

Grayway

SHIFTING PUBLIC OPINION

CHANGING HOW
AMERICANS VIEW JOBS
IN MANUFACTURING



THIS ISSUE / Shifting Public Opinion



A handwritten signature in cursive script that reads "Phil Seale".

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Every industry has its own share of image problems, and manufacturing is no exception. While some industries have rightfully earned their respective reputations, jobs in manufacturing have been unfairly portrayed as dark, dirty and dangerous. While there may have been some truth to that a half-century ago, advances in manufacturing have made jobs in this industry safer, more challenging, not to mention rewarding.

This issue of the *GrayWay* covers manufacturing's image problem and what some are doing to improve it. We also offer expert opinions on how to retain and motivate your existing workforce in a bad economy, and how improvements in the housing market could mean good things for employers.



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SHIFTING PUBLIC OPINION



CHANGING HOW AMERICANS VIEW JOBS IN MANUFACTURING

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PERCEPTION IS REALITY

BATTLE CONTINUES AGAINST ADVERSE PUBLIC IMAGE OF MANUFACTURING JOBS

Several decades ago, boys and girls in high school were not only encouraged to sign up for vocational classes, they viewed these classes as essential to getting a job upon graduation. Ask a teenager today how important vocational studies are to employment after high school and his response might be, “Huh?”

Since then, society has become convinced that the only way to find good-paying, stable employment is by having a four-year college degree, and jobs in manufacturing have all but lost their appeal. In fact, a study conducted by Deloitte and The Manufacturing Institute found that among 18 to 24 year olds, manufacturing ranks dead last among industries in which they would choose to start careers—a startling finding for manufacturers desperately trying to fill jobs.

But while young folks today genuinely desire a college degree, getting one is easier said than done. According to the National Center for Education Statistics, for every 100 ninth graders in the U.S., only 68 graduate from high school on time. Of those, 40 enroll directly in some college program (associate’s, bachelor’s, or a trade school). Of those, only 27 are still enrolled the following year. Of those, 18 earn an associate’s degree within three years, or a BA in six years. A staggering 82 of the original 100 ninth graders do not succeed in obtaining any degree, and will have difficulty competing in a skilled labor force.

Beyond the diversion of young people in pursuit of a college degree, there are other reasons why it is difficult to fill manufacturing jobs. The survey also found that some 77 percent of Americans fear the loss of manufacturing jobs to other nations, fueling the idea that these jobs are unstable. Add to that the fact that most Americans (74 percent) believe that manufacturing jobs are difficult to get, and you have a perception problem bigger than anyone can comprehend.





About 6,600 people work at Toyota Motor Manufacturing's Georgetown, Ky. plant where the Camry, Camry Hybrid, Avalon and Venza are made.



Wil James

Wil James, president of Toyota Motor Manufacturing, Kentucky, Inc. is one person who can attest to the problem.

“The stigma that manufacturing jobs are among the least desired and/or least rewarding fields to enter for a career is an issue for our

industry,” began James. “It’s misguided, and leads to a no-win situation all around. From my perspective, the solution begins with the manufacturing industry taking ownership and working to move the American public’s perception to a more accurate understanding of what we have to offer.”

James says there are initiatives that have emerged to fight this stigma, and his company is supporting them, like The Manufacturing Institute’s “Dream It. Do It.” campaign.

Jennifer McNelly is president of The Manufacturing Institute and directly oversees Dream It. Do It. She says while the impact of manufacturing continues to be great, the industry is not doing its part to spread the word.

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“The stigma that manufacturing jobs are among the least desired and/or least rewarding fields to enter for a career is an issue for our industry.” – Wil James
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Advances in manufacturing like these Automatic Guided Vehicle Systems used at Toyota Motor Manufacturing’s Georgetown, Ky. plant have displaced some low-skilled jobs, but have increased the need for skilled laborers who run and maintain the systems.

“Manufacturers inherently operate within systems and processes,” began McNelly. “We innovate and we figure out how we create efficiencies, and constantly improve our processes—that is the core of Lean and Six Sigma. However, we have cumbersome and outdated methods for attracting and managing the human capital supply chain. Most manufacturers today use word-of-mouth tactics, rather than work with the education and publicly funded workforce investment systems, which is where the workforce is being produced.”



Jennifer McNelly

“For every dollar invested in manufacturing, there’s a 1.3 multiplier. We have a great impact in building communities, but we’re really not very good at talking about it,” she said.

“Dream It. Do It. helps to demystify manufacturing by portraying it as clean, high-tech and innovation-driven. Dream It. Do It. gives manufacturers an avenue to open their doors to their communities—having teachers, parents and students understand the real excitement and value in manufacturing careers. Dream It. Do It. also helps young people understand the kinds of skills that those jobs require. You don’t just show up—you need to have applied STEM (science, technology, engineering and math) skills and be ready to learn and adapt quickly with the innovations happening every day on the factory floor. Manufacturers are problem solvers and team players.”

McNelly says manufacturers have also missed the boat with regard to their human resource supply chain, placing more emphasis on internal referrals rather than targeting people in our educational system.

McNelly and James both agree that changing the perception problem doesn’t begin and end with young people entering the workforce, but extends way beyond them.

“Overall, it’s essential that we find better and systemic ways to engage not only students, but parents—who influence the career directions of their children—and guidance counselors—who largely have a less-than-favorable view of manufacturing as a career option and often guide the best and brightest students away from it,” said James.

James named three reasons why people should consider a career in manufacturing:

- Great compensation and benefits.
- Rewarding, challenging work. Modern, advanced manufacturing makes real use of knowledge and skills, and we are always driven to improve and make things better. In this environment, an employee knows that their talents are valuable, that they’re being maximized and that they’re growing.
- The knowledge that your job is meaningful benefits others and society. By its very definition “manufacturing” implies that we make things, and by making things you help satisfy a need or desire of consumers across the globe.

DREAM IT. DO IT.

National Initiative to Improve Image of Manufacturing

The National Association of Manufacturers (NAM), in conjunction with The Manufacturing Institute (MI)—its education, workforce and research arm—aren't just talking about manufacturing's image problem, they are doing something about it.

The Dream It. Do It. campaign is national in scope, but plays off of regional initiatives to address the shortage of talent and skilled workers looking for jobs in manufacturing. It is a membership-based initiative, and states that join become partners with NAM and MI. Some benefits to becoming a member include:

National visibility—Member regions are touted as progressive through NAM and MI's media outreach efforts, adding credibility to their own campaigns.

Dream It. Do It. Executive Leadership Council membership—This council includes NAM, MI and other regional office leaders who come together at least twice a year to share best practices, challenges and accomplishments.

Access to the campaign's creative materials—Radio ads, billboard designs, newspaper and magazine ads, student and parent brochures, and a style branding guide are available for use, playing off the national brand that is both desirable and useful for credibility.

To find out more about how your state can become involved in the Dream It. Do It. campaign, visit www.dreamit-doit.com, or contact The Manufacturing Institute at (202) 637-3426.

MOTIVATING THE TROOPS

Retaining Existing Employees in a Competitive Marketplace



Employees at Whirlpool's new Cleveland, Tenn. facility gathered to celebrate the plant's dedication in March of 2012. Some 1,700 people are employed at the plant.

Hiring freezes, layoffs, and plant shutdowns can be unfortunate results of a recession.

For the average manufacturing worker, the threat of losing a job or taking days off without pay is a lingering possibility. Most are just grateful to be employed, and their employers are working hard to keep it that way. Lyle Hanna is president and CEO of Hanna Resource Group and counsels employers on human resource issues. Even though the U.S. labor pool is vast due to high unemployment (12.7 million remained unemployed according to the latest estimate by the Bureau of Labor Statistics), he says it is more important than ever to keep your existing workforce happy.



Lyle Hanna

“You can’t afford to lose anybody that you have because it’s hard to recruit people right now,” said Hanna. “There are still a lot of people who are unemployed, but finding good workers is just harder than ever.”

A sentiment shared by Amy Killam, human resources director of Whirlpool Corporation’s Cleveland, Tenn. operations. Killam says because the Cleveland area is bustling with new manufacturers and other businesses, the area possesses a strong labor pool but the competition for good workers is intense.

“There are a lot of new employers coming in... Volkswagen, Wacker and Amazon have built new facilities,” said Killam. “So that forces us to

make sure we are being very competitive with our benefits and compensation package.”

While benefits and compensation are vital to retaining employees, Killam says there are other less obvious ways employees at her plant are incented to stay.



Amy Killam

“Everybody wants to be paid well, and that’s certainly an important piece of it,” began Killam. “But, at the end of the day when wages level off and everyone’s paying more or less the same, you have to think about what’s really

going to draw that person to want to work at your company. Do they want to work in a place where they’re told what to do from A-to-Z, or do they want to come in and have some autonomy? Do they want to like the team they work with? Do they want to feel like part of a team versus not really knowing anyone, or talking to anyone? That’s a tough way to work day-in and day-out. And so for us, it really is important to focus on the culture we create for our employees.”

Killam says Whirlpool places great emphasis on creating a company culture where people will not only want to come to work, but will thrive on their own accomplishments.

“When I talk about culture, I’m talking about how do you create great leaders?” Killam began. “How do you make sure every team member, regardless of their job, is a problem solver that gets some autonomy in their job? Our hope is to build an environment that really draws people, and they want to come be a part of this team.”

Hanna helps manufacturers and other employers develop rich and inviting cultures where

employees feel valuable. In fact, his company utilizes a tool developed by the Metrus Group called ACE—which stands for alignment, capability and engagement—and assesses the warmth of a company’s work environment.

“In alignment, it’s important to make sure that people understand their part in the organization,” began Hanna. “What part do they play in the success of the organization? How does what they do impact the ultimate bottom line or the success of the organization? And when people have that alignment, they feel a lot better about being there.”

“The second thing is capability,” he continued. “That is making sure that you get the right people, in the right jobs, with the right tools and talent. People hate to be in jobs where they can’t do their best because they don’t have the necessary tools or haven’t been trained to do it properly.”

“And E stands for engagement. You have people engaged, and that means they get excited about what they’re doing. They like this place enough that they tell other people—their friends, relatives and neighbors—they ought to work here. And, that all depends on how they are treated in the work environment.”

Hanna said he is aware of a company that recently lost six of its executives. He believes that a poor work environment combined with a recovering economy is the reason.

“If you haven’t treated people well, if you haven’t taken care of your ACE, then when things improve there’s a far better chance people are going to jump ship and try something else because they lose their loyalty to you over that time,” he said.

GRAY... WE'RE BUILDING

MICHELIN NORTH AMERICA

Starr, S.C.

Michelin North America has selected Gray to design and build its new Earthmover tire manufacturing plant in Starr, S.C.

This plant will be adjacent to Michelin's existing rubber processing plant, and will be the third Michelin plant in Anderson County. Michelin is the largest manufacturing employer in the state.

The new plant will be Michelin's 19th manufacturing facility in North America and its ninth in South Carolina. More than 8,000 of Michelin North America's 22,300 employees are based in South Carolina.



PRIDE IN MANUFACTURING

If you've ever worked in the manufacturing industry, you know the sense of pride you feel when you see your company's products in use: when a sparkling new Toyota Camry drives past you; when a friend's new home has a top-of-the-line KitchenAid cooking range. But many in our country never get the chance to know what that feels like because they haven't pursued jobs in manufacturing.

At Gray, we feel an enormous sense of pride in helping U.S. manufacturers get their plants up and running. We know what it will mean to the communities in which they choose to locate. We've seen it time and time again... whenever a new manufacturer comes to town, good things happen for that community. And we give our full support to the people and organizations who are actively doing something to improve the image of manufacturing as a career option for more Americans.

With the unemployment rate continuing to soar and thousands of manufacturing jobs unfilled, there is a real opportunity to put people back to work while fulfilling a desperate need for manufacturers. The time is now to recruit, train and encourage more people to choose jobs in manufacturing.



Stephen Gray
President and Chief Executive Officer



Deflating the Bubble

Improving Housing Market Good News for Employee Relocations

When the bottom began to fall out from under the housing market some seven years ago, U.S. employers were left with yet another concern related to the recession: how will we move new and existing employees who can't sell their homes?

Unfortunately many employees chose to sell their homes at a loss or foreclose on them, while others passed up new job opportunities altogether. This has forced many employers to search out talent locally, rather than recruiting from other areas.

"As a whole, we continue to do relocations and with packages we think are fair," said Amy Killam, human resources director for Whirlpool Corporation's Cleveland, Tenn. operations. "But, if there isn't an internal talent, our first step is to look in the local market and try to find somebody with the appropriate skill set that's not too far away or may not have to relocate."

But now, a glimmer of hope is beginning to peek its way through the dark doors of the housing market as sales slowly begin to increase across the U.S. The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Treasury recently released the June edition of Obama Administration's Housing Scorecard—a comprehensive report on the nation's housing market. The scorecard says

that home equity increased 7.4 percent in the first quarter of 2012 compared to the previous quarter, and is at its highest level since the second quarter of 2010. Sales of previously owned homes posted sharp gains in May—9.6 percent compared to a year ago. New home sales in May recorded their highest level in more than two years.

But, things are less rosy on the foreclosure front—foreclosure starts and completions turned up in May, underscoring continued fragility in the housing market.

To view the full report of the Obama Administration's Housing Scorecard, June edition, visit www.hud.gov/scorecard.



Gray's vice president of communications and marketing Jill Wilson (left) and GrayWay writer Pam Mangas (right) briefly spoke with with former President Bill Clinton after an Earth Day speech in Lexington, Ky. When asked what the federal government should do to create more manufacturing jobs in America, President Clinton emphasized the importance of clearing the country's mortgage interest debt before focusing on job-creation strategies for manufacturers.



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