

INTELLIGENCE

Unlike other industrialized nations, the United States is on the verge of losing one of its most visible industries.

/NEWS FLASH/

The 'Future' of U.S. Manufacturing?

Severe shortage of skilled workers in America's manufacturing industry turns the spotlight on training.

By Josephine Rossi

SOME SCARY STATISTICS from the National Association of Manufacturers and Deloitte Consulting confirm what many already fear after plant closings and huge layoffs at car giants GM and Ford: The fate of the United States' manufacturing industry may be at stake.

In a 2005 study conducted by the two organizations, U.S. manufacturers identified how they are managing their workforces to remain productive and competitive. According to the study, a vast majority are experiencing a serious shortage of qualified employees, which is negatively affecting America's ability to compete in the global economy.

The results also detail the breadth and depth of the skills shortage, its damaging impact on business operations, and the extraordinary increase in employee performance requirements needed for companies to be competitive.

More than 80 percent of respondents said that they are experiencing an over-

all shortage of qualified workers—13 percent said their need is severe. Equally troubling, 90 percent indicated a moderate to severe shortage of skilled production employees, including machinists, operators, craft workers, and technicians. Engineers and scientists are also scarce, with 65 percent of respondents reporting current deficiencies.

In addition to employee shortages, manufacturers reported dissatisfaction with their workers' skill sets. Nearly half said their employees "lack adequate basic employability skills," and a staggering 36 percent indicated insufficient reading, writing, and communication skills.

Those shortages are having a widespread impact on manufacturers' abilities to achieve production levels and increase productivity. Eighty-three percent said the shortages are affecting their ability to meet customer demands. Worse, those issues are not shared by countries with strong educational heritages, such as China, India, and Russia, which are "actively participating in the

development of innovative new products" thanks to global technologies.

"Clearly, the broadening skills gap in America calls for urgent action by both public and private stakeholders," NAM President John Engler says in a press release. "A highly skilled, innovative 'high-performance' workforce is essential for our manufacturing sector to remain vibrant and to compete successfully in a global economy. If manufacturers are to remain competitive, the issues of education and training reform must be given at least as much attention as other top business concerns like trade, taxes, energy, and regulatory reform."

According to NAM's Manufacturing Institute President Jerry Jasinowski, the human capital performance gap is emerging as America's most pressing business issue. "Nearly three out of four manufacturers surveyed believe that a high-performance workforce is the most important driver of future business success," he says.

About half of the manufacturers said

that low-cost production and new product innovation are critical to success in the next three years. "With the top drivers of business success inextricably linked to employee quality and performance, the big challenge for manufacturers will be attracting, retaining, and motivating a high performance workforce in the face of gloomy demographic and education trends," says Jasinowski.

"We need a bold agenda of shared responsibility between government, business, and educators to increase the priority given to human capital, while improving the quality and performance of our education and training system," Engler concludes.

"We also must update the image of modern manufacturing in the minds of young people, their parents, and educators, and encourage more students to study math and science or follow a technical career path."

/GLOBAL 360/

Manufacturing, Training, and the United Kingdom

A major skills survey of U.K. manufacturing companies shows a clear link between the productivity and profitability of manufacturers who not only place a high priority on training, but relate their training plans to strategic business goals.

In the survey, published in a report by EEF, the manufacturers' organization, two-thirds of companies said improving productivity was the main reason for increasing training. Over the last year, half the companies surveyed have improved productivity,

suggesting the gap with their competitors may be closing.

The survey also showed that firms had increased the amount spent on training over the previous 12 months and were planning to do so again in the next year, despite being under intense financial pressure. In addition, it indicated that companies placing greater importance on business plans than available budget get more out of their training efforts.

MORE/EEF/www.eef.org.uk

/IN PRACTICE/

60 Minutes You'll Never Get Back

By Merrick Rosenberg

IN LIFE, we have three commodities that we can spend—time, money, and energy—and meetings consume them all. However, not all meetings are created equal. Consider the following two teams' meetings:

Team 1. Each week, all the members of this management team gather together so that the manager can give a weekly update. Each person shares information about what he is working on, speaking for approximately five minutes, and then sits silently for the remaining hour. All gain a full understanding of the key challenges facing their fellow teammates.

People leave the meeting feeling like it was valuable for the manager, but not for them. They feel drained.

Team 2. Each week, the members of Team 2 convene briefly to update each other on their work. However, here's where Team 1 and Team 2 part company: Most of Team 2's meeting is spent solving business issues.

Each team member submits a list of key challenges facing the team to the manager. The manager then prioritizes the issues and discusses a few at the meeting. Whoever submitted the key issue leads the discussion and ensures that each person participates.

After an hour, the team disperses, but the participants often find themselves continuing the dialogue in the hallway. This group has worked together as a team and leaves feeling cohesive and energized.

The cost

All meetings take time, making them an important part of work life. Sure it's only one hour a week, but hours quickly turn into days and days turn into weeks. A regular one-hour weekly meeting accounts for a full workweek of time each year. Multiply that time for every person in the meeting and it equals several months of

potentially lost productivity.

Meetings also cost money. Consider the burn rate for your weekly staff meeting. (To determine a meeting's burn rate, add together attendees' salaries for the amount of time that they are spending in that meeting.) A single weekly staff meeting costs hundreds of dollars per meeting and tens of thousands of dollars per year.

From a personal perspective, meetings can either drain energy or build it. Typical status update meetings (like Team 1's meeting) function like an energy vampire that literally sucks the life force from your team.

The value

Bill Gates once said, "Meetings that largely involve status updates are signs of poor information flow." Meetings based on passive listening are boring and generally don't build teamwork or improve results. While it's important to keep people informed, meetings may not be the best forum to do that.

Meetings should engage people, not leave them drained. Attendees should be thinking and contributing, not daydreaming. Effective leaders know that trust and open communication are required both inside and outside of the meeting to build teamwork, create a shared sense of purpose, and lead to better results.

Effective leaders should

- establish a forum for team members to provide project updates outside of meetings and hold people accountable for staying up-to-date
- ask targeted questions to elicit thinking and discussion, rather than to simply share data
- create a safe meeting environment in which all ideas are considered and met with positive encouragement
- convey with words and actions that active participation is expected and require input from all attendees
- ensure that each meeting addresses

specific challenges by gaining input, determining next steps, and assigning accountability.

In *Death by Meeting*, Patrick M. Lencioni wrote, "There is simply no substitute for a good meeting...a dynamic, passionate, and focused engagement, when it comes to extracting the collective wisdom of a team."

If your meetings are a place where minutes are kept, but hours are lost, then perhaps you need to change their structure. Effective meetings address employee challenges and ensure that each meeting member actively shares information and insights. Your staff should walk away feeling like a real contribution was made and your company has reaped the reward. That's time well spent.

Merrick Rosenberg is director of training and development and partner of Team Builders Plus in Cherry Hill, New Jersey; www.teambuildersplus.com.

The Blogger at Work

By Charles H. Wilson

THINKING ABOUT STARTING up your own blog? Beware of how you express yourself regarding your employer, co-workers, and your company's products and services—even when you are writing from home. Your company has rights, too, especially when the information you share is confidential or harmful to its image.

In accordance with applicable state laws governing regulation of off-the-job conduct, private-sector employers generally can prohibit their employees from posting disparaging information about them or their products and services. They also can prohibit an employee from sharing information considered proprietary, confidential, or intellectual property in a blog.

Additionally, employers can forbid language, photos, or other content deemed specifically harassing or discriminatory toward co-workers, vendors, or customers. Employees who post discriminatory or sexually explicit language or photos, of themselves or another co-worker, can ensnare their employers in unwanted litigation, especially when the employee holds himself out, in some manner, as an employee.

On the other hand, employers must be careful of disciplining employees for blogging about certain information, whether after-hours or not, that is protected by applicable federal and state laws. For example, blogging about an employer's wages or conditions of employment may be protected under the National Labor Relations Act, and a 1997 decision by the National Labor Relations Board protects an employee's use of company email to communicate with other co-workers about an employer's work benefits. There is little doubt that the rationale in this opinion can be extended to blogs, which are simply another medium of communication.

In addition, employee blogs discussing perceived discrimination in the workplace also can be viewed as protected activity. Title VII of the Civil Rights Act of 1964 prohibits employers from retaliating against a worker for protesting, in good faith, perceived discriminatory practices.

Obviously, the best solution to this problem is to prevent it in the first place. Therefore, employers need to be clear and upfront about their policies related to blogs and the rights of their workers.

Many employers already have policies addressing company-owned computer, email, and Internet usage as well as codes of conduct designed to protect trade secrets and other proprietary information. Those policies should be updated to include blogs. When doing so, employers need to take these actions:

- Ensure that existing policies specifically identify blogs. (There is no need, however, to make a separate policy just for blogs.)
- Provide regular training on those updated policies.
- Make sure employees understand what is prohibited and what is allowed, and provide basic examples of both. Employers should account for the reality of incidental on-the-job computer use and distinguish protected conduct from prohibited behavior.
- Consult legal counsel before taking any disciplinary or legal actions against an employee based on the contents of her blog.

Good or bad, blogs are not going away, and the future only promises an expansion of Internet-fueled communication and expression. A company must learn its rights and those of its employees to protect both.

Charles H. Wilson is an associate with Epstein Becker Green Wickliff & Hall in Houston, Texas, which specializes in labor and employment law; cwilson@ebglaw.com.

/IN PRACTICE/

Positive Reinforcement: Misunderstood and Misused

By Aubrey C. Daniels
and James E. Daniels

“BROWNIE, you’re doing a heck of a job.”

Pundits dubbed it the quote of 2005, but President Bush’s phrase turned the spotlight on one of the most misunderstood tools of leadership—positive reinforcement. It also had the effect of reinforcing a whole set of inappropriate behaviors, even though his intention was to show support for former FEMA Director Michael Brown and his department for their response to hurricane Katrina.

Business books have consistently trivialized the concept, making it difficult for executives to take “warm fuzzies” and “atta-boys” seriously when they are responsible for making crucial decisions about the bottom line. But leaders need to truly understand positive reinforcement because it is the only behavioral consequence that can maximize all aspects of the corporation’s performance.

Unfortunately, most leaders understand positive reinforcement as a common-sense tool rather than a scientific one. While leaders do not have to personally deliver positive reinforcement, they do need to develop their organization’s systems, policies, and processes (as well as the skills of their managers) to facilitate its efficient and effective delivery.

A large part of the leader’s role in creating the best working environment is to make sure that positive reinforcement is understood and delivered for the right behaviors, at the right time, and at the right frequency. That means that all policies and procedures should be inspected from this perspective: You get more of what you reinforce. Emphasize the wrong behavior and you get more of it. It is a folly to reinforce one behavior and expect another, but it happens in organizations every day. For example, Jeff Skilling, of Enron fame, was known

to praise deals that made money even though they had been carried out against his orders. You don’t need to know much about the science of human behavior to know the result of that misguided praise.

Here are five considerations or rules for the efficient and effective delivery of positive reinforcement:

Make it personal. To be effective, the reinforcement must mean something to the person receiving it. Some people hate to be recognized for anything in public. Your job is to find out what is significant to the individual.

Make it immediate. The longer you wait to reinforce desired behavior, the less effective it is. Catch and positively reinforce people in the act of doing what you want and you’ll always get better results.

Make it frequent. We have been asked many times, “Can you reinforce too much?” The answer depends on how the praise is delivered. If you do it wrong, one time is too much. If you do it correctly, don’t worry about it doing it too much. After all, does a golfer ever get tired of being told “good shot?” People almost never complain about too much reinforcement: They frequently complain of too little.

Make it earned. Indiscriminate praise is a bad practice for the person receiving the praise and for the person giving it. People respect leaders who deliver reinforcement contingent on some accomplishment. Leaders who reinforce the good, the bad, and the ugly equally are perceived as weak and do not have the respect of their staff.

Make it social. Money is an effective reinforcer when you follow the rules above. The problem with using money, however, is that it cannot be given frequently in most organizations.

Money is most effective when used as a backup to social reinforcers—any in-

teraction, without the use of gifts, that lets the performer know that she is valued or appreciated. Examples include getting a colleague to tell you how he was able to accomplish a difficult task, asking a team’s permission to share their ideas and work practices with others, visiting an employee in her workspace, rather than in your office, and having a conversation about how things are going in her life. Of course, smiles, waves, and other non-verbal ways of communicating your pleasure can never be over-done and are almost always appreciated and motivational.

When given correctly, positive reinforcement can produce amazing results. If you want to become a more effective leader, you must think of positive reinforcement as a scientific concept and develop the skills necessary to deliver it effectively.

Aubrey C. Daniels and **James E. Daniels** are the authors of *Measure of a Leader*. They are the founder and chairman and vice president, respectively, of Aubrey Daniels International; www.aubreydaniels.com.

Bad News Bearers

Face-to-face communication from leaders is critical during crises say employee communication experts. However, according to a recent survey conducted by the International Association of Business Communicators, only 37 percent of companies actually use face-to-face meetings with employees as their primary vehicle to communicate difficult news. Instead, many organizations employ indirect delivery methods including emails, internal employee websites, teleconferences, and company newsletters.

“Email provides a lot of people with a shield behind which they can hide,” says communication expert and author Shel Holtz. “Nobody likes to give bad news because there’s an emotional component in watching the recipient get the bad news. Sending it by email takes that out of the equation, but at a considerable cost. The organization that employs people who do this will get a reputation as cold, callous, and unfeeling, and who wants to work for an organization like that?”

In addition, the survey found that “open and honest communication from top management” is the most important element in maintaining employee engagement during a difficult situation. Open communication allows leaders to demonstrate that they understand the problem and are prepared to lead the company through it.

“Even though employees may not like the bad news, an honest, well-thought-out message combined with thorough preparation and a good communication plan will make complications easier to bear and keep the organization moving forward,” says IABC’s Vice President of Chapter Relations and Development Gretchen Hoover, who conducted the survey.

And while more than half of the respondents agreed that spinning news is the worst thing a company can do, 47 percent said that their organizations did

spin issues to some degree.

“Employers must maintain a climate of trust and open communication with employees when times are good if they want those employees to be productive during the bad times,” says Hoover. “Employees know when their bosses are trying to ‘spin’ an issue that affects them. When what they hear from their boss doesn’t jibe with what they hear in the media or through the company grapevine, a lack of trust sets in and productivity suffers.”