

# Inland Insider

## Where is the supply of qualified workers?

By KEVIN HORN

Across the oil-and-gas sector “help wanted” signs offering starting wages over twice the minimum wage not including overtime, paid benefits, etc., are everywhere.



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In the oil patch, there is a strong local economy marked by a persistent shortage of “qualified” labor that are licensed, can pass a drug

test, and are willing to work long, hard hours. Shipyards and vessel operators tell the same story: there are not enough qualified workers and they would produce more if only they had more employees.

Some of these jobs have transferable skill sets so imported labor can be a substitute to fill the gap. Yet even shipyards report that there is still a labor shortage even with all the foreign nationals working under H2B visas.

For vessel operators, the situation is different particularly for domestic labor with compatible communication and cultural skill sets. Operators say that the number of boats not laid up or on order are a function of the ability to consistently staff them.

The dilemma for an industry afflicted by chronic shortages of labor in predominantly rural locations is the difficulty in attracting people to what are perceived as “temporary” jobs in sometimes backwater locations. The mentality is that the current boom in the marine sector — oil and gas, brownwater, shipbuilding — will not last. Yet there are strong indications that shortages due to an aging work force will become worse.

A similar shortage occurred nearly a decade ago in the long-haul trucking industry. Back then, there was a severe shortage of long-haul truck drivers. Studies found that monetary compensation was a big issue, but it was only a part of what it takes to attract, retain and grow a stable long-term work force. Some of the larger trucking companies ultimately realized that it was not in their best interest to train drivers only to lose them to their competitors or assume that they could always hire sufficient disaffected drivers to meet their staffing needs.

When persistent labor shortages exist, economics tells us the issue is supply in response to demand. Demand is not always just “price” with respect to wages but a host of variables. Persistent labor shortages suggest that the industry and its company leaders need to rethink labor demand.

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