

Manufacturers Can Leverage Immigration to Fill Labor Gaps, Address Prevailing Skills Shortage

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September 13, 2021

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The United States is facing an unprecedented labor shortage. How can U.S. manufacturers' labor shortage be solved with immigration?

In June 2021, the U.S. Chamber of Commerce released the [America Works Report](#), which is based on an analysis of more than 20 years of federal jobs and employment data. Among the findings is that there are approximately half as many available workers for every open job and the ratio continues to fall. While the COVID-19 pandemic is certainly part of the conversation, it is only one of many contributing factors to the growing shortage.

Manufacturing is particularly hard hit by a dearth of highly skilled workers with expertise in emerging technologies, such as automation, robotics, and mechatronics, which are essential to the modernization of the industry. Manufacturers, like so many other employers, are implementing creative benefits offerings in an effort to retain skilled labor. But, before manufacturers can offer alternative benefits, they have to find the workers.

Historically, immigration has been a key ingredient to economic growth and development and provided an alternate source of labor to employers in need. Manufacturers can look to immigration to supplement its existing workforce and fill the skills gap, both for high-level professionals and skilled labor. There are limitations in the current immigration system such that not all needs can be met, but there are some viable options:

- Manufacturers with international operations can transfer existing employees of a related, foreign entity to the United States as intracompany transferees under the L-1 visa. The U.S. manufacturer essentially transfers from within the greater organization, thereby benefiting from highly specialized and advanced knowledge of the company's products or unique systems gained by the transferee in the employment abroad. The L-1 visa also provides an avenue for the internal transfer of high-level managers and executives with company experience, which can provide an edge in enhancing operations and overall growth.
- The United States has international trade agreements with several countries that include work visa options for the country's citizens. In most cases, the prospective job in the United States must require a specialized bachelor's degree. The most well-known agreement is the United States-Mexico-Canada Agreement (USMCA), which replaced NAFTA in July 2020. USMCA provides work visa options for citizens of Canada or Mexico for work in the United States in a variety of professions, including engineering technicians and technologists and computer systems analysts. Most of the professions covered by USMCA require the worker to have a bachelor's degree, but the engineering technician and technologist category allows the worker to qualify based possession of theoretical knowledge of the principles of engineering. Manufacturers may find this option useful in filling highly specialized robotics and mechatronics technician jobs, where candidates typically have extensive experience and some post-secondary education or training, but not a bachelor's degree.

- The H-1B work visa is available to manufacturers for more advanced positions, particularly those that qualify as “specialty occupations.” However, the H-1B visa carries significant limitations, such as an annual quota and lottery-based selection process.
- Manufacturers also make use of the H-2B to fill a temporary, seasonal, or peak need for both skilled and unskilled labor.

The [U.S. Chamber recommends](#) immigration reform as a solution to fill the skills gap in the U.S. labor market, as access to the global talent pool is critical where a deficiency exists in the United States. U.S. academic programs are not in sync with the requirements for tomorrow’s workforce.

[According to the Plastic Industry Association](#), “the U.S. educational curriculum is not in sync with the workforce of the future. As technology enhances manufacturing processes and workers’ skills are not updated, the skills gap will continue to widen.”

In the United States, heavy emphasis is placed on obtaining a four-year bachelor’s degree over technical skills. This only serves to increase the skills gap. Other countries (including Germany, Finland, and Spain) have robust vocational and apprenticeship programs that provide new workers an alternate to a four-year university degree. U.S. manufacturers can tap into this resource through immigration while comparable training programs are further developed onshore.

[According to the Motor & Equipment Manufacturers Association](#), “With this focus on innovation, our skilled workforce needs are evolving. Suppliers are focused on training employees to work with high-speed video cameras, advanced robotics, precision assembly, Internet of Things (IoT) technologies to improve production efficiency and program automated manufacturing systems. In support of that, training programs need to upskill workers in areas that make these technologies possible, such as software development and data sciences, which are more critical than ever for the industry.”

In addition to the obvious employment support, immigration provides social benefits to the manufacturing workforce as it promotes cultural diversity. Each manufacturer is unique in its operational needs and resources and should carefully evaluate how immigration can fit into the staffing picture.

Please contact a Jackson Lewis attorney with any questions about this and other developments.

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