Crib Mgr					1			1.0
IT Tech					2			2
Total	-	-	-	-	18.0	-	-	18
	-	-	-	-	(5.00)	-	-	

GAP: -5.00

Interviews Complete. Finalizing selection for Jan implementation

Replacement for recent departure

Total SAL Gap -7.00

Headcount Salary and Hourly Data – 2020/2021

TURNOVER

PY YTD	YTD
33.97%	32.24%

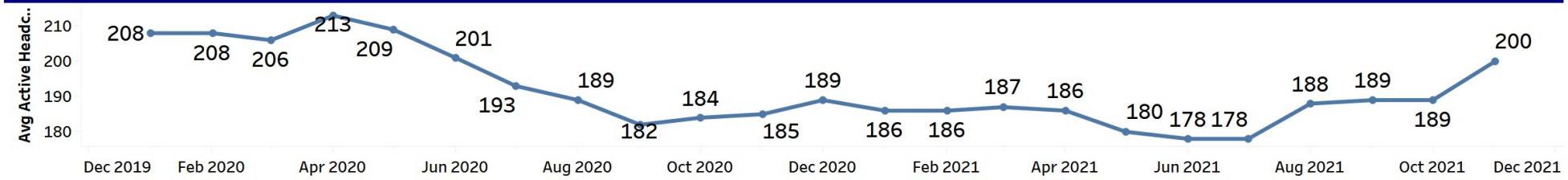
Terminations

PY YTD	YTD
67	61

New Hires

PY YTD	YTD
46	72

Active Headcount - Jan 2020 to Nov 2021



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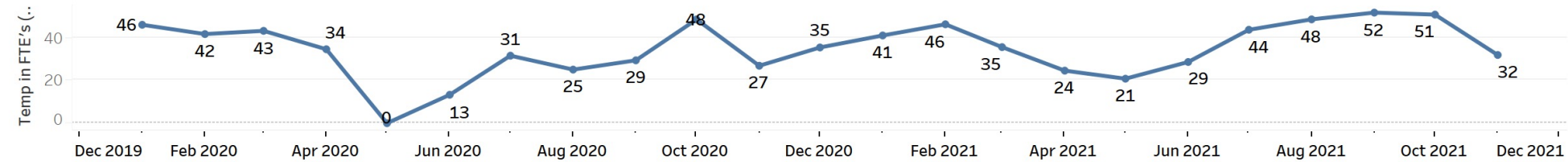
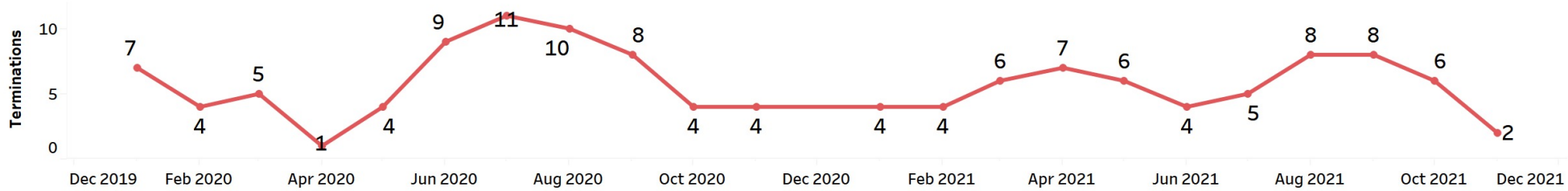
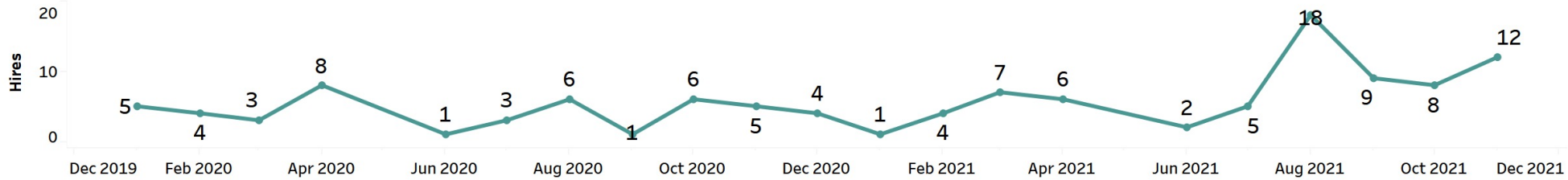


Terminations Trend



Hires Trend



Termination Data – Operators

TURNOVER

PY YTD	YTD
23.64%	22.04%

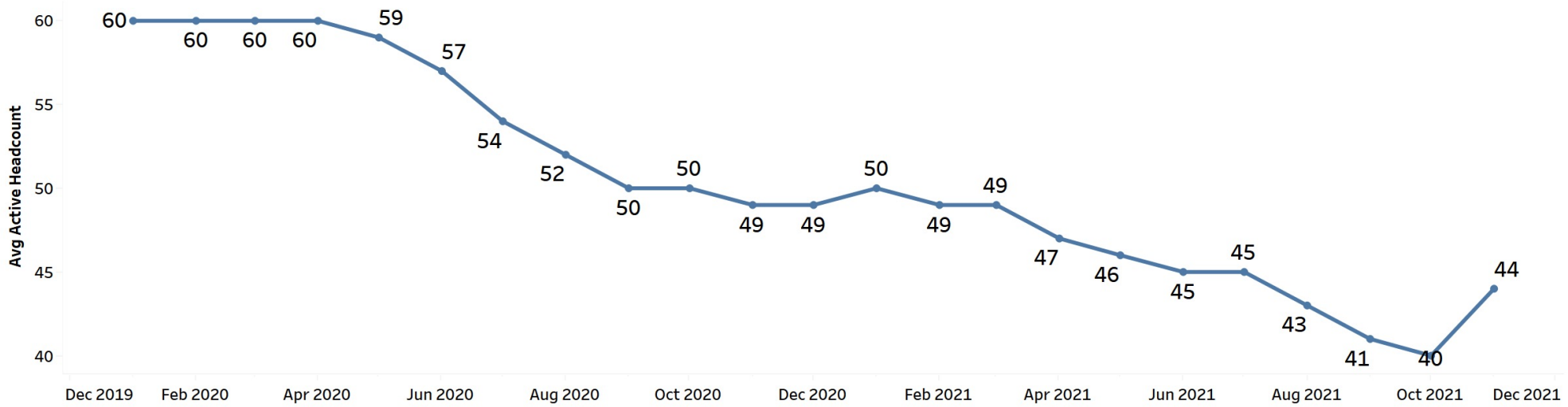
Terminations

PY YTD	YTD
13	10

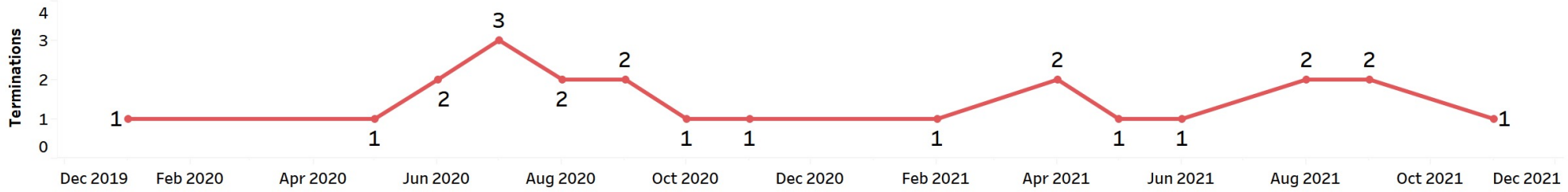
New Hires

PY YTD	YTD
2	5

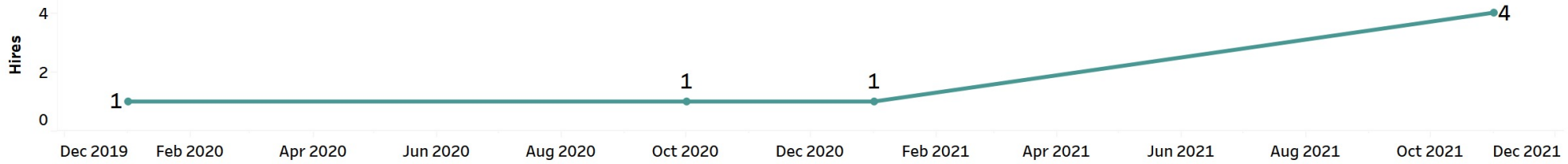
Active Headcount - Jan 2020 to Nov 2021



Terminations Trend

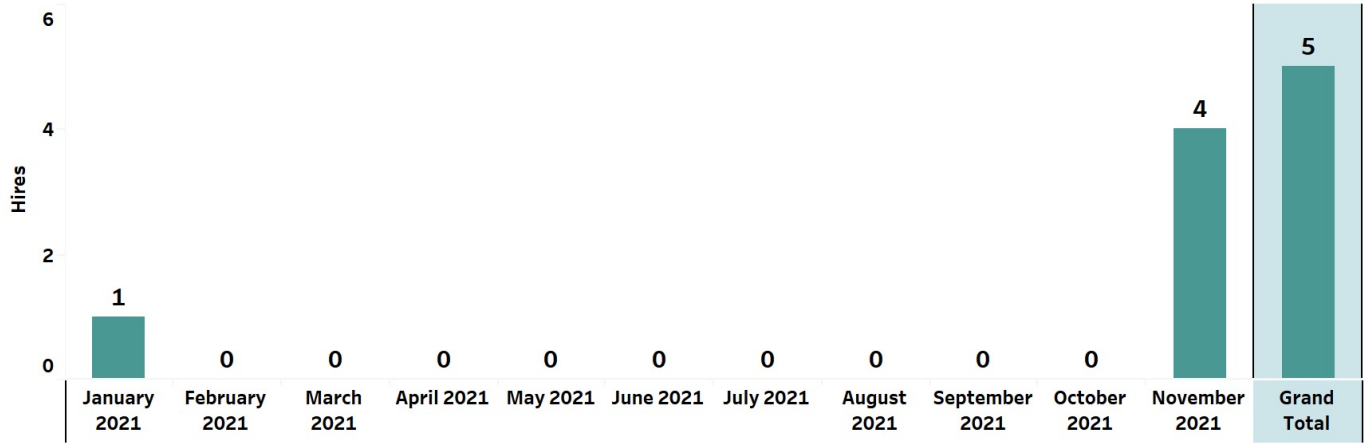


Hires Trend



Termination Data – Operator Turnover

Hires Trend



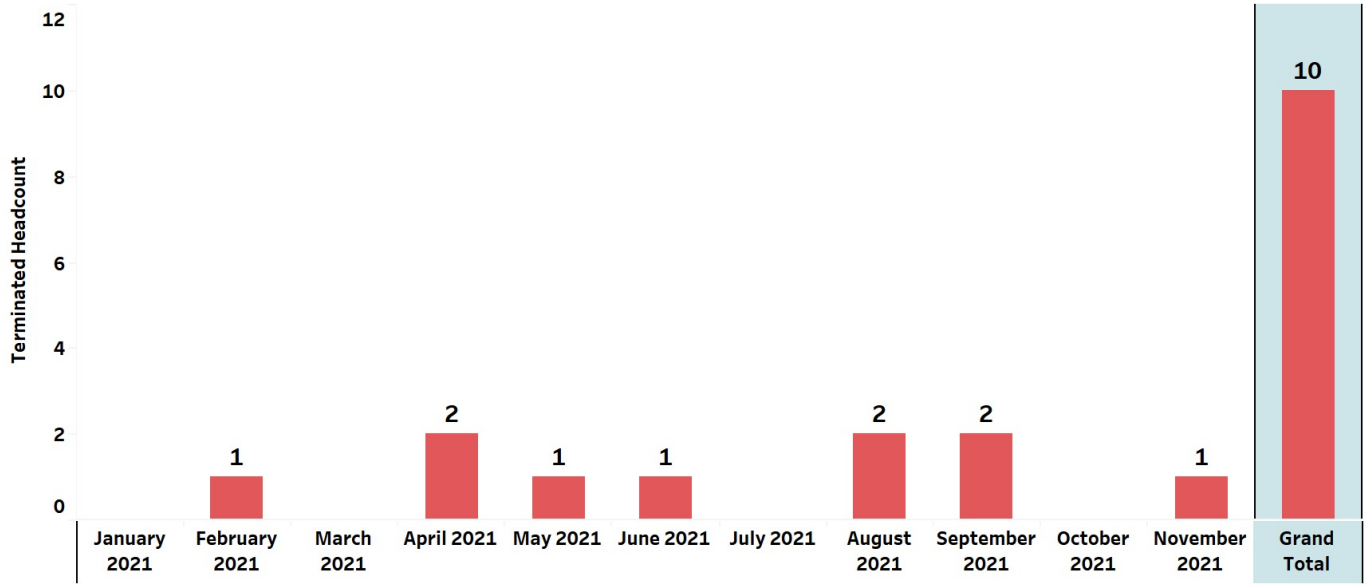
Terminations by Seniority

Length of Service Bu..	% of Total Distinct count..	Distinct count of Employee ID
Grand Total	100.0%	10
1-3 Years	40.0%	4
3-5 Years	50.0%	5
6-10 Years	10.0%	1

Terminations by Reasons

Termination Reason	% of Total Distinct co..	Distinct count of E..
Grand Total	100.0%	10
Voluntary Quit - Other Job	40.0%	4
Relocation	20.0%	2
Family Reasons	20.0%	2
Personal Reasons	10.0%	1
Normal Retirement	10.0%	1

Terminations Trend



Terminations by Shift

Shift Schedule	% of Total Distinct count..	Distinct count of Employee ID
Grand Total	100.0%	10
4	40.0%	4
3	20.0%	2
2	20.0%	2
1	20.0%	2

Terminations by Job

Job Title	% of Total Distinct co..	Distinct count of E..
Grand Total	100.0%	10
Operator Forming - MI	40.0%	4
Operator Forming III - MI	30.0%	3
Operator Forming IIII - MI	10.0%	1
Operator Printing - MI	10.0%	1
Operator Printing III - MI	10.0%	1

Questions?

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