

Training Critical To Industry's Success

By Bruno Schmitter
President & CEO, Hydromat, Inc.



It's fair to say that the precision machined parts industry is both capital and skill intensive. It's also fair to suggest that technology is increasingly becoming more sophisticated and robust.

And herein lies a dilemma: as good as business has been for the past several years, the shadow of a very real problem, one predicted more than two decades ago, looms larger than ever.

The ranks of skilled workers are atrophying at an alarming rate.

From coast to coast, want-ads pleading for "skilled machinists," "experienced machine operators," "journeyman tool and die makers" go unanswered. This shortfall of skilled, literate and competent workers is beginning to hobble plants large and small. Companies cannot invest in new technology to diversify and to grow because they cannot attract needed technologically literate workers to fully capitalize such investments. Even when and if companies commit to new machines or processes, these cannot prove as profitable as they might have been if not for the lack of skilled workers.

As a global player, our nation is a tough competitor. Yet, we've managed—yes, managed—to neglect entirely the engine that drives production, that of a skilled workforce. For example, it's estimated that 23 million Americans are functionally illiterate, meaning their reading and math skills are very low to nonexistent. As much as 65 percent of today's workforce is intermediately literate, meaning this group can read at between the fifth and ninth grade levels—this, when most workplace materials, technical manuals and such are targeted at the 12th grade level or higher.

The future doesn't look much better. It's estimated that in addition to the 700,000 students who, despite 12 years of formal education, have such poor reading skills that they cannot digest a newspaper or fill out a job application, an identical number drop out of school entirely. Further, nearly half of American 17-year-olds cannot perform simple math calculations normally learned in junior high school, and the current crop of high school graduates is so ill equipped that U.S. industry will spend \$25 billion a year for remedial training programs for new employees on whom state, local and federal agencies have already spent \$130 billion trying to teach the basics.

What's happening here? Simply put, we've all but abandoned formal training for our non-college-bound young people. Apprenticeship in the United States is nearly nonexistent—certainly below the levels of the rest of the industrialized world, in particular Europe and Japan.

One reason for this is that formal training or apprenticeship is viewed with skepticism and distrust. The rationale goes like this: Once we've invested in training and paying a young employee for four years or so, what's to keep him or her from simply leaving our firm and joining another, in effect stealing from us our investment? This may be called paranoia, but it is a rationale, nonetheless.

Another reason formal training has all but disappeared in the United States is that when the pall of economic decline begins to spread, the first ranks to fall in its path are those in entry level jobs, those with little seniority and those in training. Then when times are prosperous, who thinks to pause for training? And this should surprise no one. This is the result of the persistent resistance to strategic, long-term thinking, planning and investing—whether in equipment, materials, plants or in a competent, literate future workforce.

What's to be done? We can't sit back and let someone else handle this. The government's solution is to simply throw more tax dollars at an educational bureaucracy that hasn't changed its approach to educating young people since it was established (when the gross domestic product was primarily agricultural).

To thrust the issue at technical and vocational schools might seem logical but wouldn't be fair. They're entering the game far too late, with often inadequate market information and outdated equipment with which to train tomorrow's workers today.

This is a problem we, in industry, must resolve ourselves. At Hydromat, we've taken steps to preserve a European-style, 8,000-hour apprenticeship program, and we've endowed the Hydromat Educational Foundation at \$150,000 annually to fund seats at local trade and technical colleges for qualified but financially disadvantaged students who wish to pursue careers in metalworking.

In the end, the reality of truly global competition is that technology, quality, price, delivery and service will all be givens. The differentiator, then, becomes a company's resident depth of talent. Such talent will not be easily acquired; it will of necessity have to be grown. This is an investment we cannot afford not to make. ■