

# Creating Better Jobs For Manufacturing's Comeback

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Scan through the business section of the news, and you're likely to see stories about the resurgence of U.S. manufacturing, about how companies are moving jobs back to the United States because of the rising cost of manufacturing in (and shipping to and from) China. Certainly good news for American manufacturers, but I would argue that this trend is not what the resurgence of U.S. manufacturing should be built on.

A favorite saying of mine is that we hire people not just for their hands, but also for their hearts and minds. When we hire frontline employees, it should not be just for the work they do on the line, but for the creative thoughts in their hearts and minds. This philosophy has pushed me to have a radical thought: What if we paid frontline manufacturing employees just \$2 per hour for their labor but \$14 per hour to use their minds to come up with better and faster ways of doing work, to think of new ways to use a product, to come up with brand new products and to solve problems that the company didn't even know it had?

This move would challenge people to take action, to take accountability and to be engaged in the work they do. They would view their job not just as a daily checklist, but as an opportunity to learn, to grow and to improve. This would then provide an unlimited source of innovation that will lead the company into brand new directions. Those new directions will lead to more jobs. The result will be a strong American manufacturing base that can produce jobs because of its own vibrant energy, and not just because the cost of doing business in China went up.

For a true resurgence in American manufacturing, then, there must be innovation. Instead of simply asking, "How do we bring more jobs back to America?" we should ask, "How do we create new and better jobs in America?" Here are some thoughts on how we can do that.

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## Understanding the Challenge

Yes, jobs have moved to other countries because of labor costs, but jobs have also moved because it was simply the right thing to do. When America was a young nation, countries like Japan, Germany and England sent jobs our way to help us develop and prosper economically. Likewise, for several decades we've moved jobs to countries like Mexico, India and China to assist with their economic development. It makes sense to let simpler jobs, like sticking arms on Barbie dolls, stay in less-developed countries. Meanwhile, more-developed economies should focus on more complex and challenging industries. As a global society, we should embrace this exchange, as it will help to ensure long-term worldwide stability.

## Accepting the Challenge

In the world of competitive gymnastics, an athlete's score is calculated by multiplying the score for how well a routine is executed with the degree of difficulty of that particular routine. Simple routines executed perfectly may not score as highly as extremely complex routines executed extremely well. The degree of difficulty can quickly bolster a score, particularly when combined with perfect execution.

In manufacturing, the degree of difficulty is innovation. Manufacturers will create new jobs when they take bold steps to increase innovation in their organizations. To do this they must proactively tackle difficult problems that no one has been able to solve and look to improve areas that aren't necessarily broken. They need to stop measuring success based on doing better than they did two years ago, and start measuring success by looking at how they are improving relative to their competition. This type of proactive improvement takes courage and capacity, and requires leaders to really understand their customers and markets.

Effective leaders recognize the need to look ahead, even beyond their industry at times, to innovate and to offer customers bold promises. When your team accepts this challenge by increasing its ability to execute and innovate, think of what that will do to your competition, your customers and your organization!

## Facing the Challenge

Jay Timmons, President and CEO of the National Association of Manufacturers, said it best: "Manufacturers are ready to power the economy. With the right policies in place, we will transform a difficult and sluggish recovery into an economic resurgence. After all, manufacturing has the highest multiplier effect of any other sector of our economy. Investments in manufacturing multiply across the economy, creating jobs and growth in other sectors. Simply put, manufacturing makes America strong."<sup>[1]</sup>

According to a September 2012 survey by the Harvard Business School, manufacturing companies were the most active in undertaking programs and initiatives to boost U.S. competitiveness. The survey showed that 86 percent of

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manufacturers are engaged in internal training; 59 percent in regional initiatives; 40 percent in offering apprenticeships; 47 percent in community college or other external training partnerships; 54 percent in sourcing locally for supplies; and 45 percent in supplier mentoring. The survey also showed that manufacturers rank near the top in participation in collaborative research initiatives, with 63 percent involved in this activity.[2]

### Overcoming the Challenge

Our current economic challenges are one part of a cycle that Americans have experienced for decades. Newspapers in the 1930s wrote of “a worldwide economic crisis marked by widespread unemployment and near halts in industrial production and construction.”[3] In the 1980s, the American automotive industry was overtaken by Japan. Even the construction and housing market — an integral component of the economy and major generator of American jobs — has experienced unprecedented loss. During the latest recession, the amount that the housing and construction industry contributed to the GDP fell from 6.3 percent to 2.3 percent.[4]

So what's new isn't the challenges we're facing, but the rate at which we are facing them. If manufacturers — and America — are going to succeed, we must innovate even faster than we have before.

### Tips to consider as you I.N.N.O.V.A.T.E.

Incubator — Become true learning organizations, with priority on proactive improvements.

New — Solve problems that people don't believe are problems.

Now — Take action! Stop talking about innovation and start doing.

Opportunities — Capitalize on the biggest and surest opportunities.

Velocity — The rate by which improvements are made will significantly impact relevance and sustainability.

Attitude — Shift the mind-set from “We can't” to “What will it take to...?”

Talent — Hire and spend time with top performers and proactively position them in their most-value-added roles.

Entrepreneurship — Share best practices with other industry leaders.

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- [3] [http://topics.nytimes.com/top/reference/timestopics/subjects/g/great\\_depression\\_1930s/index.html](http://topics.nytimes.com/top/reference/timestopics/subjects/g/great_depression_1930s/index.html)
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