MANUFACTURING: The Way To Go

"We are investing thousands of dollars training new employees, and if we are lucky…50 percent stay more than a year. We need skilled workers walking in the door, not leaving us."

–COMPANY TRAINING DIRECTOR

Opportunities For Growth Exist; It Depends Where You Look and What You Know

At the height of North American economic dominance, from the 1950s through the early 1970s, membership in the industrial unions was booming. In the IBEW, there were approximately 300,000 members at one point engaged in various types of electrical manufacturing. Today, there are just about 105,000.

The reasons aren't hard to see. Technological change meant that one person accomplished work that previously required ten. As the rest of the world recovered from war, industrial centers in other nations opened up where lower paid workers could manufacture products much more cheaply. International competition forced North American producers to reduce their margins, removing the luxury of propping up cost consuming operations with the money from profitable plants. Recession at home made consumers less conscious of the value of buying domestic goods and drove them in large numbers to cheaper foreign goods. Wall Street money manipulators created the service, financial-oriented economy and gleefully rewarded, with high stock prices, companies that shipped industrial jobs overseas. The firing of the air traffic controllers in 1981 encouraged emboldened employers to take on unions in their own industries.

All of this is at least partially true, and each of these factors has contributed to the perception that manufacturing is dead or dying in the modern North American economy. Such a perception is widespread; it is also wrong.

Manufacturing is changing. Manufacturing is evolving. Manufacturing is becoming more mentally than physically demanding. But it is not dying.

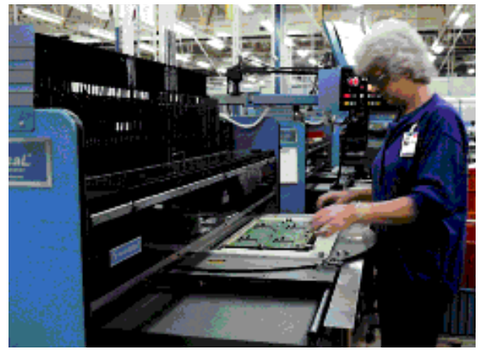
In his address to the delegates to the 35th IBEW International Convention in Philadelphia in 1996, former Chairman and CEO of Lucent Technologies Henry B. Schacht noted that: "Nearly three-quarters of research and development spending in the United States is now spent by the…manufacturing workplace." He went on to say that half of the total economic activity in the United States depends, at least indirectly, on the nation's manufacturing capability and that manufactured exports have grown at an annual rate of over nine percent, resulting in the creation of some 2.3 million jobs. The manufacturing work force has grown in 37 states.

These numbers present the image of an industry that remains a powerful economic engine in North America. Workers in virtually every branch of the IBEW stand to benefit from growth in manufacturing, which can translate into increased demand for construction and maintenance, electric power, telecommunications networks, transportation of raw materials and finished goods, and, ultimately, stronger communities and local economies.

The IBEW's membership in manufacturing largely can be broken down into two types of industries. Some work in traditional, "mature" industries, producing goods such as wire and cable, batteries, light fixtures, appliances and the like. Others work in "emerging" high-tech industries producing microelectronics, semi-conductors and state-of-the-art telecommunications equipment.

Mature industries have suffered the greatest losses over the past two decades. Competition from low-wage countries has definitely been a factor, and these industries remain the most vulnerable to plant closings and relocation of work overseas. Another factor has been the unwillingness of companies to invest in technological upgrading of facilities. This failure becomes a self-fulfilling prophecy when such facilities are deemed noncompetitive with modern plants in other, usually nonunion, locations. Many mature industries, however, have already undergone deep reductions in facilities and work forces. Those that have survived have important advantages such as experienced workers and core markets for their products that can survive economic ups and downs.

Much is made of the emerging, high-tech industries that have driven so much of North America's recent economic growth. In these industries especially, the need to invest and re-invest in technological upgrades is constant. The product cycle in high-tech is as little as 12 months. Falling one generation behind the latest technology means losing market share for your product; falling two or more generations behind is fatal to your business. This creates a volatility in these industries that can lead to expansion and contraction of work forces. However, with skilled workers at a premium in these industries, those with the proper training can usually find similar employment.



The Way To Go

These types of industries may seem to be on different courses, but the way to go is virtually the same for both. A combination of time-tested union principles and new strategies that are geared to the long-term interests of IBEW members will create the best possible opportunity for a continued strong IBEW presence in the manufacturing sector. These include training and continuing

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MANUFACTURING

"I heard manufacturing in this country is dead. Are you suggesting I train for a job that may not be there tomorrow? Do I look stupid or something?"

– STUDENT AT A JOB FAIR

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education, participation in the formation of skill standards, a cooperative approach with management wherever possible, solidarity during collective bargaining and targeted organizing.

The High Priority of Training

Because some still have a negative image of manufacturing, it is sometimes seen as the last refuge for the unskilled. While this stereotype was never fair, it bears little resemblance to the manufacturing sector of the present. Today, many jobs in high-tech manufacturing require educational certification beyond the high school level before a worker's application will even be considered.

The IBEW has a long and distinguished history in training. Skill development was one of the key factors that motivated the founders of the union in 1891. While the IBEW emphasizes training in every branch, the Brotherhood is exploring new approaches to industrial sector skills development in tune with the realities of today's economy.

The increased pressures of global competition, rapid technological change and, in some industries, deregulation, have forced companies to operate on smaller margins. In this atmosphere, in-house training is often a casualty. Some companies have cut back on training, while others have subcontracted the function to outside firms. The result has often been training programs that do not meet the needs of workers. Even in industries where the need for skilled workers is high and companies have invested in training, the content of the curriculum does not always match the needs of the employer or the employee.

"It is time for a new, worker-oriented approach to training in the industrial sector," says IBEW International President J. J. Barry. "Training is not solely the responsibility of the employer. If we let it be that way, our members will be left with programs that do not prepare them for the jobs of the future. Lifetime employment with one company is fast becoming a thing of the past. Programs that impart a broad base of portable skills are the ideal. We need greater union involvement and employee commitment to training and continuing education," he adds. The IBEW's commitment takes many forms. It can be done through the collective bargaining process where union and management agree to the parameters of a training program or provide credits or financial support for outside course work. It can take the form of multi-employer programs, especially those that take advantage of on-line learning and other techniques geared to giving workers easier access to training. Or it can take the form of even broader approaches with nationalized standards.

Skill Standards

For several years, the IBEW has been involved in the development of skill standards in numerous industries, of which manufacturing was one of the first. This program is under the auspices of the National Skills Standards Board (NSSB), a private/public body that is working to develop a national system of voluntary skill standards, assessments and certification designed to enhance the readiness of U.S. workers and industry to compete effectively in a global economy. As reported previously in the *IBEW Journal,* organized labor and the IBEW are active participants in this ongoing national effort [See "Skills to Power a Nation—The Work of the U.S. National Skill Standards Board," April 1997, p. 22; and "Today's Workers Tomorrow's Skills," September 1998, p. 12].

The Manufacturing Skill Standards Council (MSSC), a voluntary partnership launched in 1998 and recognized by the NSSB, is working to develop a nationwide system of skill standards for manufacturing, installation and repair. Bob Stander, director of the IBEW Manufacturing Department, serves on the MSSC and was elected chairman of the MSSC Labor Caucus.

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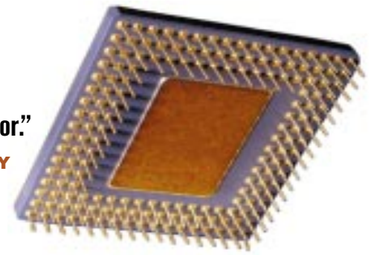

The IBEW is also providing leadership on a project called "Building Linkages Among Academic and Skilled Standards for Manufacturing." Bob Stander reports that this project is a "federally funded partnership, involving labor, management and public interest groups, whose focus is directed at school-to-work projects in 26 states." He said, "The Building Linkages Project is designed to equip schools and students with a defined understanding of skills needed to gain employment in a manufacturing career path."

What Are the Practical Effects?

Both the MSSC and the Building Linkages Project are designed to document job skills, enhance skill achievement, and provide worker certification of achievement to promote portability of employment within the manufacturing industry. When workers meet established national skill standards, they can be confident they have portable, transferable skills and knowledge necessary for career success in high performance workplaces nationwide. Voluntary national skill standards will also provide unions with a benchmark for negotiating job design issues and advocating for worker training.

Five Areas of Manufacturing in Which Future Growth is Likely to be High:

- Micro-electronics (semiconductor, integrated-circuits, chips)
- Tubes (TV receivers, monitors and picture tubes)
- Fiber Optics
- Laser-related Equipment (telecommunications, medical and other)
- Software (both the creation and production of)

Labor-Management Cooperation

Increasingly, IBEW is establishing labor-management cooperative programs on behalf of (our) manufacturing membership. International President Barry has stated that, "It is in the best interest of our manufacturing membership to participate in labor-management cooperative programs where we are viewed and accepted as equal partners. History shows that where labor and management establish balanced labor-management cooperative programs, both the employer and our membership prosper." The IBEW's longstanding policy has emphasized the phrase "equal partnership" in the development of such programs. "The fact is," President Barry emphasizes, "that cooperation is vital not just in determining training standards. Manufacturing is improved when workers have a direct say not just in wages, benefits and working conditions, but also when their judgment and experience are valued assets on the shop floor." The team approach to manufacturing, giving workers the right to halt production if quality lags, and a voice in fine tuning the production process itself are all goals that should be set by every IBEW local.

The IBEW and its members can and must be active players in deciding such industry issues as skill standards, job training and retraining, and plant modernization. Worker input is vital—the union cannot leave the decision-making arena solely to management. IBEW members have a right to insist that management invest in plants and job training for employees to ensure a company's long-term viability and its ability to respond to changing market conditions. A role in decision-making for union workers serves to promote the competitive position of North American manufacturing industries in the world market, and the IBEW is committed to a voice for working people in shaping the future of the industry to help save plants, jobs and communities.