



## Proactive Technologies News

### Appreciating the Value of Labor

by Dean Prigelmeier, President of Proactive Technologies, Inc.



For expanding and improving businesses that have the capital for the investment in new equipment or processes, attempting to become or remain competitive, the level of investment is not as important as the return on that investment. This consistent practice of determining where to best place capital for the highest return should apply to labor. What is "paid" for labor is not as relevant as the value it adds to the operation and, ultimately, profit; the return on worker investment.

The lack of appreciation for the [difference in training cost and training investment](#) is understandable because it is rarely contrasted. The college textbook entitled Financial Accounting: An Introduction to Concepts, Methods and Uses, defines "direct labor cost" as the "Cost of labor (material) applied and assigned directly to a product; contrast this with indirect labor cost." Indirect labor cost" is defined as, "An indirect cost of labor (material) such as supervisors (supplies)." There is no mention of an expected return on investment. Generations of cost accountants have been taught that there is no good that comes for higher labor costs, which to them is determined by the level of staffing and wage levels. There is no differentiation between strategic labor costs and uncontrolled labor costs.

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*The profit from, and value of, most worker's labor comes from task-based work, so all inputs that drive workers to high-performance, high-capacity output are investments.*

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As discussed in many articles in past issues of the [Proactive Technologies Report](#), although labor costs are considered direct costs from an accounting standpoint, they should be more importantly considered as an investment in the operation's overall level of competitiveness. Operations may vary as to the

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## Live Online Presentation Schedule

If interested in attending one of the presentations below click on the date and fill in the "Contact Us" information specifying the date/time of choice. An invitation and link will be sent to you.

[Click here](#) for descriptions of the following, and additional, presentations.

**FOR ANY EMPLOYER:**  
**PTI1004 - If You Can't Find Skilled Workers, Develop Your Own (45 minutes)**

[Thursday May 10th, 2016  
9:00 am MT \(11:00 am ET\)](#)

[Friday May 12th, 2016 7:00 am MT  
\(9:00 am ET\)](#)

[Monday May 16th, 2016 1:00 pm MT  
\(3:00 pm ET\)](#)

**FOR ANY EMPLOYER**  
**PTI1002 - Building a Low-Cost, Highly Effective Worker Training System (45 minutes)**

[Thursday May 10th, 2016 1:00 pm  
MT \(3:00 pm ET\)](#)

level of return on investment from labor, but each worker's cumulative expertise gained while employed becomes an asset to the operation akin to intellectual property and, therefore, wages and compensation paid to develop a worker are an investment.

As many operation managers have found out, drastic moves like reducing the wage rates by 20%, 30% or more, while expecting to maintain the same output quantity and quality, chases off the workers with the gained technical expertise... because they can leave. The investment is lost and so are any returns. Furthermore, it is difficult to find new candidates who are willing and able to "hit the ground running" for an unreasonably low wage rate. And if a good candidate for employment is found and selected, bringing their productive capacity up may be delayed or hindered by the fact that the remaining "subject matter experts" are not as capable of transferring expertise as the technical experts that were driven away. [Read More.](#)

## Who is Responsible for the Shortage of Skilled Labor?

*by Dean Prigelmeier, President of Proactive Technologies, Inc.*

Some critics say that employers have repeated the phrase, "we just can't find skilled workers" to ease their guilt from outsourcing good paying jobs to lower wage labor markets. Some say they say this to justify low wages in the U.S., and some say it is to make the case to congress that the worker visa programs need to be opened up to allow technically skilled foreign workers who are willing to work for a reduced wage enter the labor market. While all of these may be true or could have been true at one time, no one doubts that the affects of the past few decades have greatly disrupted the continuity of a strong U.S. labor force and its ability to advance.

In an article written by Michael Collins for Industry Week last year entitled "[Why America Has a Shortage of Skilled Workers.](#)" the author makes a convincing argument that the so-called shortage was in large part self-inflicted. This article should be on every manufacturing operation manager's, every accounting department manager's and every corporate executive's reading list.

"Year after year, the large corporations have invested in more automation and complex machinery to eliminate labor, but do not seem to want to invest in the comprehensive training programs that will increase the skill levels of employees to maintain, troubleshoot and repair what they have installed."

In an example of the misunderstanding of the value of labor he

[Friday May 12th 2016 9:00 am MT \(11:00 am ET\)](#)

[Monday May 16th, 2016 7:00 am MT \(9:00 am ET\)](#)

### **FOR EDUCATION, WORKFORCE AND ECONOMIC DEVELOPMENT ORGANIZATIONS**

**PTI1005 - Adding Employer-Specific Structured OJT to Your Apprenticeships (45 minutes)**

[Thursday May 10th, 2016 7:00 am MT \(9:00 am ET\)](#)

[Friday May 12th, 2016 1:00 pm MT \(3:00 pm ET\)](#)

[Monday May 16th 2016 9:00 am MT \(11:00 am ET\)](#)

**To watch a video preview (approx 13 minutes), [click here](#).**

If you do not see a date/time that fits your schedule, click [here](#) and fill in the "Contact Us" information specifying the date/time of choice you prefer and how many will be attending. An invitation and link will be sent to you.



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notes that, "Year after year, the large corporations have invested in more automation and complex machinery to eliminate labor, but do not seem to want to invest in the comprehensive training programs that will increase the skill levels of employees to maintain, troubleshoot and repair what they have installed." I would add "operate" to that list. [Read More](#).

### **"Realistic Job Previews" Can be a Useful Tool for Measuring a Prospective Employee's Transferable Task-based Skills**

*by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.*



The hiring process can be difficult for both the employer and the prospective employee. A wrong decision can cost each party a lot of time, money and opportunity. An unwanted outcome based on the employer not providing an accurate picture of the job, work environment and work expected to be performed can be avoided with a "Realistic Job Preview." ("RJP").

[Wikipedia](#) points out that "Empirical research suggests a fairly small effect size, even for properly designed RJPs ( $d = .12$ ), with estimates that they can improve job survival rates ranging from 3-10%. For large organizations in retail or transportation that do mass hiring and experience new hire turnover above 200% in a large population, a 3-10% difference can translate to significant monetary savings. Some experts (e.g., Roth; Martin, 1996) estimate that RJPs screen out between 15% and 36% of applicants.

When RJPs are less effective, "According to researchers there are four issues that challenge RJP: [Read More](#).

### **A Simple Solution to Skill Gaps - New-Hires and Incumbents**

*by Dean Prigelmeier, President of Proactive Technologies, Inc.*

Proactive Technologies, Inc. has worked with many employers over the years, establishing and technically supporting cost-effective, task-based structured on-the-job training programs. For each employer, every effort is made to tailor the worker training system to accommodate the employer's budget, job classifications (even unique training programs for each job classification in each department), business goals and manage the system through all types of change. Unlike some products or services that require the employer to change practices that work in order to utilize them, the [PROTECH© system of managed human resource development](#) is built around what is

quantity, work quality and compliance;

- Decreased internal costs of training;
- **Higher return on worker investment!**

Learn more at:

[www.proactivetechnologiesinc.com](http://www.proactivetechnologiesinc.com)

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## UPCOMING EVENTS

### Onsite and Group Presentations

Onsite and group presentations are being scheduled for **May 24th - June 3rd, 2016 (Except May 30th Memorial Day) for the following states:**

**Florida**

**Kansas (Kansas City, Lawrence and Topeka)**

**Missouri (Kansas City and Columbia)**

**North Carolina (Ashland and Western Area)**

**Ohio (North-Central, Northeast and Eastern Area)**

**Pennsylvania (Pittsburgh and Western Area)**

**South Carolina (UpState and Charleston Area)**

**Texas (Houston Area)**

**Watch your email inbox for dates if you live in these areas.**

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working for the employer, incorporating established information such as work processes and specifications, safety standards, quality standards, etc. This approach minimizes the need for the employer's culture to drastically change what works for them, focusing instead on improvements in an area of weakness.

The main steps used to build an employer-based structured workforce development system starts with understanding the desired outcome first:

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*There is no doubt this approach is effective. After all, what is better: unstructured and haphazard worker training that cannot be explained, measured, improved or understood, or structured on-the-job training for all workers that is easily measured, implemented, improved and explained to auditors?*

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Determine the Employer's Need and Agree on Strategy: How has the client been (or not been) training workers until now; what are the current and projected staffing levels for incumbents and new-hires along with attrition rate; is the culture supportive of training workers and see it as vital to competitiveness; are any task-based documents available and are they in use (e.g. work processes, quality standards, safety standards); which jobs are targeted and why; is the company following any quality mandates, such as ISO/TS/AS and do they have any quality programs underway such as LEAN, Six Sigma; what is the budget for setting up the structured on-the-job training program and implementation. A strategy encompassing all of these points is prepared for the employer before an agreement and timetable is confirmed. [Read More.](#)

## Industry News

### **Seven Secrets of Sustainable Manufacturing Growth ABB Sees Rising Demand for Smart Motors**

*Bloomberg*

ABB Ltd. is upgrading a range of products to add sensors that tell users when a motor needs servicing, as the world's largest maker of power grids searches for growth amid a slowdown in its main markets.

The Swiss maker of industrial robots sees demand for the so-called smart sensors coming from customers who need to cut costs, Chief Technology Officer Bazmi Husain said in a telephone interview on Monday. Knowing precisely when a



motor needs to be serviced helps to reduce energy consumption, he said. [Read Article](#)

## ExxonMobil, Rockefellers Face Off in Climate Battle

*Agence France-Presse*

ExxonMobil critics accuse the oil company of having, since 1977, research showing that fossil-fuel energy has a harmful impact on climate, but that it kept the information to itself.



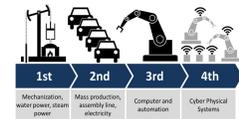
ExxonMobil is facing an onslaught from environmentalists and some shareholders alleging it hid what it knew about the effects of fossil fuels on climate change.

In an ironic twist: among the opponents is the Rockefeller Family Fund, built on the fortune amassed by John D. Rockefeller, founder of Standard Oil, which became Esso, then Exxon and then, in 1999, ExxonMobil.

The RFF met last January, in secret, in Manhattan with environmental nongovernmental groups "to establish in the public's mind that Exxon is a corrupt institution that has pushed humanity (and all creation) towards climate chaos and grave harm," according to an internal document on the meeting seen by AFP. [Read Article](#)

## What Is Hannover Messe Fair and How Does It Play a Role in the US?

*Machine Design - Carlos Gonzalez*



The Internet of Things (IoT) is a growing facet of the engineering industry and is poised to become part of not only the engineering industry, but also infiltrate all other technology of our everyday lives. There are several terms used to describe the Internet of Things, but one of the most common is "Industry 4.0."

Industry 4.0 (or Industrie 4.0) comes from Germany. The term was first used at the Hannover Messe Fair in 2011 and is meant to describe the next wave of industrial revolution. The first industrial revolution introduced mobilized mechanical production using water and steam power at the end of 18th century. The second industrial revolution brought the division of labor mass production via electrical energy around the turn of the 20th century. This type of production is illustrated best by the assembly line used by Henry Ford. The third industrial revolution integrated electronics and IT technology into production. The fourth industrial revolution is bringing digital processing into the production process. This involves wireless communication between devices, wireless sensing and data reports, and modeling and simulation of physical models to

make decentralized decisions. [Read Article](#)

## **Automakers Brace for Greater Scrutiny after Emissions Scandals**

*Bloomberg*



Carmakers have to be clearer about the way they certify their fuel-economy and emission ratings as regulators ramp up scrutiny over the gap between laboratory results and on-road conditions, according to Daimler AG Chief Executive Officer Dieter Zetsche.

"You can only be transparent and if there's any shortfalls anywhere, fix them and move forward," Zetsche told Bloomberg News ahead of the Beijing auto show opening this week. "And then of course it will take some time" for the industry to be where they were before the Frankfurt motor show last year. [Read Article](#)

## **Cheaper Than China Again, First Solar Vindicates US Investment**

*Bloomberg*



For the first time in three years, First Solar Inc. is making panels for less than China's biggest producer, justifying more than \$3 billion in loan guarantees from the U.S. government.

After investing \$775 million in technology, First Solar is producing panels for as little as 40 cents a watt, or about 15% less than China's Trina Solar Ltd. In 2019, First Solar's module cost could be as low as 25 cents a watt, according to analysts' models. [Read Article](#)

## **Ford to Invest \$1.6 Billion in Ohio, Michigan Plants**

*IndustryWeek*



Ford announced today that it will invest \$1.6 billion to upgrade plants in Michigan and Ohio, part of its commitment in the 2015 contract talks with UAW to invest \$9 billion in its U.S. manufacturing facilities.

The investment includes \$1.4 billion in the Livonia Transmission Plant, to build 10-speed transmissions for the F-150 Raptor and other F-150 models, the company said in a statement. Ford will invest an additional \$200 million in the Ohio Assembly Plant to build its Super Duty chassis cab. [Read Article](#)

**Financial News**

# WHITE HOUSE FACT SHEET: STRENGTHENING RETIREMENT SECURITY BY CRACKING DOWN ON CONFLICTS OF INTEREST IN RETIREMENT SAVINGS



*White House*

"For Americans who are doing the hard work of saving for retirement, let's make sure that they get a fair deal." - President Barack Obama, White House Conference on Aging, July 13, 2015

Middle class economics means that Americans should be able to retire with dignity after a lifetime of hard work. But today, the rules of the road do not ensure that financial advisers act in their clients' best interest when they give retirement investment advice. Instead, some firms incentivize advisers to steer clients into products that may have higher fees and lower returns. These conflicts of interest in retirement advice cost America's families an estimated \$17 billion a year. [Read Article](#)

## Fate of 400,000 Teamster Pensions Rests in Mediator's Hands



*Bloomberg*

Fred Allsen, a retired truck driver and disabled Vietnam War veteran, has received a \$2,700 pension check every month for the past decade. That may not last much longer.

By May 7, federal mediator Kenneth Feinberg must decide whether to accept a plan to cut Allsen's payouts and those of thousands of other teamsters to prevent the Central States Pension Fund from going broke. The decision could set a national precedent for other multiemployer funds.

"It would be devastating," said Allsen, 66, who spent 32 years trucking freight in Illinois and now lives in Cape Coral, Florida. His pension check could be reduced by more than half. "We'd have to cut back on everything to survive." [Read Article](#)

## Unclaimed Pension? PBGC Wants to Find You



*Pension Benefit Guarantee Corporation*

Thanks to PBGC's unclaimed pension search more people are claiming the pension they earned. To date, approximately 14,000 participants have collected about \$55 million in unclaimed pension benefits. But with about 30,000 people still owed benefits we're continuing the search!

"Our unclaimed pension search tool helps us locate and pay people who are owed benefits," said Tom Reeder, PBGC's

director. "But more importantly, this tool helps us protect the retirement security of America's workers. That's why this effort, finding those owed pension benefits, is very important to us."

The PBGC constantly updates their website, adding and removing names as needed. If you think you're owed a pension, try entering your name in their interactive search. If you find a match, they'll work with you to get you what you're owed. [Read Article](#)

## International News

### Venezuela Imposes Two-Day Week for Public Sector Over Energy Crisis

*FRANCE 24*

Venezuela's government has announced enforced leave for public sector employees three workdays a week, in a bid to tackle an electricity shortage that is causing power cuts and protests.



"There will be no work in the public sector on Wednesdays, Thursdays and Fridays, except for fundamental and necessary tasks," Vice President Aristobulo Isturiz said on television Tuesday.

It is the latest drastic measure by the government as it grapples with an economic crisis that has left Venezuelans queuing for hours in shops to buy scarce supplies.

President Nicolas Maduro said the new reduction in workdays, which affects the country's two million public sector employees, would last "at least" two weeks, as he addressed the nation in his weekly state television program Tuesday. [Read Article](#)

### Europe to Donald Trump: Your Foreign Policy is a Scary Mess

*DeutscheWelle*

Donald Trump's foreign policy speech, meant to assuage America's allies worried about a possible Trump presidency, backfired badly. It left European observers stunned, nauseous and alarmed.



In an apparent effort to tone down his inflammatory rhetoric and appear presidential, Donald Trump refrained from repeating the controversial proposal that had originally catapulted him in the media spotlight and made him a darling of right-wing zealots in the US and abroad.

His promise to build a wall along the border with Mexico did not feature at all in what was billed as the Republican frontrunner's major foreign policy address. In fact, Trump did not even

mention Mexico or Mexican immigrants, which he had insulted incessantly during his presidential campaign once in his 3,496-word speech.

Instead Donald Trump, reading from a teleprompter - presumably intended to prevent him from veering off-script on a topic he has shown to have little knowledge about - tried to lay out a coherent foreign policy. [Read Article](#)

### **Taxing Wages: Mexico**

*OECD - Center for Tax Policy and Administration*



The tax burden on labour income is expressed by the tax wedge, which is a measure of the net tax burden on labour income borne by the employee and the employer.

A comparative look at the tax burden on labour income of OECD member countries. [Read Article](#)

### **Emerging Economies Drive Global Trade Volatility in 2015 - Chinese Investors Left Reeling After Wealth Management Firm's Collapse**



*NPR - Morning Edition*

One recent afternoon, I was walking up Nanjing West Road, Shanghai's traditional shopping street, when I ran into a crowd of protesters being chased off by a plainclothes cop wielding a bullhorn and a line of uniformed police. Demonstrations like this in the heart of the city are rare and sensitive for the government, which fears political unrest as China's economic growth continues to slow.

I asked a fleeing protester what had happened.

"Don't walk alongside me," pleaded the woman, named Zhao, staring straight ahead. "The police will detain me."

I slipped her my business card and, as I turned back toward the NPR bureau, I saw why she was frightened: a plainclothes cop was tailing her. He wore a black baseball cap and a black pollution mask that revealed only his eyes. [Read Article](#)

### **Brazilian Senate Forms Presidential Impeachment Commission**

*FRANCE24*



Brazil's Senate on Monday was determining the 21 members of a commission that will recommend whether or not to move forward with impeachment proceedings against embattled President Dilma Rousseff.

Rousseff is facing impeachment over allegations her administration violated fiscal laws, in what her foes say was a bid to prop up flagging support through government spending. Brazil's first female president has insisted the procedure amounts to an attempted coup against her.

Expected to be dominated by pro-impeachment senators, the commission is slated to vote in early May on whether to recommend the continuation of the impeachment process.

[Read Article](#)

## International Trade

### **Russian Federation ratifies the Trade Facilitation Agreement**

*World Trade Organization-Trade Facilitation Agreement Facility*



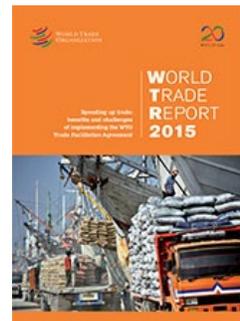
The Russian Federation has become the 77th WTO Member to ratify the Trade Facilitation Agreement (TFA). The Russian Federation's Minister of Economic Development, Alexey Ulyukaev, met with Director-General Roberto Azevêdo on 22 April and presented his country's TFA instrument of acceptance.

"I was very happy to meet with Minister Ulyukaev today and receive Russia's instrument of acceptance," DG Azevêdo said. "The WTO's Trade Facilitation Agreement is particularly important for such a large nation bridging two continents. Trade facilitation can help Russia expand its trade relations and diversify its economy by significantly reducing the time and costs of moving goods across its many borders." [Read Article](#)

### **World Trade Report 2015 - Available Speeding Up Trade: Benefits and Challenges of Implementing the WTO Trade Facilitation Agreement**

*World Trade Organization*

The WTO Trade Facilitation Agreement (TFA), which was agreed by WTO members at the Ministerial Conference in Bali in December 2013, is the first multilateral trade agreement concluded since the establishment of the WTO in 1995. The 2015 World Trade Report is the first detailed study of the potential impacts of the TFA based on a full analysis of the final agreement text.



The Report's findings are consistent with existing studies on the scale of potential benefits from trade facilitation, but it goes further by identifying and examining in detail a range of other

benefits from the TFA. These include diversification of exports from developing countries and least-developed countries to include new products and partners, increased involvement of these countries in global value chains, expanded participation of small and medium-sized enterprises in international trade, increased foreign direct investment, greater revenue collection and reduced incidence of corruption. [Read Article](#)

## **Steel Producers Will Urge China to Cut Output**

*Agence France-Presse*



Chinese steel production rose again in March, despite promises to cut capacity. Now the OECD and representatives from 30 countries will gather to "discuss how governments can facilitate market-driven industry restructuring and agree on steps to reduce competition-distorting policies."

Key players in the world's struggling steel industry gathered in Brussels on Monday to try to push China to scale back overproduction blamed for causing plant closures and job losses.

The meeting by ministers and representatives from 30 countries "will discuss how governments can facilitate market-driven industry restructuring and aims to agree on steps to reduce competition-distorting policies," according to a statement from the OECD, which organized the event. [Read Article](#)

## **German Import Promotion Desk: New Website Goes online**

*Trade Newsletter - Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*

The Import Promotion Desk has just launched its new home page. As the service provider for import promotion in Germany, the IPD connects German importers with exporters from selected developing countries and emerging nations. It provides buyers with sourcing assistance and gives them access to new, profitable supply chains in the partner countries.

Now the new website offers a quick overview of the IPD and its customised service portfolio suited to the individual requirements of German and European importers. Companies get comprehensive information about the IPD product groups and the partner countries in which the IPD is active. Moreover, the website contains current events of the IPD and useful publications.

The IPD is an initiative of the Federation of German Wholesale,

Foreign Trade and Services (BGA) and sequa, the development organisation and partner of German business. The IPD is funded by the Federal Ministry for Economic Cooperation and Development (BMZ). [Read Article](#)

## **Global Trade Slows Down to a Five-year Low in 2015**

*UNCTAD - United Nations Conference on Trade and Development*

Today's trade news is shaped by a marked slowdown in 2015 world exports. According to UNCTAD/WTO estimates, measured in current US dollars, global merchandise exports plummeted by 13% in 2015. Services exports declined by 6%. Global trade slows down to a five-year low in 2015, but negative growth rates are also a result of currencies' depreciation against the US dollar. [Read Article](#)

## **Disputes Roundup: US Requests Compliance Panel in Mexico Tuna Spat, New Cases Filed by Canada, Brazil**

 International Centre for Trade and Sustainable Development

*International Centre for Trade and Sustainable Development*

The past week has seen considerable activity in the area of WTO dispute settlement, particularly amid news of a US request for a compliance panel review of its revised "dolphin-safe" tuna labelling policy, which has been the subject of a prolonged dispute with Mexico. In addition, Brazil has filed two separate complaints. The former is against certain Indonesian import measures on bovine meat and the latter involves Thai sugar subsidies. [Read Article](#)

## **Global Trade in Fake Goods Worth Nearly Half a Trillion Dollars a Year - OECD & EUIPO**

 **OECD**  
BETTER POLICIES FOR BETTER LIVES

*OECD*

Imports of counterfeit and pirated goods are worth nearly half a trillion dollars a year, or around 2.5% of global imports, with US, Italian and French brands the hardest hit and many of the proceeds going to organised crime, according to a new report by the OECD and the EU's Intellectual Property Office. [Read Article](#)

## **U.S. Steel Industry Pleads With Uncle Sam To Stand Up For America Before The Industry Is Destroyed By China**

**MANUFACTURING & TECHNOLOGY NEWS**

*Manufacturing & Technology News - Richard A. McCormack*

The United States steel industry is experiencing the greatest crisis in its history due to record import surges and cheap steel

that is flooding global markets from Chinese state-owned and subsidized companies. The result is a steep loss of U.S. production capacity along with thousands of jobs. The impact, as described using the terms by those in the industry, has been "devastating" with long-term "severe" economic consequences for the United States. The situation poses "an existential threat" to the U.S. steel industry, notes Steel Dynamics Inc., the \$8.8-billion steel producer based in Ft. Wayne Ind.

Steel industry executives, members of Congress from steel producing districts and industry workers are wondering why the U.S. government is not reacting in a significant or meaningful way. They pressed their case in Washington in April, describing the carnage to their companies, jobs and communities. [Read Article](#)

## **Report on Advanced Manufacturing and the Global Economy** **MANUFACTURING & TECHNOLOGY NEWS**

*Manufacturing & Technology News*

General Electric says the era of offshore outsourcing might be over, due to the adoption of 3D printing and advanced robotics, automation and digital technologies in its study "The Workforce of the Future: Advanced Manufacturing's Impact on the Global Economy" [Read Article](#)

## **Education, Training & Organizational Development News**

### **Volkswagen to Appeal NLRB Ruling on Tennessee Union Election**



*Bloomberg*

Volkswagen AG (IW 1000/7) said it plans a court appeal of a U.S. labor board's decision that allowed a union representation election for a portion of the workforce at the automaker's Tennessee factory.

The National Labor Relations Board earlier this month rejected Volkswagen's appeal of a December election in which maintenance workers at the Chattanooga plant voted 108-44 for representation by the United Auto Workers union, saying those employees are "readily identifiable as a group." The company has contended that any union-represented unit at the plant should include both maintenance and production workers. [Read Article](#)

### **Preparing for the Digital Factory of the Future**



*Sascha Fischer, Siemens Industry Inc.*

In his game-changing book on business, *The World Is Flat*,

Thomas Friedman expounded on the 10 "flatteners" that would eventually drive the trend toward the "level playing field" that's synonymous with his work's title.

Workflow software, outsourcing and supply chain, all pretty radical ideas at the time, have all come to pass, along with other forces in the machine tool world. Today, we have an aging workforce in America and fewer job positions in the "traditional" manufacturing sector to replace them. Further challenging this scenario is the disappearance of "tribal knowledge" in favor of more informational and technological solutions housed in everything from a machine controller to a smart phone. This leaves the manufacturing sector at a decidedly precarious crossroad, where unskilled labor is simply becoming unnecessary in the age of robotics and intelligent machines, while the job shop setup experts and machine maintenance personnel, so vital in bygone days, are now tasked to set-up and service an entirely new generation of machines and manufacturing cells.

Even more challenging, the emergence of the digital factory, with its blending of the virtual and the real, has already taken hold of large sectors in the American economy, including automotive, aerospace, medical part manufacturing and others. [Read Article](#)

## **Kline-Miller Multiemployer**



## **Pension Reform Act of 2014 - Frequently Asked Questions**

*PBGC*

### **1. What is the Kline-Miller Multiemployer Pension Reform Act of 2014?**

The Kline-Miller Multiemployer Pension Reform Act of 2014 was enacted on December 16, 2014. In Kline-Miller, Congress established a new process for multiemployer pension plans to propose a temporary or permanent reduction of pension benefits if the plan is projected to run out of money. [Read Article](#)

## **'Who Do We Work For?' Unable to Figure Out Who to Complain to, Temp Workers Organize**



*IndustryWeek*

Eight months ago, Philadonna Wade started temporary work on an axle assembly line for an auto parts supplier. The company, Detroit Chassis, was based in Michigan but had recently set up an additional operation in Avon, Ohio, to supply parts for Ford trucks. The pay was only \$9.50 an hour. But after talking to her supervisor at the temp agency, Wade thought that she'd be

hired as a permanent employee in 30 days-and that she'd get a raise every three months until she reached \$15 an hour.

But those raises didn't materialize, and permanent employment didn't come. Wade, a single mother of four kids 10 and under, heard similar stories of broken promises from her co-workers-all of the 60 line workers at the plant are temporary employees. Together, they decided to complain to management about not receiving raises. [Read Article](#)

## Why do Employees Quit?

*Adrienne Selko*

A total of 3.1 million Americans quit their jobs in December 2015, the highest number since December 2006. That pushed the quits rate, which the Fed looks at as a measure of confidence in the jobs market, to 2.1%-the highest level since April 2008.



Why are so many willing to quit their jobs?

It is worth your time to find out as some studies predict that every time a business replaces a salaried employee, it costs 6 to 9 months' salary on average. [Read Article](#)

## Okla. College Presidents Warn Lawmakers About Dire Budget

*Associated Press - Sean Murphy*

College and university presidents from across Oklahoma are urging lawmakers to ease cuts to higher education as the state grapples with a \$1.3-billion hole in next fiscal year's budget.

Chancellor of Higher Education Glen Johnson and the presidents of some of the state's 25 colleges and universities held closed-door meetings this week with House and Senate budget leaders to outline some of the dire consequences of further cuts. [Read Article](#)



## Environmental, Health & Safety News

### How to Combat a Distressing Drop in Productivity at Shift Change

*Larry Fast*



**Question:** I'm not happy with the drop in productivity on the shop floor at shift change. While I expect some decline, I wonder whether there might be some tactics to help us in this area. Any thoughts?

**Answer:** It's not clear if it's a supervisor, manager or someone else who might have written this question about the productivity

drop at shift change, but I do have some thoughts. First of all, I'd encourage the reader to change expectations, i.e. "While I expect some decline..." This is the first problem that must be addressed. Why would we have lower expectations about running effectively at shift changes -- especially since leaders tend to get what they expect? [Read Article](#)

## **OSHA Cites USPS for Unsafe Forklift Operations**

*MHLnews - David Sparkman*



The Occupational Safety and Health Administration (OSHA) has issued citations carrying \$88,000 in penalties to the U.S. Postal Service (USPS) for unsafe forklift operations at its Urbandale, Iowa, distribution center.

Announced on April 11, the citations arose from an investigation that took place in late 2015 following a complaint that alleged forklift operators were handling unstable loads and driving forward with no clear path of visibility. No further details were given about the origin of the complaint, but OSHA recently has strengthened its whistleblower protection for employees who file such reports with it. [Read Article](#)

## **The Real Cost of the Status Quo**

*EHS Today - Adrian Bartha*



Despite changes to technology and the potential for increased efficiency, a majority of managers in the health and safety industry continue to rely on paper processes to manage their safety programs.

A recent survey conducted by Business and Legal Resources (BLR), revealed that more than 78 percent of EHS professionals have yet to embrace technology when managing their safety programs. Despite changes to technology and the potential for increased efficiency, a majority of managers in the health and safety industry continue to rely on paper processes to manage their safety programs.

This begs the question: why do these professionals maintain the status quo when such processes are out-dated and inefficient? Nearly 60 percent of the BLR respondents identified budget constraints or the inability to convince management of the value of technology. This suggests that the management teams of most at-risk companies have yet to realize the large cost saving potential of a digital system. [Read Article](#)

## **New Technology Is Helping Regulators Know Which of the 80,000 Manufactured Chemicals Pose Risks**

*EHS Today*



New computer-based data analysis will make it possible to start defining levels at which chemicals might cause harm to humans and then to select those chemicals in the environment that should be more fully assessed.

A team of federal government researchers successfully has tested a new method to more quickly and cheaply collect data that can help define the potential human health risks for more than 80,000 chemicals now in commerce and the environment. The researchers believe it lays the groundwork for far-reaching advances in managing chemical risks in the United States and worldwide.

The new approach, described in the article "Using In Vitro High-Throughput Screening Data for Predicting Benzo[k]Fluoranthene Human Health Hazards" and published in the journal Risk Analysis, will help government regulatory agencies, such as the Environmental Protection Agency, decide which among the thousands of chemicals should receive greater scrutiny first. Priorities would be set on the basis of chemicals' potential hazardous effects on humans and on their potential to get into human lungs and other organs. [Read Article](#)

### **Determining if the injury or illness would apply to the work-related exception**

*OSHA*

**Scenario:** An employee sustained an injury when his hand was caught between two objects. After receiving treatment for the injury, the employee was immediately given a post-accident drug test. The results of the drug test indicated the employee was intoxicated from alcohol. For purposes of this response, we presume the employee's injury was caused by an event at work, and meets at least one of the general recording criteria in Section 1904.7.

**Question:** Does this injury meet the exemption in Section 1904.5(b)(2)(vi), given the worker was self-medicating with alcohol for his non-work related condition of alcoholism?

**Response:** No. OSHA's regulation at Section 1904.5(b)(2)(vi) states "You are not required to record injuries and illnesses if the injury or illness is solely the result of personal grooming, self-medication for a non-work-related condition, or is intentionally self-inflicted." Under this exception, an employee's negative reactions to a medication brought from home to treat a non-work-related condition would not be considered a work-related illness, even though it first manifested at work. See, the preamble to the final rule revising OSHA's recordkeeping regulation, 66 Federal Register 5951, January 19, 2001. [Read Article](#)

