

American Staffing Association

277 South Washington Street, Suite 200 • Alexandria, VA 22314-3675



703.253.2020

703.253.2053 fax

asa@americanstaffing.net

americanstaffing.net

Shrinking the Skills Gap: Solutions to the Small Business Workforce Shortage

Statement by

Kelly McCreight

President and CEO, Hamilton-Ryker IT Solutions
Nashville, TN

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Small Business Committee

Subcommittee on Economic Growth, Tax, and Capital Access

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Good morning, my name is Kelly McCreight and I am the chief executive officer of Hamilton-Ryker and current chairman of the American Staffing Association (ASA). It is my privilege to represent both organizations this morning.

Founded in 1971, Hamilton-Ryker is a total workforce solution and industry leader for the provision of industrial, administrative, and information technology staffing, as well as recruiting, management consulting, and information technology solutions. Headquartered in Nashville, TN, Hamilton-Ryker has offices in 35 locations across the U.S. For 45 years we have helped thousands of people find great jobs and great careers while providing our customers with a staffing solution concentrating on manufacturing, distribution, clerical, and skilled trade disciplines.

ASA is a national trade association that has been the voice of the U.S. staffing industry for more than 50 years, promoting the interests of the industry and flexible employment opportunities through legal and legislative advocacy, public relations, education, and the establishment of high standards of ethical conduct. ASA strongly supports policies that help America's workers and is working closely with the Department of Labor and other federal agencies on the development of a new and expanded [apprenticeship program](#).

The staffing industry employs more than three million employees per day and more than 15 million each year. Staffing firms recruit and hire their employees and assign them to businesses to assist in special work situations such as employee absences, skill shortages, and seasonal workloads, or to perform special assignments or projects. Employees work in virtually every skill level and job category, including industrial labor, office support, engineering, IT, legal, accounting, and health care.

Hamilton-Ryker continuously strives to offer solutions for developing skilled workers to our clients, which is why I am so pleased to take part in this morning’s hearing, “Shrinking the Skills Gap: Solutions to the Small Business Workforce Shortage.”

Most everyone is aware of the latest reports highlighting the current situation in the workforce. Basically, there are more jobs than people. We see that firsthand in almost all of our markets—we’re in a lot of small towns in Tennessee, Mississippi, and Kentucky, as well as in larger cities like Houston and Nashville.

With the economy at full employment, we’re taking measures to “upskill” the existing workforce—for instance, by taking workers who may have a certain skill set and providing them training to allow them to be promoted or move into another position at a higher wage rate. Additionally, we have instituted “soft skill” orientations that address issues like conflict resolution, workplace violence, and even basic workplace practices such as on-time arrival to work, call-in procedures, and how to deal with differing workplace cultures.

This morning, I want to highlight specific measures our company is taking in Tupelo, MS, in order to assess skills and train workers for one of our manufacturing clients. Last year, our company partnered with IVR Train, an offshoot company from Tennessee Tech University that develops virtual reality training for manufacturers.

Virtual reality (VR) is an interactive, computer-generated experience taking place within a simulated environment that incorporates auditory, visual, and other types of [sensory feedback](#).

Current VR technology most commonly uses [virtual reality headsets](#) or multi-projected environments, sometimes in combination with physical environments or props, to generate realistic images, sounds, and other sensations that simulate a user’s physical presence in a virtual or imaginary environment. A person using virtual reality equipment is able to “look around” the artificial world, move around in it, and interact with virtual features or items. Most people are aware—especially if you have teenage children—of virtual reality in the gaming environment; however, VR has many practical benefits—especially in the medical and manufacturing industries.

In Tupelo, we were specifically interested in how VR could assist us in recruiting, testing, and training for forklift drivers. We purchased a VR forklift and installed it in our office in early January. The VR forklift has eight assessments that test a variety of forklift skills from beginner to advanced. Prior to purchasing the VR forklift, we would interview our applicants and then send them to our client for testing on their physical machine.

We are now better able to assess applicants’ skills using VR prior to sending them to our clients—resulting in a 70% pass rate for our applicants versus less than 50% for 2017. This summer we are implementing a training program for those workers who may have had previous forklift experience but need to upgrade their skills before being placed at client sites.

Hamilton-Ryker is one of the first staffing companies using VR to test and train its workers—we see the value in using technology to upskill our workers and intend to further this program in many of our other markets.

I've included a short video that will give the committee a better understanding of how the VR forklift operates.

This is just one of many examples of what our company and other members of the American Staffing Association are doing to train workers for tomorrow's jobs—and help close the skills gap.

Thank you for your time this morning.