Who Works in Your Plant?<p> A Profile of Today's American Factory Worker

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As the number of manufacturing jobs declines in the U.S., so does the traditional image of the factory worker. Lean times have made today's worker both more competitive and technically sophisticated.

A company can only be as good as its employees. But since 1980, the number of employees in manufacturing jobs has dwindled - significantly. According to the U.S. Census Bureau, some 7 million manufacturing jobs have been lost since 1980, bringing the current number to about 15 million. In 1980, manufacturing jobs represented 21% of the 99 million working Americans; today's manufacturing percentage is 11% of some 135 million workers.

Arguably the biggest reason for this drastic change has been U.S. manufacturers' willingness to send jobs overseas. Recent studies sponsored by the National Association of Manufacturing (NAM), however, have focused on additional causes. The Washington, D.C.-based trade group found, for example, that the attrition of manufacturing jobs was the result of a number of factors, from the lagging U.S. economy and what it believes are predatory global tactics, to a lack of qualified candidates.

For example, 80% of the manufacturers in a recent NAM poll said they had difficulty finding skilled workers to fill openings. NAM undertook research to determine the cause, which it believed to be a lack of interest among Americans, especially young Americans, to pursue a career in manufacturing.

"We have a misconception of what it takes to be a worker in manufacturing," says Stacey Wagner, director of workforce initiatives for NAM's Manufacturing Institute Center for Workforce Success. Wagner says people still tend to see factory jobs in terms of "the lowest common denominator."

Last year, NAM assembled focus groups to survey common perceptions. Compiled in a report called Keeping American Competitive, the data reinforced what the NAM team already suspected. "People perceive that factory work is low paying," says Wagner. "They also think that if you work in manufacturing, you're not very smart and that you enjoy physical labor."

The reality is that while times have changed, the stereotypes have not. "These are slow to change," says Rick Guzzo, author of Play to Your Strengths, Managing Your Internal Labor Markets for Lasting Competitive Advantage. A principal with Mercer Human Resource Consulting, Washington, D.C., Guzzo is also a Fellow of the Society for Industrial and Organizational Psychology. "Factory workers are not a majority of the workforce," he says, "and because of that there is little opportunity to make those stereotypes change quickly."

So they continue. But the facts refute the stereotype. Based on two other NAM surveys conducted last year, here are some common misconceptions, accompanied by the facts:

Myth: Factory workers are low paid.

Fact: According to recent reports, the average manufacturing wage is $54,000 per

year, 18% higher than the average U.S. wage.
Myth: Factory workers are high-school dropouts.
Fact: Some 78% of the manufacturing workforce has a high-school or greater education.
Myth: Factory jobs require vocational education, which attracts students who are less qualified in other areas.
Fact: According to NAM, today's manufacturers seek a range of skills that include hands-on abilities as well as math, science and computer use.
Myth: You have to be a union member to work in a factory.
Fact: Unions represents only about 20% of all factory workers, down from 25% five years ago. Currently 22 right-to-work states give factory workers the choice of belonging to a union or not.
Myth: The burden of benefit costs have been shifted to the employee in manufacturing as in other industries.
Fact: More than 80% of manufacturers still pay the bulk of employees' medical benefits, including dental.
Myth: Factory work requires physical labor and can be dangerous.
Fact: Certain factory work will always require physical labor, but automation and ergonomic awareness have reduced that type of work, resulting in a 40% decrease in workplace injuries over the past decade.
Using current demographic data, a new picture of the modern factory worker emerges. Tough, hardworking and determined, America's factory workers are faced with challenges that often require more smarts than strength. Global competition, technological advances, a shrinking workforce and a sluggish economy have made him and her more competitive, less dependent on the company and the union, and well aware that jobs are not guaranteed. Many say today's worker labors harder than ever to keep high pay and fringe benefits. And as workforces are reduced in size, employers say they expect them to.
"We no longer hire someone just to just drive a forktruck," says Bob Marion, vice president of human resources at Wise Alloys, a metal producer in Muscle Shoals, AL. "We hire capable people who also want to become machine and equipment operators."
The tech boom of the '90s also helped usher in new skill requirements, a trend that has made the modern workforce "pretty lean and mean," says Wade Sayer, director of business education partnerships at NAM's Center for Workforce Success. But while this workforce is "high tech and fairly well educated," says Sayer, "it's getting old."
With some 76 million baby boomers expected to retire in the next 20 years, the issue of age is very much on all employer's minds, particularly in manufacturing. According to NAM, aging factory workers are already leaving the workforce in growing numbers.
This has made room for what could be considered the new generation of U.S. factory worker. Increasingly, this person is likely to be Hispanic or from another non-English-speaking population. Although the majority of factory workers are still white males, statistics from the U.S. Census Bureau show that the number of Hispanics employed in two key manufacturing sectors (precision production and machine operators) almost doubled between 1995 and 2001, from from 5.6 million to 10.5 million. The difference is likely even greater now.
But this is only one side of today's worker. The demographics of who works in your

plant is really a study in at least three other factors: the economy, advances in technology, and the employer.

The economy. The manufacturing-led recession that began in 2001 was responsible for nearly a third 2.7 million of the 7 million manufacturing jobs lost since 1980. The staggering size of this loss has had a profound effect on the typical U.S. worker. Most important, says human-resources specialist Rick Guzzo, is that job security, once a cherished benefit of unionized shops, has become a thing of the past.

"Now that they are representing fewer people, unions have refocused what they ask for," says Guzzo. "Rather than focus on wages, which may be one reason wage growth has slowed in this sector, unions are focusing on protecting jobs and keeping jobs here."

Furthermore, says Guzzo and others, many of today's workers have been personally affected by layoffs and plant closures either directly or indirectly. They well understand that these are real-life events that continue to happen.

Advances in technology. The technological revolution in computers and automation that hit the manufacturing sector in the early 1990s means that "now you can't run a factory without computers on the factory floor," says NAM's Wagner. The impact of automation has both eliminated jobs and made those that remain more technical. Even many operators now need high-tech skills, as do the maintenance teams who care for the growing array of automated machinery.

Many believe that, while this is a double-edged sword regarding job retention, advanced technology has and will enable the U.S. to remain competitive in manufacturing even when the economy falters. Because manufacturing depends on high productivity for profit, jobs not directly tied to that will continue to disappear.

"The more productive the factory, the fewer workers will be used," says Bill Canis, executive director of NAM's Manufacturing Institute. "The more productive economy is one with lower inflation and higher wages for those who remain."

The good side of this, says Wagner, is that "these manufacturing jobs are now more open to populations that had not necessarily applied for manufacturing jobs because they didn't have the physical strength. Now what's required is the ability to think analytically, to work in teams and to be able to understand and process different types of information."

The employer. A company's hiring policies continually shape and mold its workforce. These policies include how companies seek new employees and what they offer them in terms of compensation, benefits packages, training, vacation and other elements that will enable the company to acquire the type of worker it desires.

Today, health benefits are a critical issue, partly because of those retiring baby boomers, says Guzzo. Clearly, if the majority of workers in a plant are over 50, an employer may choose to absorb benefit costs and slow wage growth, deterring populations who need higher cash flows.

Obviously, this will change. Forward-thinking employers are seeking skilled younger workers who are able to both fill the knowledge gap that will be left, as well as operate in leaner and more technically challenging manufacturing environments. Attracting these types of workers will need to be a continual and key effort of manufacturers.

And while recent government initiatives to stem manufacturing job losses may help, it's possible the job base will not stabilize or grow significantly until companies place as much importance on staying in the U.S. as staying productive.

"We have good jobs that pay well, but they are at risk," says NAM's Sayer. The risk

can be overcome with high productivity and technology, he adds, but believes "we're fighting a tough battle." And the outcome of this battle is likely to impact the "typical" U.S. factory worker in years to come.

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