

Sustainable Forestry ?
Only with a Sustainable Workforce:
Idaho Timber Workforce
Development Project

presented to:
Council on Forest Engineering Annual Meeting
Charleston, SC
June 2008

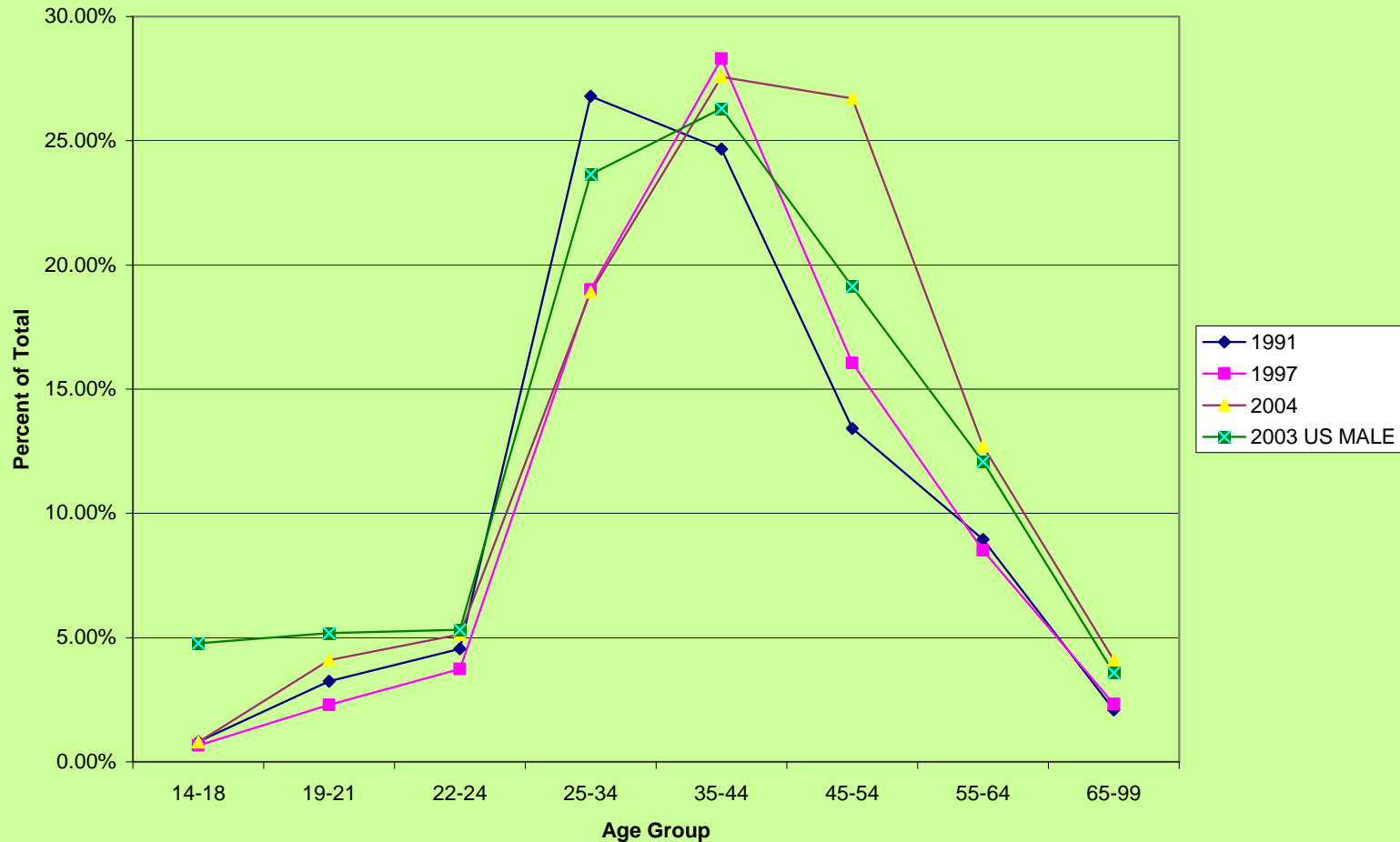
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The Project

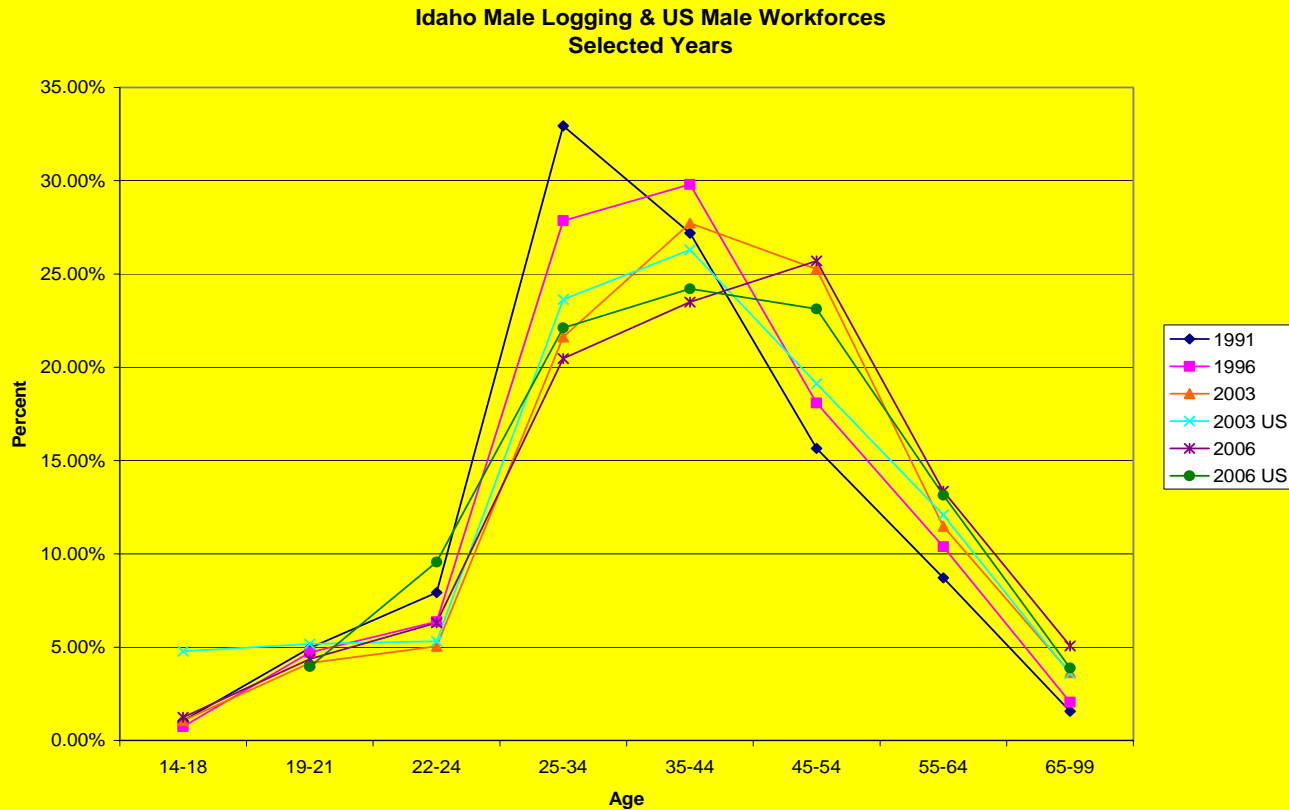
- Project of four parts: an overview, a survey, a report and a summit.
- Overview of information on current and future workforce issues www.idahoforests.org
- Survey solicited opinions, observations & suggestions of employers, employees & others
- Report summarized findings & recommendations for improved recruiting, hiring and retaining a qualified workforce
- Summit provided an opportunity to present and discuss the project

Age Classes in forestry workforce

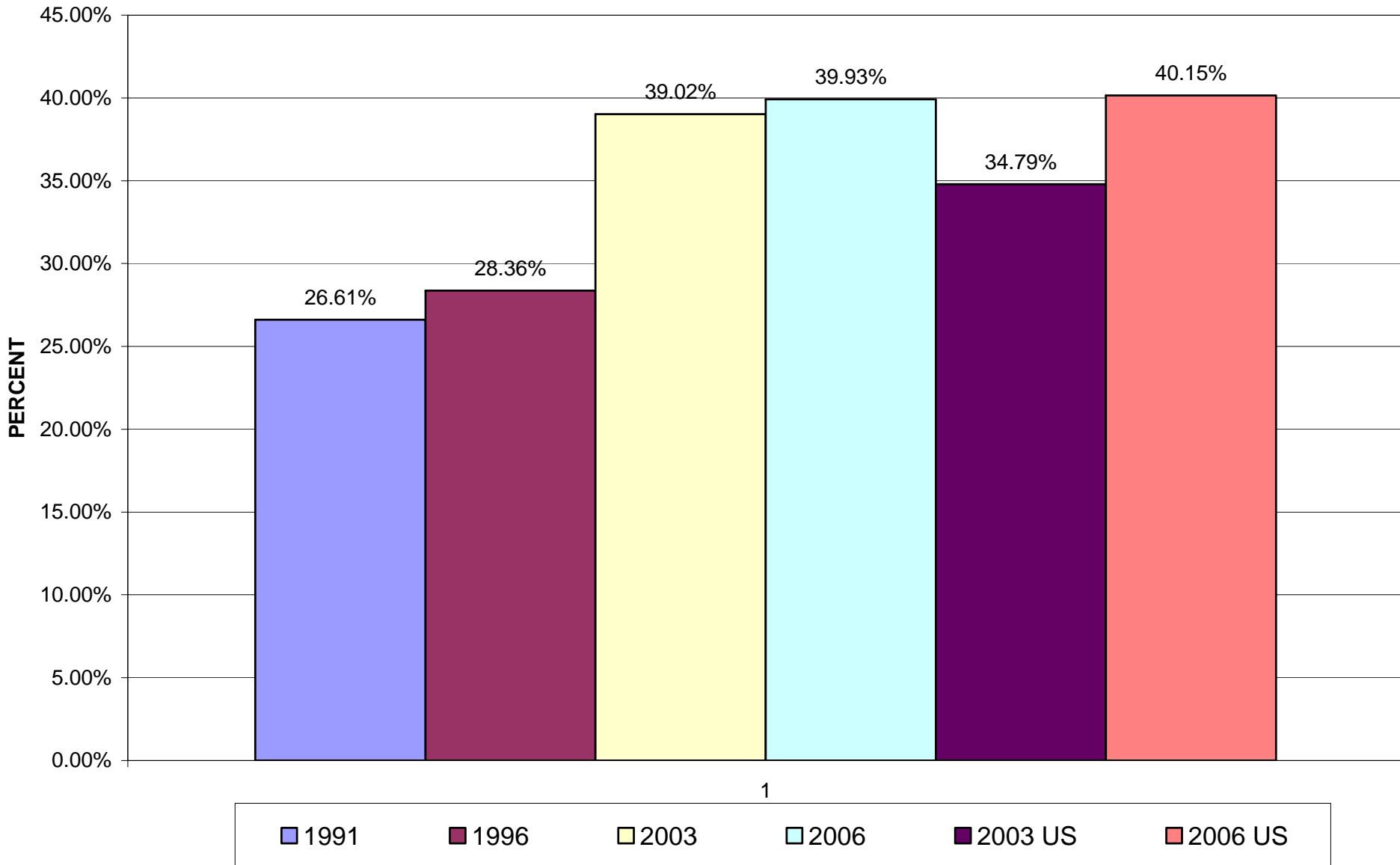
Oregon Logging Workforce



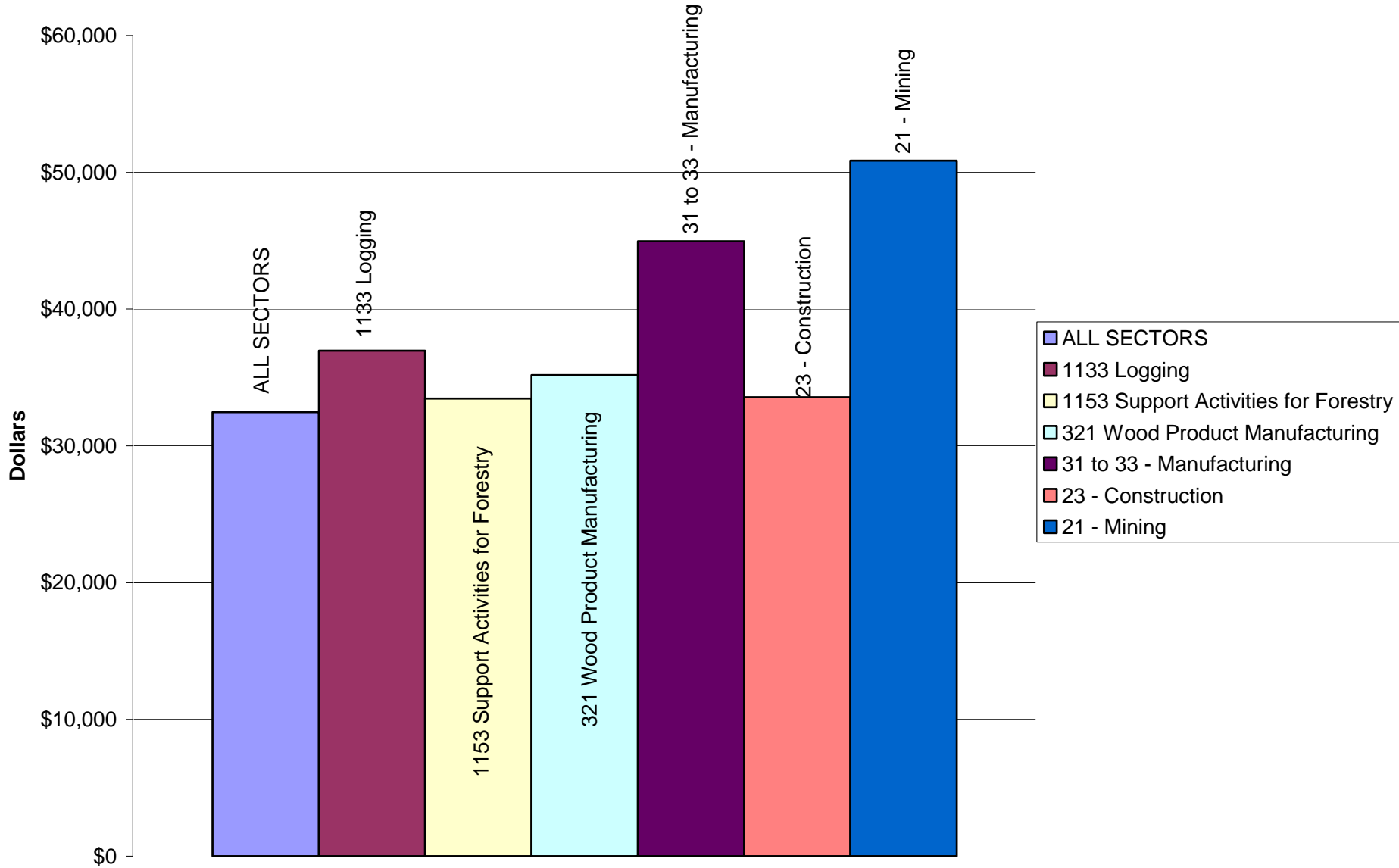
Issues: Aging Loggers



Idaho Wood Products & US Male Workforces over 45 Years Selected Years

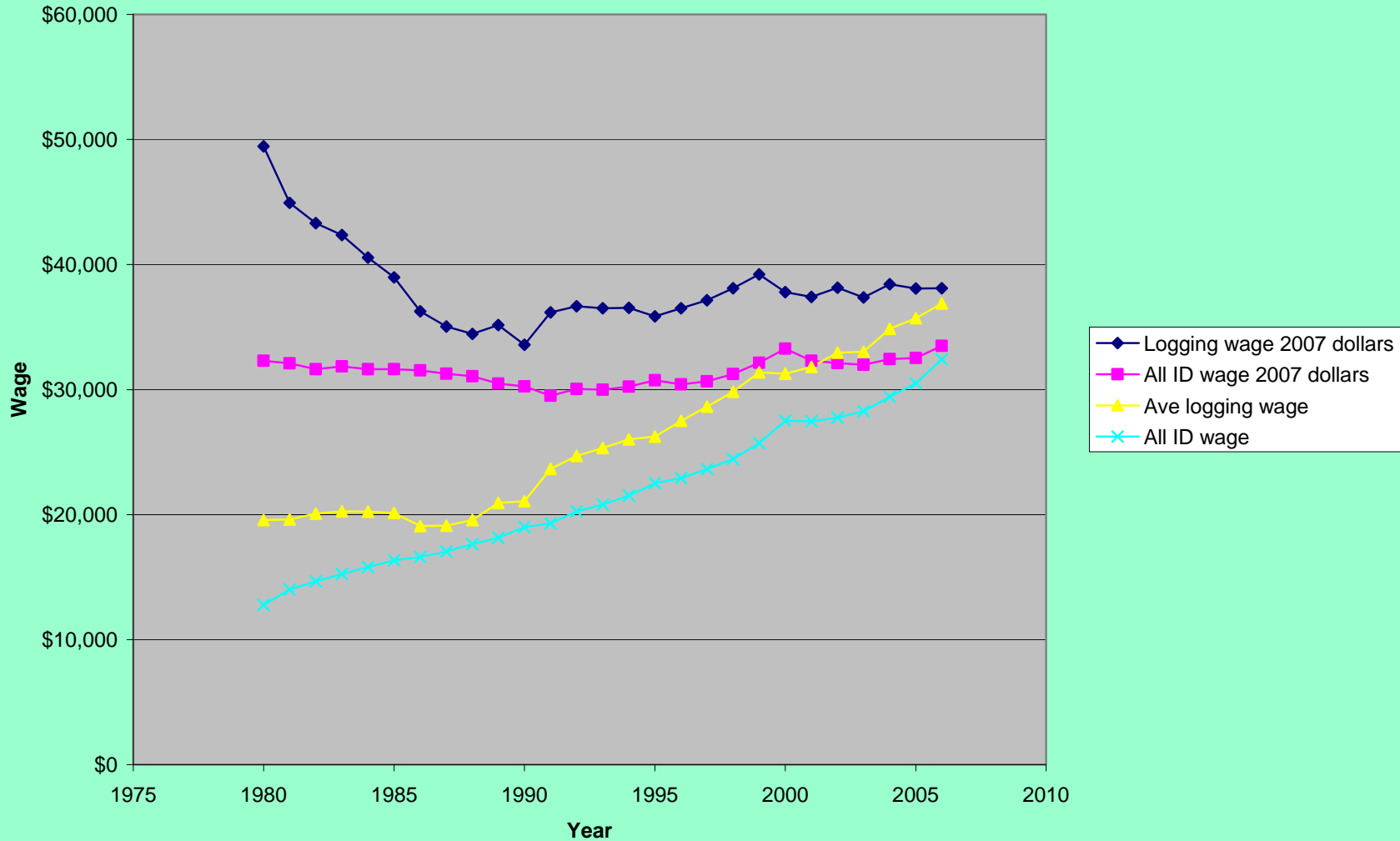


2006 Idaho Annual Wages by Sector

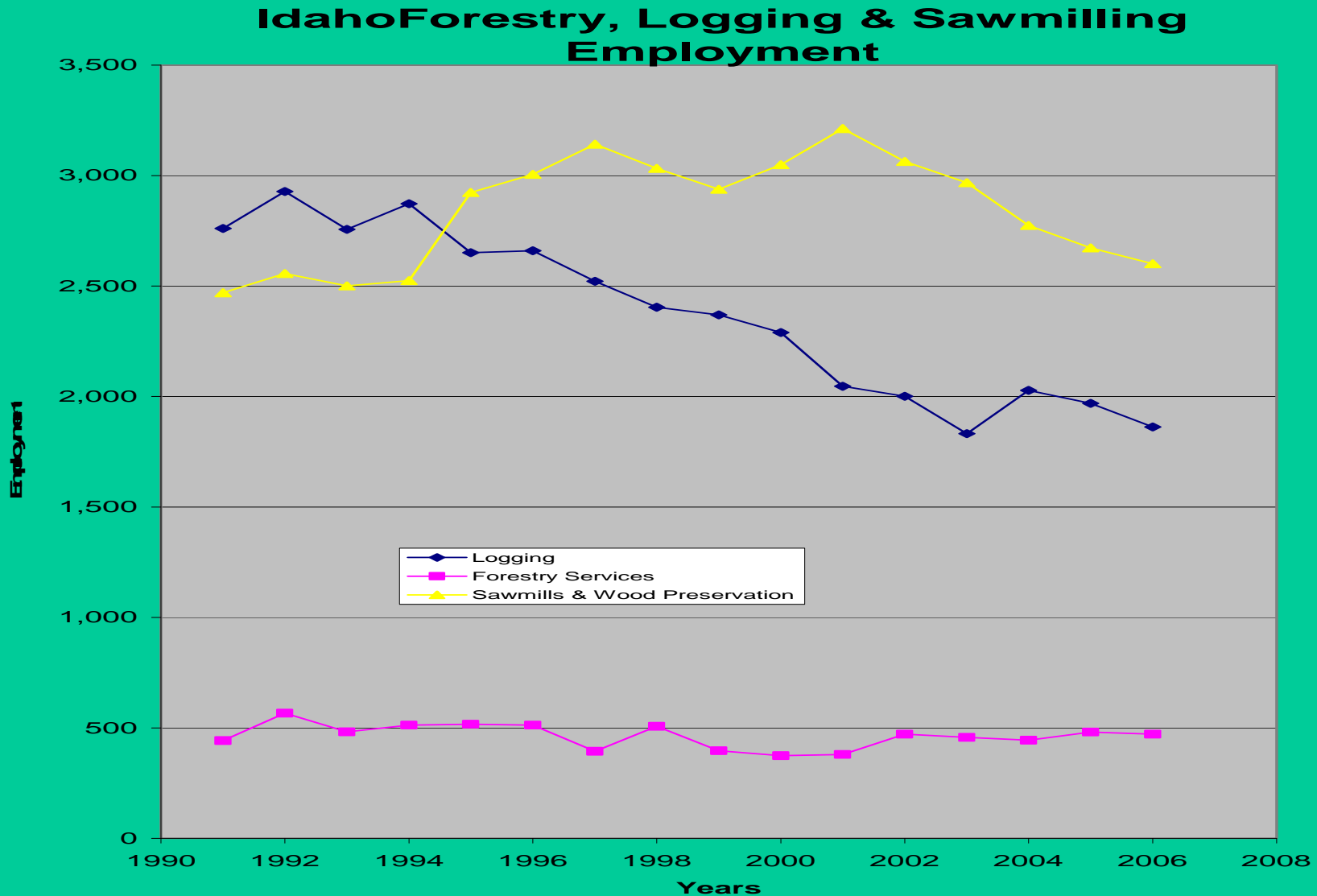


Logging wages: relative and over time

Idaho Logging & Industry Wages



Total employment over time



Who is the workforce of the future?

Perhaps part of the current (problem) with keeping workers can be attributed to the work ethic of the younger labor force – a view of work life far different from the grandparents and even the parents of people in the teens and 20s today. Employers seem concerned about their commitment to the job, their analytical ability, their interpersonal skills, patience and loyalty. Some employers complain about their sense of entitlement -- to good pay, interesting work and plenty of time off.

In response, some younger workers say that a personal life should be the first priority and keeping close with their families and friends takes precedence over work. They question the need to be loyal to employers who seem to have no loyalty to them. Many younger workers have seen their parents and grandparents lose jobs in mass layoffs and believe their loyalty was not rewarded.

(Tacke, 2007)

Guiding Principles

- Imperative for sector leaders to get everyone behind something—not just react to external forces individually
- Forestry sector is a changing sector not a dying sector (mature, sunset, old-age, low-tech, etc)
- Sector needs to recognize that the new generation will not perform like the current generation of managers and workers
- Sector leadership is questionable if individuals cannot put aside self interest for the common good
- Scrupulous honesty and openness are crucial
- A substantial statement for improvement is needed and the sector must assure success of the first visible effort
- Public interests must be addressed and connections to workforce emphasized, eg, stewardship, environmental protection, rural communities, etc.
- Single, identifiable voice would be best--one credible with the sector and the public
- Safety and health of workers is a unifying force
- Cheap fix is not a lasting fix—problem is intergenerational
- Future sector leaders need knowledge of workers and their issues, eg from Universities.
- Solutions for individual firms may not affect sector much—need a rising tide to lift all boats
- Pessimism can be overwhelming—a spark of optimism will need fans to ignite the flame

Survey Subjects (SS)

The survey was not meant to be a statistical sample representing the forestry sector but rather is a compilation of views, opinions, and ideas by individuals nominated by the Group or survey subjects (ss) themselves.

Firm Sizes

- Small to medium to large-sized firms and organizations
- 16 logging firms, 13 milling firms, 3 trucking firms, 4 forestry services firms,
- 6 large private landowners, 5 public landowners,
- 3 representing other industries (Construction, Pulp & Paper, & Machinery),

Subjects

- Some ss nominated other firms, contractor leavers, job leavers, job stayers and other experts to be interviewed
- 12 other experts interviewed
- 6 women provided input - the rest were men
- The average age of ss was ~53 years.
- Half of the ss were owners, almost half managers, and the rest workers or other experts.

Workers Covered

- Employment one single employee to 1200 in the sector.
- total of 7678 employees (including ~3000 representing other industries),
- 4678 employees covered within forestry -- duplicate employees covered because managers at different levels may have been interviewed.
- Some 38 respondents used contractors for forestry work affecting 7,322 contractor employees.
- average employees in logging firms was 38, mills were 244, trucking was 88, and forestry services firms were 84.

Economics

- Est. capital investment for ss organizations ranged \$100,000 to over \$9 Billion in land values for forest owners/managers.
- Trucking firms hauled 9,100 tons to 303,000 tons annually. One firm hauled logs over 17 million miles.
- Forestry services firms impacted from 3,500 acres to over one Million acres.
- The average logging firm harvested 32 MM (million) board feet of logs annually
- The average mill produced about 150MM board feet of lumber

Education

- Education varied across the ss but all would be considered smart and successful.
- 2 completed grade school,
- 23 high school,
- 25 college graduates & 8 had Masters degrees or graduate school.

Firm/org. Tenure

- Firms were in business for 51 years on average
- Half the firms in business over 40 years.
- 16 anticipated ownership changes next 3 years:
 - 3 sales, 2 retirements,
 - 3 turning over the firm to children or employees,
 - 8 other changes from closures to forming a stock ownership company.

Survey Themes

- Aging Workers
- No Single Voice
- Pay a Major Issue
- Single Firm Solutions
- Job Leavers...Job Stayers
- Challenges and Obstacles
- Rural Communities
- The Sector is in Doubt—for Everyone?
- Generation Gap
- Technology—Perceptions and Gaps
- Professionalism of Workers not just Pay
- Subjects Speak Out

Aging Workers

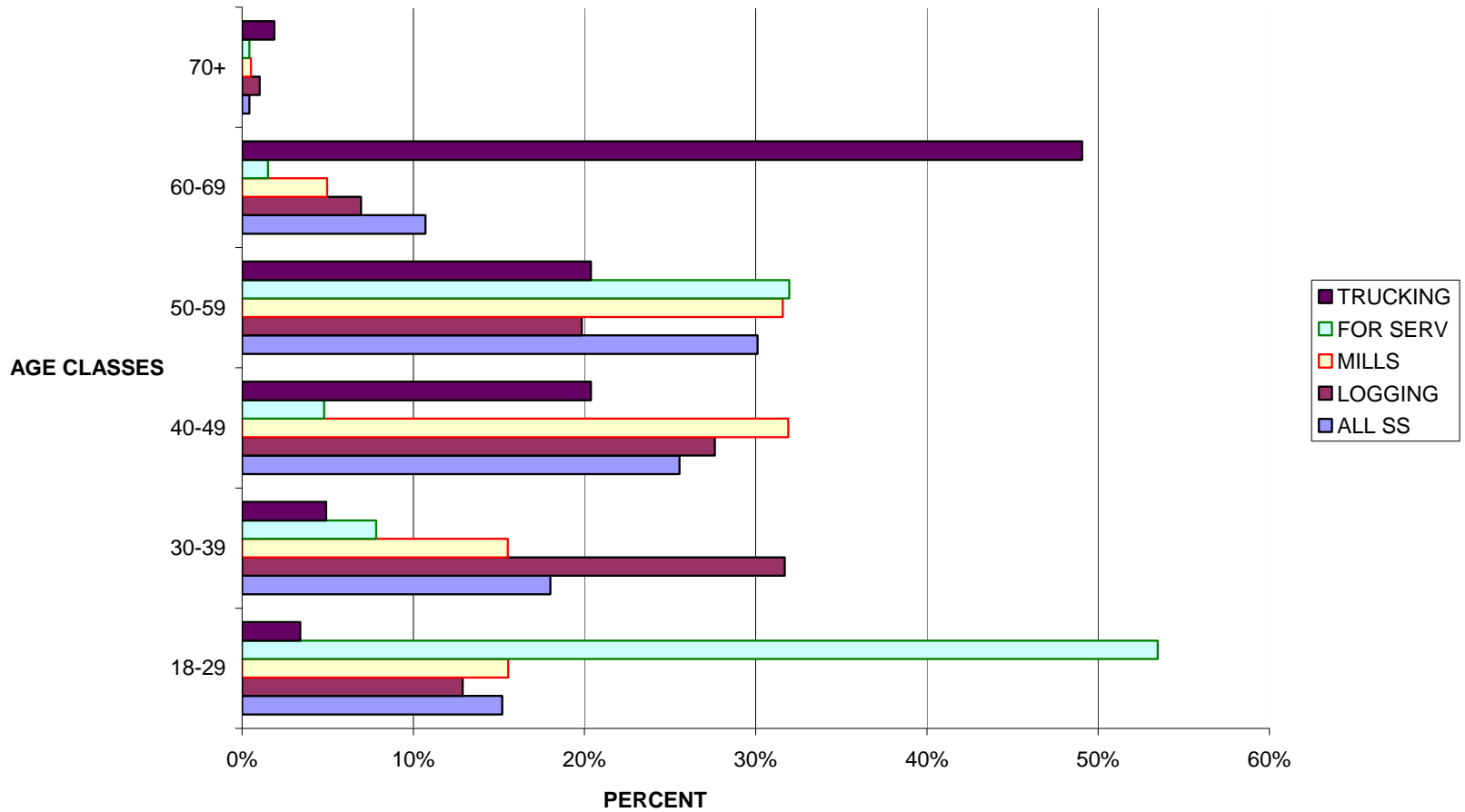
- For workers covered, percent over age 40 totaled 67%
- Logging was younger with 56% over 40 years
- Mills in the survey totaled 69% over 40 years
- The few trucking firms had bulge in the 60-69 age group at 49% & additional 20% in the 50-59 age
- Forestry Services had bimodal age group with workers mostly in the 18-29 age group at 53% and older managers/supervisors in the 50+ age groups at 37%.

Aging Workers: key employees

- For the key employees in Mills, Forestry Services, Trucking, and public and private landowners, half the key employees were over 50 with an average age hovering around 48 years.
- Key Logging employees were slightly younger with half over 45 but still averaging 46 years.

Survey Age Distribution

AGE DISTRIBUTION OF SS



No Single Voice

- Employers and others have difficulty talking about the workforce.
- Unless the actual owner of the company, many felt uncomfortable speaking for the firm on these ideas.
- Hard for respondents to speak for the entire sector on those same ideas.
- No single source for sector leaders for information on the forestry workforce.
- No single voice that communicates within the forestry sector or to interested publics regarding workforce issues.

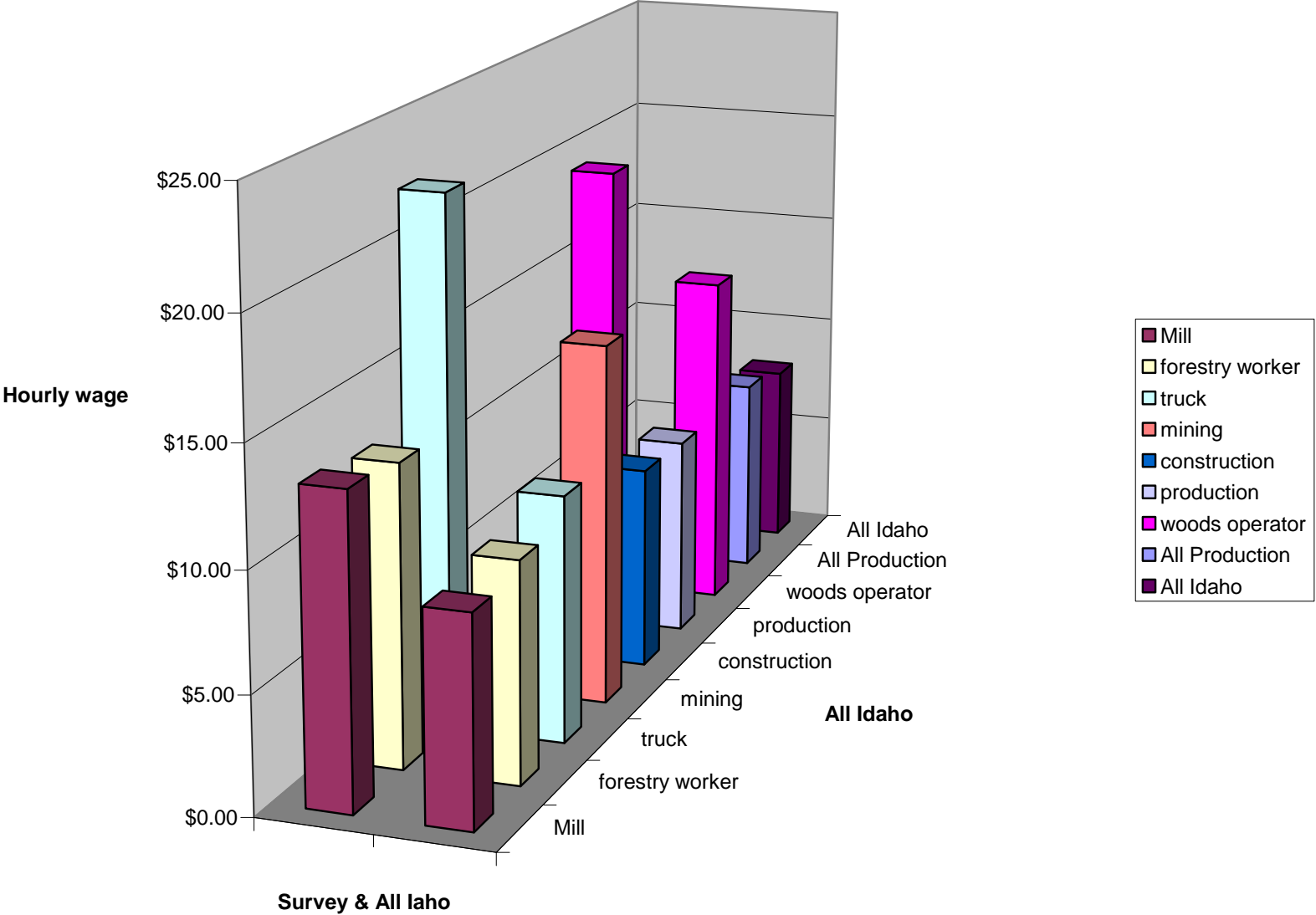
Pay a Major Issue

- Loggers: equate pay with professionalism and felt that they had lost ground to competing industries over the years.
 - Logging firms not able to pay many benefits (health insurance, retirement, vacation, etc.) for their employees and were trying to do so but felt it was not possible.
 - Logging firms pay overtime but season length was shortened to about 10.25 months on average.
- Mill respondents felt less pressure for competing wages for skilled positions & able to offer benefits
 - Smaller mills not able to compete at entry level wages in their opinion.
 - Mills were able to operate for the 12 months for the period of the survey.
 - Situation may have changed recently.

Pay a Major Issue

- Trucking & logging companies employ drivers on a percentage of truck rate, eg, 28-35%.
 - Many truck drivers come from “over-the-road “ operations, so wages are higher to start. Sample trucking firms had average driver pay rates higher than all log trucking firms because of the small sample.
 - Sample firms only operated 9.66 months last year.
 - Many truckers are sole operators & likelihood of having employment benefits is not high.
 - Hours of driving for fleet operations are mandated but many log truck drivers have long hours starting at 2-3 am and running until 7-8 pm depending on haul distances.
- Forestry services may have minimum pay set by federal contracts or other agreements.
 - Firms in the sample worked 11 months last year.
 - Most forestry services firms have core workforce operating longer than part-year employees hired for the fire or planting seasons.

Pay a Major Issue



Comments on Pay

- We lose people to USFS – their salaries national
- Go back to money -- if money is there, people will show up to work.
- Wish could pay more and better benefits
- Not enough season, low pay, cannot make living;
- Construction jobs are better - they offer health benefits
- compensation inadequate
- Need to be paid as professionals with benefits
- Goes back to money from industry --Need to put money up
- Compensation; pay; benefits
- Competition with other industries; cannot offer healthcare and benefits
- Long hours; long days; money to pay; and seasonal work (9 months rather than 12 months)
- Downsizing; lack of funds
- Younger want more money with fringe benefits
- Cannot pay to attract; always come in second to competitors

Single Firm Solutions

- A few firms paid better than competitors & were able to recruit and retain productive workers. Why doesn't everyone just pay better wages? Product markets, labor markets, and competition set prices paid for logging, trucking, and forestry services near the lowest levels that keep firms still in business.
- How does the sector achieve higher wage rates?
- The safety issue is example. Firms band together to cover workers' insurance for on-the-job injuries. The collective injury experience sets the base rates (reserves, annual payments, etc.) for entire group. Individual firms are protected from catastrophic losses because they are spread over the group. However, individual firms who have no claims pay the base rate anyway (experience modifiers make some adjustments).
- In order to bring the base rate down, the entire experience of the group covered must make improvements in claims experience.

Single Firm Solutions

- When only a few firms make improvements & are successful, they themselves benefit and marginally improve
- Sector-wide improvement efforts need to be undertaken to achieve benefits for all workers.
- “A rising tide lifts all boats”



Competitive versus Cooperative Approaches



Job Leavers...Job Stayers

Turnover Rates	Logging	Mill	Forestry Services
Average	12.1%	32.9%	6.2%
Median	7.3%	19.6%	6.2%

Job Leavers...Job Stayers: Reasons for Firing

- depression, alcohol
- Failed drug test
- overcharging hours & poor equipment maintenance
- Wrecked trucks (2)
- Fired chokersetter
- Incapable of performing
- Fired = behavior or unreliability
- Dishonesty
- Drug issues; work ethics

Job Leavers...Job Stayers: Reasons for Quitting

- Better Wages (11)
- Hard physical work; left sector (7) eg, tired of hours and working conditions, & Quit = disillusioned by working conditions & physical labor required
- Didn't want to commute
- Went to jobs in oil fields
- Work - life balance
- Living Location; less demanding job

Challenges & Obstacles

- 19 difficulties with the work conditions and physical workloads
- 18 with issues of “work ethics” for new workers--less willing to work long hours to get the job done.
- 18 said the size or location of the potential employment pool
- 16 said pay and benefits as limiting -- competition for pay from construction, services, freight hauling, and mining
- 16 not finding trained or qualified workers.
- 14 had problems w/knowledge of the forest industry and its image-- no knowledge of what the loggers, mills, truckers, etc do in society
- 9 said “competition” to kind of work being done and the work environment. New workers see working in offices and service work preferable to forestry & mill work.
- 5 raised issues about recruiting worker who do not use drugs



Location, location, location..

Rural Communities

- Limited number of potential applicants & young people leave after high school
- Everyone knows everyone-- potential workers are known quantities
- May lack the schools, health facilities, and commercial amenities for families and job opportunities for spouses.
- Offer an outdoor lifestyle of clean living, beautiful surroundings and recreation
- Rural beauty and recreation => to inflated housing prices by non-residents & middle-class workers cannot afford homes in their communities
- Public land ownership so extensive that local communities w/needs may only occupy a small portion of the landscape with land use decisions made elsewhere or by legal wrangling at a national scale
- Entirely dependent on a mill or forestry sector and suffer harshly in downturns
- Generally support their citizens and could be helpful in workforce improvement efforts.

The Sector Future is in Doubt— for Everyone???

- Doubt & uncertainty are pervasive in the industry. Few SS spoke with any optimism about the future
- Most more easily described problems --not potential solutions
- Some spoke with a determined, stoic viewpoint that bad times have come and gone before and they will try to stick it out-- “It just don’t get any better than this, but then again, it can’t get a whole lot worse”.
- SS described their own sector future the same as negative press descriptors: Dying industry, Declining industry, Sunset industry, Mature industry, industry in a Survival Mode, and an industry with no future.

The Sector Future is in Doubt— for Everyone???

- Most firms lost workers & not expanding
- Industry sectors are constantly changing
- Forestry in ID promising & could be better w/ overall growth & specialty markets like biomass energy
- Forests produce multiple products and amenities society needs & workers bring those benefits to society.
- Over- exuberant optimists can be just plain annoying and not credible, but the forestry sector could use some positive views



Generation Gap

- Lack of a “work ethic” found in younger employees.
- Employers baffled how younger workers think about jobs their responsibilities to company.
- A few employers spoke positively about specific individual younger workers, but forestry employers saw younger workers quite different than themselves.

GENERATION WHY?

eric chester

 DOLBY
DIGITAL
10:33 AM

Messenger

Settings

FOX

In Depth

with Eric Chester



Insight

Who Are They?

Perspective

Why Are They Different?

Strategies

How To Get Results

Contact

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Skill gaps for workers

- Forestry knowledge and skills relating to tree species, forestry technical knowledge of soils, silviculture, logging/forest operations, and the physical skills of working in the woods.
- Technical skills like computers, math, electrical, mechanical, general mill operations, machinery operations, and maintenance
- Communications skills in writing, speaking, working in teams, talking to employers, etc
- Not skills but attitudes often mentioned: work ethics, not willing to work hard, won't show up for work.

Problems employers said new workers faced

- Work environment: Physical work, heavy workloads, long hours, shift work, away from home and family, outdoor work, weather, etc
- Understanding how industry works: What to expect in the job, how logging and milling work, seasonal work, layoffs, production emphasis, & how communications work
- Wages, compensation, pay, seasonal work, housing affordability, & rural community limits

Technology—Perceptions and Gaps

- Misconceptions that forestry is part of the “old economy” not part of the “new economy” using the latest technologies or computers. Modern mills refute that!
- Nothing could be further from the true reality.
- 16 loggers surveyed 13 mechanized (ave. ~80%) -5 are 100% mechanized--operations worked 10.25 months
- Forestry uses of Global Positioning Systems (GPS), Geographic Information Systems (GIS), map reading, surveying, hand-held computers, and complex heavy equipment
- Trucks use electronics to control engines, transmissions & tire pressures. Fleet operations need well-trained mechanics to keep trucks running and owner-operators must do it all themselves!

Pilot speaks out....

It's often claimed that a harvester operator makes more decisions per unit of time than an aircraft pilot.

“Definitely. A harvester and an airplane also have more similarities than you'd first think,” says pilot and former harvester operator Patrik Gustavsson (Valmet, Just Forest, 1-2007)



High Schools

- Most-mentioned response was to work with high schools.
- Current advice from counselors to “go to college” for nearly all high school students.
- 15 said best to start with the High School Guidance Counselors
- 5 wanted to get to kids earlier.
- 4 said vocational education at high school and community college

Professionalism of Workers not Just Pay

- Will take a concerted cooperative effort, must work together to re-energize image of industry to that of good citizen
- Image -- “going out of business”
- We have to be a more consistent industry; declining industry for decades; can't find security -- going to struggle
- Would not encourage my children to go into industry
- Need more working together with mills.
- Adversary relation with mills.
- Mill at the head -- the cost of doing business
- State patrol weighmasters treat drivers like dogs



Professionalism of workers

- Loggers are “applied ecologists” treating the forest for society!
- Millworkers are “production technologists” in high tech factories!
- Forestry services workers protect the forest, renew/regenerate the forest and tend the forest!

Subjects Speak Out

- ❖ Questions broad
- ❖ I am happy somebody is taking initiative to deal with problems before it is too late
- ❖ We are in dire need for moving this forward.
- ❖ Do what it takes to get it done
- ❖ Covered them - operators; also trucking needs, all operators
- ❖ No, Happy somebody is doing this
- ❖ Tough things to overcome
- ❖ Glad you are doing it!
- ❖ Serious issues
- ❖ This survey is in a tough market
- ❖ This study is important for workers, logging contractors looking for results.
- ❖ So little thinking beyond 10 minutes from now; High quality thoughts mapping future of workforce is nil

Towards Improvement

- **Maintain knowledge in aging workforce**
- **Address stability issue – forestry is a changing industry not a dying industry**
- **Set up structure to make improvements—Idaho Action Planning Committee**
- **Find permanent funding source**
- **Involve individual workers**
- **Emphasize technology**
- **High school counselors?**
- **Consider paid summer camp**
- **Review training**
- **Consider workers compensation offset**
- **Work with state labor economists**
- **Image and media (tv, radio, web) approaches**
- **Work design for a new generation**
- **Engage a task force to look at the issue of “season length”**
- **Consider more detailed interviews with young**
- **What are options for providing “benefits” (health insurance, retirement plan, etc.)**
- **Discussion of who are the “players” in workforce issues**

If you can't think beyond...

– the next month...

- the next quarter...

 - the next year...

 - » the next decade...

- **Sustainable Forestry may not have a future!**

- **and YOURSELF???**

Summit Results now in Discussions!



For more information:
www.idahoforests.org