

Manufacturing Jobs Are Coming Back to America—Are We Ready?

Several independent reports indicate that manufacturing jobs are flowing back to the United States from China. In a report entitled, "Made in America, Again. Why manufacturing will return to the U.S.," the highly respected Boston Consulting Group argues that China's overwhelming cost advantage over America is shrinking fast. Chinese workers are receiving more training, becoming more productive, and earning better wages. This is driving up the cost of goods made in China. At the same time, American companies are finding ways to keep costs down and workers are becoming increasingly flexible and productive.

In a Harvard Business Review blog, "Is U.S. Manufacturing Making a Comeback?" the author suggests that the U.S. resurgence in competitiveness is making it more advantageous to create products in America, for America. ABC World News reported this month that "for the past decade, Americans have watched as 4.5 million American jobs have gone overseas to China." But in "a major sign that hemorrhage may be ending, those jobs are starting to come home."

So if American manufacturing is on the comeback, why do we still have 13.2 million unemployed workers, and 2.9 million unfilled job openings?

The Problem

Many U.S. companies report a current shortage of skilled workers. The skills needed to perform today's jobs, especially in manufacturing, have shifted considerably. Both incumbent and unemployed workers need to increase their knowledge and skills to include things not necessarily required in the past.

In a recent *Economic Modeling Specialist, Inc.* report, "A Detailed Look at Skill Shortages" the analysis suggests that employers are shifting away from manual labor and toward knowledge-based occupations. Knowledge-based occupations require employees to be flexible and able to work in many disciplines. According to this report, the manufacturing factory worker may need a broader skill-set that wasn't essential before: "We need very nimble very agile people, they have to be able to do welding one day and bending the next, or setting up this robot one day and setting up a different robot the next day."

So, what steps should employers and employees take to capitalize on the possibility of regaining America's position as a manufacturing leader?

Expand Skill Sets

Companies and employees need a close relationship with a training and development partner in order to capitalize on initiatives such as "just-in-time" training, which increases a worker's skills in emerging areas of technology. Successful workers are flexible in their job responsibilities, have the ability to perform a variety of tasks, possess a broad range of knowledge, and be willing and able to move from task to task. This is the new standard; especially in manufacturing.

Identify Effective Training Programs

Identifying effective training programs can be one of the most important tasks a company undertakes. Although costs are an important element, a training program that increases employee flexibility and improves productivity should be the top criterion. Working with your training provider to identify the skill gaps, and then creating a training plan to fill those gaps, can go a long way toward improving the bottom line of any company.

Conducting a "needs assessment" is a strategic way to identify the current needs of employers and employees. A needs assessment can be done by an internal employee with the proper training, but is usually most effective if conducted by an outside source who has no vested interest in company culture. External consultants trained in conducting needs assessments can uncover knowledge, skills and abilities gaps in your current workforce that you might not otherwise know exist.

Utilize State Funded Training Dollars

California has a training cost reimbursement program run by the Employment Training Panel (ETP) that uses funds collected from every California employer through Unemployment Insurance contributions. Applying for and managing an ETP contract can be daunting and time-consuming. However, many colleges and training companies already have ETP contracts and can simplify the process of accessing these funds for you.

Never Underestimate the Power of Soft Skills

So-called “soft skills” include communication, conflict resolution, problem-solving, decision-making, and other similar abilities. The need for this skill-set is common to most employees in companies regardless of what they produce. Improving employees’ ability to communicate effectively and make good decisions can be one of the most valuable skill sets of all. Many difficult situations arise because of poor communication, and can be solved through effective communication approaches. Soft skill training can alleviate these often hidden problems, and in turn, create savings and boost productivity.

Although manufacturing still faces many barriers in today’s economic climate, training and development is one tool that continues to serve the industry well as it brings back “Made in America.”

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