

FOCUS GROUP OF MANUFACTURERS

April 9, 2002

Hamilton Club
Paterson, NJ

SUMMARY

The Workforce Investment Board of Passaic County is undertaking a “community audit” specially focused on manufacturing industry in the county. Although local manufacturing industry has been affected by foreign and domestic competition, technological advancements, and productivity improvements, it remains vitally important to the county. Approximately 19% of the workforce is still employed in manufacturing and these workers typically earn higher wages than those employed in other sectors, such as retail and service.

With the assistance of a community audit grant from the U.S. Department of Labor, the WIB is collecting and analyzing information for the purpose of developing more effective mechanisms to work both with manufacturers and their workforces.

As part of the information collection process, the WIB conducted a focus group of manufacturers at the Hamilton Club in Paterson on April 9, 2002. Attendees at the focus group included:

Name	Business/Organization	Additional Information
David Cohen	Better Methods Alexander	Manufacturer of paper; employs 100 production and 100 in distribution and corporate functions Hard to find qualified candidates
Deborah Hoffman	Passaic County Economic Development	Joint convener of meeting
Jim Bederka	Quality Paradigms Training & Consulting	Previously with New Jersey Department of Labor, Office of Customized Training
Donn Rossi	Miami Onion Roll Company	Manufacturer of frozen dough products
Harriet Davis	Miami Onion Roll Company	As above
Rick Dabagian	Jersey Printing	Printer of brochures, other advertising materials; in Paterson for 50 years
Paul Harencak	Facile, Inc.	Manufacturer of specialty laminates and packaging; in business for 55 years
Jamie Dykes	Greater Paterson Chamber of Commerce	

Larry Blumenstock	Sun Metal Finishing	In Bunker Hill area
Anthony Sabatino	Sabatino Ltd.	Builds motors, generators, power systems; operating in Paterson since 1892
Fran Van Heusen	Encore	Staffing service
Gary Altman	WIB of Passaic County	Convener of focus group
Davidene Alpart	Passaic County Workforce Development Center	Convener of focus group
Gloria Wax	Passaic County Workforce Development Center	
Ronnie Kauder	ETI	Facililator

Economic/Business Factors

The focus group began with a discussion of the business and economic factors (not including workforce issues) impacting manufacturing industry in general and each company in particular. The following were mentioned as key dynamics:

- **North American Free Trade Agreement (NAFTA).** A number of manufacturers mentioned that many companies have moved production to Mexico. This is especially true for the apparel industry, once very large in Paterson, and the automobile industry. In addition to lower wages, manufacturers mentioned that Mexico has much more lenient environmental regulation.
- **Regulatory burden.** In certain industries, the regulatory burden (and cost of satisfying these requirements) is high.
- **Technology.** With technological advances, many manufacturers are automating where they can. In some cases, this has the effect of requiring increasing skill levels from remaining employees.
- **Raw materials.** One manufacturer mentioned that with the general decline of manufacturing, there is an increasing need to “go offshore” to buy raw materials, and that there are issues with the availability of these materials.
- **Outsourcing.** In some cases, companies are outsourcing functions that they previously operated in-house. This is especially true of maintenance functions.

Workforce Issues

Almost all of the manufacturers present had problems with the workforce. These include:

- ***Skill deficiencies.*** Most manufacturers voiced difficulty with finding qualified workers. Skill issues included problems with both basic skills and workforce skills. Some mentioned that employees can handle computers but can't do "shop math." There were complaints that potential employees cannot fill out applications properly. This skill deficit is particularly problematic as the number of unskilled jobs is in decline.
- ***Erratic worker attendance.*** Many companies mentioned that it is difficult to get workers, especially younger people, to come to work every day. In some cases, this was called a "tremendous problem."
- ***Motivational issues.*** Many mentioned that workers do not seem interested in learning something new and that retraining was difficult. The refrain was heard repeatedly that "people don't want to be trained to move up" and that they seem to have in mind a fixed amount of work output they are willing to give. These are particular problems because increasing skill is needed as manufacturers automate and adopt more sophisticated manufacturing techniques. There was general agreement that money did not seem to be a significant motivator.
- ***Social issues.*** Manufacturers mentioned that many families seem to be in distress, facing a whole range of issues, including family instability, the inadequacies of the education system in the cities, drug use, and transportation issues. Because of all of these societal issues, many workers feel trapped and "can't see their way out." Many workers are not able to work overtime, or even full-time, due to other responsibilities. They seem to value time off more than additional pay. They also appear to need a social network.

Possible Responses by WIB of Passaic County

With all of these issues, both external and internal to manufacturing industry, most manufacturers could not predict with certainty where they would be 4-5 years from now.

However, there are numerous workforce issues that can be addressed by the workforce development system. There was general agreement that focusing on the following issues would be productive:

- Develop a support network, along the lines of an Employee Assistance Program, which would provide a resource for both companies and their employees when employees need assistance of a support nature. This support network could be an on-line service that would serve as a directory of the various support services as

well as instructions on how to take advantage of these services. There could be a staff person stationed at the One-Stop Centers that could specialize in these support services, such as transportation and childcare. This effort would require additional information from employers who might take advantage of such a network.

- Explore the possibility of providing some education and training services to employees on-site in locations where there are a large number of employers, such as the Bunker Hill improvement district in Paterson. On-site training could include literacy or occupational skills. This would require a short survey of employers in these industrial locations to see what types of education or training might be appropriate.
- Focus on certain job readiness skills at the One-Stop Centers. This would include instructions on how to complete an application properly as well as additional essential skills for both getting and keeping a job.

The feeling was that addressing some of these issues would contribute to greater worker stability, and in turn greater skill development. Companies mentioned that becoming employed is “just the beginning.”