Manufacturers Cutting White-Collar Jobs Now, Too

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NEW YORK (AP) — Manufacturers have been using technology to cut blue-collar jobs for years. Now, they're targeting their white-collar workers, too.

Factory Automation Systems makes machines that help companies cut, bundle and load products faster and cheaper than humans can. But it didn't realize how much technology could help its own business until the Great Recession hit.

To save money, the Atlanta company cut nine workers doing administrative tasks, like booking flights, answering phones, managing employee benefits and ordering parts and supplies.

"I had to lay people off to survive, then I noticed it's not such a big deal" to do things myself, President Rosser Pryor says. "When I'm buying something, I can go online. I don't need a buyer."

Pryor says do-it-yourself software means he doesn't have to rehire though business has rebounded.

Other manufacturers are using technology to avoid hiring blue-collar workers when business improves.

Stripmatic Products, a Cleveland auto supplier, used technology to eliminate more blue-collar jobs. Stripmatic used to assign a worker to each of its stamping machines pounding out metal tubular car parts. They would look for jams inside the machines that cause costly shutdowns, called "smashups."

Then the recession struck, and Stripmatic had to cut staff and scramble to make do with less. To monitor the machines, it turned to electronic sensors and got surprisingly good results. Smashups happen only once or twice a year now, instead of four per month before, and the presses are running 2-3 times faster.

"With a human, you're going to get distracted, you're going to feel the monotony of (the work)," Stripmatic President Bill Adler says. "You're not going to be 100 percent successful."

Stripmatic is doing 20 percent more business than before the recession, with a third fewer employees.

Factory Automation and Stripmatic cut just a handful of jobs each. But multiply those over many companies in many industries in many countries and it helps explain why so many in the middle class can't find work.

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