

Saving United States' Skilled Worker And Restoring The American Dream

We are all well aware that as industries have become more global and cheaper skilled labor has become more readily available in other parts of the world, our domestic skilled workers have become devalued by no fault of their own.

Business enterprises such as ours who are involved in supporting domestic manufacturing are losing the battle by having to support higher pay scales –as well as spending more on capital machinery and technology and meeting government requirements. Unfortunately, as we've lost large portions of what used to be a vibrant manufacturing base, our skilled middle class worker faces declining opportunities to try to get ahead by the end of his or her career.

Some suggest that continued investment in technology is the answer but technology is now available world wide. Investment in technology alone is not the answer unless technology can be used to create an effective advantage. Also, some expect that the government's enforcement of fair trade agreements will solve the problem, but globalization should actually help international companies grow, which in turn should help the US economy.

As manufacturers adjust their market focus and offer different value propositions to compete globally, major industries will need to test and implement solutions for developing tomorrow's skilled worker on a smaller scale before the government can catch on and support initiatives that are proven to be effective for preserving America's working middle class.

Since changes in the private sector happen faster than change in the government, smaller companies such as ours believe that bold industry leaders can help rebuild a skilled workforce by generating exciting opportunities for U.S. companies to innovate and add value somewhere in the cycle of designing, producing, and/or assembling a finished product. In many cases, we could possibly find ways to do things faster and cheaper, but we should primarily concentrate on finding ways to produce things better, not just faster and cheaper.

As manufacturers, we all should be committed to transitioning the skilled workforce by

- 1) Identifying the capability of workers to adapt to new technology
- 2) Training skilled workers to use new technology, and
- 3) Deploying new technology effectively with workers capable of understanding its value.

In short, we can succeed only with a true partnership between business, skilled workers, and technology manufacturers to accomplish this. Technology manufacturers need to better understand the industry's needs in order to provide businesses with solutions rather than useless features we pay for and never use. (Think: Cameras in cell phones.)

Let's define some terms first so when we discuss people, we understand the WHOLE person.

Skills - Skills are activities acquired through practice like hitting a baseball, juggling, performing surgery, or machining metal or building a mold.

Talent- Talent is the natural ability one possesses to quickly acquire, perform, and perfect a new skill. Michael Jordan had a talent for basketball, but this did not replace the need for practice. Certain craftsman can run a CNC lathe machine better than others.

Knowledge- Knowledge is what we learn through education or instruction. Through training one can also be instructed how to use specific machinery or equipment that may potentially enable one to perform a skill they currently possess more efficiently. Some people gain knowledge quicker and some retain it longer.

Experience- Experience is the sum of what knowledge we have gained over time and how it has been applied.

Potential- The potential an individual has to excel at a skill is a factor of talent, desire, and commitment.

When assessing a current skilled worker or when considering adding one, we factor all the above into our evaluation to determine the potential long term fit at our company.

For example, we believe that experience alone is highly overrated. We have found that people tend to use experience way too much to over compensate or hide deficiencies. With technology changing so quickly, any experience over 5 years may be obsolete and not carry a value to an organization. Tenure, seniority, or “putting in the time” is not good enough. Talent, knowledge, and potential, are equally important factors to determine skill sets and a fit with the company.

Second, many manufacturers lost track of how to recruit and set long-term career paths for talented younger individuals. Instead, they incrementally increased their own costs by bidding wars, stealing experienced skilled workers from competitors at marginally more expensive employment pay and benefits. This dynamic has shortchanged what created the vibrant manufacturing environment of training and apprenticeship that existed during the U.S. industrial domination during the 1900s.

Third, skilled workers themselves need to recognize they share the responsibility for the decline of opportunities in manufacturing. We live in times when young people expect immediate success and income. We need more young and talented skilled workers to recognize that a \$10-\$15/hour up to a \$25/hour job creates a better opportunity than entry level service sector jobs. And eventually the \$30/hour plus job can be attained over time through hard work. The skilled worker must not have false expectations about building a career overnight.

The concept of teamwork is integral to our organization and must be for any other because the ability to share knowledge across an organization is vitally important to be able to provide solutions, products, and long term value to customers. Specifically, here’s how we actually put the above theories into practice:

-Review the personnel infrastructure and bring in line with today’s industry needs.

Like Jack Welch said, “People first; Strategy second.” Most people confuse this concept thinking that this means if you take care of your people, everything else will take care of itself. What we determined is that we needed the right people in the right position. Unlike a baseball team where a right fielder’s job is the same as it was when the game was invented, a business team is quite different. Today, positions are constantly changing as market needs and demands change. A sales representative might be replaced with an account manager with different technical or commercial skill sets. Or, as machines became more automated, some machine operators have evolved into in-line quality inspection operators.

A winning team is not merely a group of talented people, but rather a group of people maximizing their unique individual talents in a way that contributes to the company's vision and mission. Most new and innovative ideas will fail if people are in place that cannot contribute to these common goals.

-Determine the skills needed for tomorrow.

In the past, when manufacturers wanted to hire a new skilled worker trainee, they would look for a candidate who liked to work with his or her hands, was mechanically inclined and had good math skills. A candidate could start working at a decent wage and be given the opportunity to grow with experience without a college education. Our candidates for tomorrow's skilled worker look quite different. The skilled worker of tomorrow must possess strong computer technology skills, good communication and problem solving skills, and have a desire to be challenged in a multi-task environment. Modern manufacturers must begin again to take a long term look at taking into account all these values of a skilled worker.

-Incorporate training and employee development into the organization

A training program can be a company's best investment ever made. However, improperly implemented, they can be a huge waste of money. This can hurt small companies and is probably the most significant reason smaller companies shy away from major training initiatives. Promold developed tools and metrics that assessed the entire staff for what skills they currently possess, what potential they have, and most importantly what they enjoy and want to do.

We expect our success to be determined by how we maximize our investment in our people. Once we determine a budget and time frame, we lay out the first phase of our training program and commit to ongoing programs. Our human capital investment should allow our employees to succeed in the U.S.

We learned from the past that the problem with manufacturing technology today is not so much the up-front expense of the capital investment but the hidden cost involved in getting someone up to speed quickly enough to take advantage of the application. User interfaces are complicated, and only select individuals can master the equipment. We had to assess learning curves and justify the potential of a how new technology would truly unlock a benefit.

-Delegate Authority

People and technology are a winning combination. Concentrating on either but not both is useless. When you have the right people in place, they need to have the authority and accept responsibility for making decisions in new technology investments. Only with the right leadership can we harness the power of new technology and reap its benefits. Our company leaders are committed to finding and keeping the right people, then providing everyone with the necessary training each individual needs to excel.

In conclusion, General Accounting Practices have taught business leaders to look at people's labor as an expense when it comes to financial statements. Like capital equipment and technology investment, employees must also be treated as an investment.

With new policies in place, we believe we have appreciated our skilled labor force rather than depreciated it like capital equipment does over time. As your manufacturing partner, we are willing to share our views about how to develop an industry training program that will resurrect and develop the skilled worker, or in our case, the apprentice mold maker.

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