

PROACTIVE TECHNOLOGIES REPORTS



Proactive Technologies, Inc.
Human Resources Management for Tomorrow...Today!

Issue: August 2016

Proactive Technologies News

Developing the Multi-Craft and Specialty Maintenance Technicians You Need; To Specification, With Minimal Investment

Dr. Dave Just, MPACT Maintenance and Reliability Solutions



In the March, 2016 Proactive Technologies Report article, "Grow Your Own Multi-Craft Maintenance Technicians - Using a 'Systems Approach' to Training" I described how **Proactive Technologies, Inc.** and **Mpact Maintenance and Reliability Solutions** has joined forces to setup and implement the hybrid model of worker development for maintenance and technical support positions for their clients. The 'systems approach' to worker development, as described, is simple in its structure but, also, includes the quality control points to ensure the worker development outcomes are reached. Although this approach can be used for any job classification in any setting, together we have applied this approach effectively for maintenance and technical support positions for many manufacturers over the last 2 decades.

We listened to our manufacturing clients. We heard the frustration they expressed in looking for highly qualified new-hire maintenance candidates when too few technical colleges offer a solid maintenance or maintenance technician program. The ones that either do not have content that is relevant enough or if they do, cannot graduate enough students to meet the demand. Employers realize they are, by necessity, a major part of the solution.

"The effects of ineffective training for 1 person can cost your firm more than the training budget for 10 employees for 10 years. Why take the chance with speculative training approaches that may not deliver anything more than cost and disappointment?"

The secret to success is in the "turn-key" approach. We understand that most small and medium-sized manufacturers have a very limited human resources staff, not to mention a non-existing training department. But they do have the subject matter experts who have mastered the training content, just lacking the training technique, materials and support. By applying the Proactive Technologies and Mpact expertise to set-up, implement, support, keep records and report training activity, the time the subject matter expert needs to make available for training new-hires and incumbents is minimized and the effects maximized. The investment needed is low, but the impact and return on worker investment is substantial. [Read More](#)

Proactive Technologies' Publications Archive

View past newsletter articles and more in the [Proactive Technologies Inc. News & Publications](#).

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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 September 8th, 2016
7:00 am MT \(9:00 am ET\)](#)

[Friday September 9th, 2016
1:00 pm MT \(3:00 pm ET\)](#)

[Monday September 12th, 2016
9:00 am MT \(11:00 am ET\)](#)

FOR ANY EMPLOYER

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

[Thursday September 8th, 2016
9:00 am MT \(11:00 am ET\)](#)

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

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

FOR EDUCATION, WORKFORCE AND ECONOMIC DEVELOPMENT ORGANIZATIONS

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

[Thursday September 8th, 2016
1:00 pm MT \(3:00 pm ET\)](#)

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

Training Issue or Attitude Issue?

Understanding the Difference

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



If you spend some time in the Human Resources Department office, you often witness a supervisor or manager trying to explain why the new-hire isn't working out. "Why do you believe that?" asks the HR Manager. The supervisor thinks a moment and says, "He just doesn't act like he wants to learn." The issue seems to be attitudinal. The HR Manager doesn't bother to ask for any empirical evidence since it usually doesn't exist, so the decision is made to terminate the new-hire and start all over...again.

Some, more forward thinking, human resources departments concluded that [assessing job prospects](#) might reduce the amount of hiring turnover. It certainly does help do that if the job classification was properly analyzed and the assessment instruments were aligned to the data for "job relevance." However, even with the best screening potentially good employees might be lost. Knowing how to recognize the difference between attitude and training-related issues may save good employees from being lost due to misdiagnosis.

Whether a challenge to learning or performance is attitudinal is not easy to determine. Attitudes fluctuate from day to day, throughout the day. They can be affected by personal issues such as health of the individual, health of a family member, financial issues, relationship difficulties at home and the work culture (e.g. relationship with coworkers, supervisor and company management). Rather than hastily concluding any issue of worker development is attitudinal, I find it easier to eliminate the obvious and more common influence on worker learning and development; whether proper training has been conducted. After all, employee insecurity caused by feeling expendable while a 90-day probationary period clock is ticking can, in itself, affect anyone's attitude and personality. If proper training is not available or worker development is conducted in an ad hoc, haphazard and inconsistent manner, this is a major contributor to worker attitudes toward the company, themselves and others in the workplace.

Assuming that the offered wage and benefits are competitive, there are four essential considerations to the hiring and keeping the best workers; the selection strategy, the learner's capabilities, the instructor's capabilities and the training infrastructure. Given the high cost of recruitment, selection, initial training efforts and separation, and heaven forbid a repeat of the process for the same job classification, an internal examination of these 4 components might go a long way toward reducing this cost and making the process cost-effective and efficient. [Read More](#)

Replicating Your Best Performers

by Dean Prigelmeier, President of Proactive Technologies, Inc.



One project I was involved with sought to establish a structured on-the-job training program for a "CNC Operator" position and establish an apprenticeship. It consisted of around 40 different machines; manual and NC-operated of several brands, controller types and purposes. When I analyze a job - task by task - I first contact the resident "subject matter expert." It is my experience that in lieu of accurate standard process documents that everyone can use when assigned a machine, each operator keeps their own setup and operation notes. They are usually reluctant to share them.

As analysts, we assume that if the subject matter expert is assigned to us, it is a reflection of management's confidence in the operator's consistently high level of performance. We also learn a lot about the

Monday September 12th 2016
7:00 am MT (9:00 am ET)

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

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UPCOMING EVENTS - AUGUST

Onsite and Group Presentations

Onsite and group presentations are being scheduled for early July for the following states:

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)

September schedule includes Minnesota, North Dakota, South Dakota and Wyoming

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

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sub-culture that has arisen at the organization, bordering on "work performance anarchy." Despite the connotations, this is a useful revelation. This lack of vital information sharing that has been going on can be eliminated. The collective wealth of task-specific information can be screened, validated, standardized and revision-controlled to be shared with all who are asked to perform the tasks.

This highlights several other pre-existing issues in addition to the obvious. First, if the company is ISO/AS/TS certified, an auditor would be appalled and likely "gig" the company for the use of uncontrolled "process documents." Notes in toolboxes and lunchboxes are not revision controlled. If the company has even questionable process documents that they claim drive their "high level of quality performance" the existence of operator notes are a strong contradiction. A client visiting the site may have serious doubts about the practices, as well.

The next issue is, "what role do these notes play in the training of new-hires and cross-training incumbents?" Does the trainee even know these are available? My experience has been that each trainee is on their own to create their own notes...if they even think it is necessary. So now we have multiple sets of notes for each machine, seldom compared and standardized, AND the company's process documents if they exist. This is a recipe for incidents of scrap, rework and equipment damage at a minimum.

It also appears that each trainee is on their own to learn the safe performance of each task. It is not enough to provide general safety knowledge learning. When a trainee is taught a task for the first time, it is then when they should be shown how to apply the general safety knowledge to the safe performance of that task. Once a pattern is established, the trainee will be able to better apply the safety knowledge to the safe performance of all tasks. If ways to avoid a safety incident are known, shouldn't that knowledge be shared with each trainee so that no one has to be hurt when the odds of an incident are known and avoidable? [Read More](#)

Using Workforce Development Grants to Extend Your Training Budget

by Dean Prigelmeier, President of Proactive Technologies, Inc.

There are a lot of pressures on company training budgets that can arise these days. The company may be performing moderately well - numbers looking reasonably good in an economy that can be called "sluggish." Shareholders react and a major realignment is announced. Departmental budgets must be reexamined and each department may have to explain their purpose and value to the company.

Companies, especially publicly traded companies, are driven by monthly scrutiny of their quarterly guidance upon which the trading on Wall Street is determined. In a sluggish economy, 12-month goals may never be reached if evaluated quarterly for 12-month outcomes. Nevertheless, the effort to cut costs to raise earnings finally reaches bone.

Training is especially vulnerable because accounting departments see little explainable value and hold the traditional view that these are "costs" that can be put on hold or eliminated - especially if the next quarter might bring a layoff of those scheduled for training.

If the value of worker training cannot be empirically explained during periods of budgetary angst, training, and those associated with training, are the first to be cut despite the obvious questions: "What if the economy comes back? Does the company plan to rebuild its training program and staff when it starts to rehire? Won't the incumbent workers reassigned to take up the slack by layoffs need training for their new jobs?"

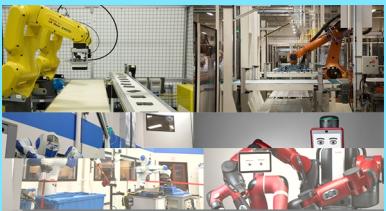
Companies rarely spend much time thinking of the ramifications of



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eliminating training during slow times. They often do not have a choice. So, training departments need to be relevant if they are to survive. They need to be able to explain their strategy to management, with a strong, empirical investment-return on investment component. If the case cannot be made in those terms, maybe the training department needs to redesign themselves or their cut might be justified. A deliberate structured on-the-job training program that is linked to engineering processes, quality specification and EHS requirements is harder to dismiss than a training strategy that based on an inexplicable selection of classes and seminars.

Another thing a training department can do is to research available worker training grants. Some are designated for new-hires, some for updating the skills of incumbent workers. [Read More](#)

Industry News

Raytheon Cleared for Likely \$2.6 Billion in New Missile Orders

Bloomberg



After a series of setbacks, Raytheon Co. (IW 500/48) cleared two hurdles needed to receive a new contract and likely full-production approval this year of a top missile interceptor for which the Pentagon wants to spend as much as \$2.6 billion.

Missile Defense Agency inspectors have concluded that an October test failure of the weapon wasn't the result of systemic quality failures, agency spokesman Christopher Johnson said via e-mail. Furthermore, Raytheon demonstrated in May during two flight tests that it managed to fix a glitch with a third-stage rocket motor that caused two earlier failures, Johnson added. [Read Article](#)

Midea Snags Close to 86% Stake in Kuka Robotics

Agence France-Presse



SHANGHAI - Chinese appliance giant Midea announced Wednesday that it has secured almost 86% of German industrial robotics supplier Kuka, giving it overwhelming control despite controversy in Europe over its multi-billion-euro offer. Midea offered 115 euros (\$126.42) per share for Kuka in June, valuing the firm - one of the world's leading manufacturers of industrial robots - at 4.6 billion euros (\$5.06 billion). By Friday the offer had been accepted for 72.18% of Kuka stock, according to a statement posted by Midea on its website. [Read Article](#)

US Regulators Approve Beer Takeover, Lite

Bloomberg



Anheuser-Busch InBev NV won U.S. antitrust approval for its takeover of SABMiller Plc, after the maker of Budweiser agreed to give up ownership of the Miller brand and open the door to greater competition from craft beers.

AB-InBev will sell SABMiller's stake in MillerCoors LLC and refrain from practices that restrict distribution of smaller, competing brands, according to a court filing Wednesday in Washington. [Read Article](#)

Boeing, Embraer Starting New Phase of Eco-Jet Test Flights

American Machinist - Robert Brooks



Jet-builders Boeing Commercial Airplanes (Boeing Corp IW500/9) and Embraer S.A. have introduced a new testing phase for the their collaborative ecoDemonstrator program, which was launched last year to test "performance-focused environmental concepts, including reducing fuel consumption, carbon emissions, and noise, and expanding their ongoing cooperation aviation biofuel



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research." Now, an Embraer E170 narrow-body jet will serve as a flying testbed to evaluate a series of advanced environmentally focused technologies, in operational tests during August and September in Brazil. [Read Article](#)

From Artillery to Autonomy: Historic Ford Site Will Test Self-Driving Vehicles

IndustryWeek



Willow Run, a former site of Ford Motor Company's munitions operations during World War II, will be redeveloped as a connected and automated vehicle testing facility, Michigan's state economic development agency announced earlier this week.

The state has purchased 311 acres of the property in Ypsilanti Township, Mich., from a trust for \$1.2 million. It will be developed and operated by the American Center for Mobility (ACM), a collaboration between the state of Michigan, the University of Michigan, and area economic development agencies. [Read Article](#)

DoJ: Microsoft Can't Shield User Data From Government

Bloomberg



The U.S. says there's no legal basis for the government to be required to tell Microsoft Corp. customers when it intercepts their e-mail.

The software giant's lawsuit alleging that customers have a constitutional right to know if the government has searched or seized their property should be thrown out, the government said in a court filing. The U.S. said federal law allows it to obtain electronic communications without a warrant or without disclosure of a specific warrant if it would endanger an individual or an investigation. [Read Article](#)

Fiat Chrysler to Invest \$1.48 Billion in Its Sterling Heights Plant

IndustryWeek - Laura Putre



Automaker Fiat Chrysler (FCA) announced today that its Sterling Heights (Mich.) Assembly Plant will receive \$1.48 billion in improvements, and production there will shift from the Chrysler 200 to the Ram 1500 beginning in December. FCA has said it may reimagine the Ram 1500 pickup as a large SUV to meet increased consumer demand for that type of vehicle. [Read Article](#)

US Equipment Orders Rise for First Time in Three Months

Bloomberg



Orders for business equipment rose in June for the first time in three months, eking out a small gain that shows companies are in no rush to significantly ramp up investment. Bookings for non-military capital goods excluding aircraft climbed 0.2% last month after a 0.5% decrease in May, data from the Commerce Department showed Wednesday in Washington. Orders for all durable goods - items meant to last at least three years - slumped a larger-than-forecast 4%, the most since August 2014. [Read Article](#)

Oracle Buys NetSuite in Deal Valued at More Than \$9 Billion

Bloomberg



Oracle Corp., eager to boost its cloud services strategy amid intensifying competition, has agreed to buy NetSuite Inc. for about \$9.3 billion.

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The offer of \$109 a share in cash is a 19% premium to NetSuite's closing share price Wednesday of \$91.57. It will be immediately accretive to Oracle's earnings on an adjusted basis, in the full fiscal year after closing, Oracle co-CEO Safra Catz said in statement Thursday. [Read Article](#)



Boeing Wins \$2.8-Billion Order for USAF Tankers

American Machinist - Robert Brooks

Boeing Defense, Space & Security has a new, \$2.8-billion U.S. Air Force contract to start low-rate initial production for two "production lots" of the KC-46A tanker aircraft. The first lot involves seven aircraft, while the second covers 12 aircraft. Including future options, Boeing expects to build 179 of these refueling and strategic airlift aircraft for the USAF.

This step follows a Defense Acquisition Board review and announcement that the KC-46 program completed "Milestone C" (a series of ground and flight tests) and is approved for initial production. Those tests included refueling flights with F-16, F/A-18, AV-8B, KC-10, C-17, and A-10 aircraft and a cargo handling demo. [Read Article](#)

Financial News

The Dangers of Disguising Cost Cutting as Improvement

IndustryWeek - John Dyer



"You know something? I think it would have been better on everyone if we had not tried to improve anything. It is tough to experience the way things could be and then have the rug pulled out from under you. It just reinforces the misery," said Julie. -- from "How Many Times Has Your Company Started (and Stopped) Implementing Lean?"

What is the real reason your company is driving an improvement initiative (lean, Six Sigma, etc.)? Is the improvement effort part of a long-term (multiple-year) strategy that is focused on growing the business by dazzling your customers and exceeding their expectations? Or, is the focus to cut costs? Or, did the effort start as a long-term focus on improving the customer experience and, at some point, switched to short-term cost cutting? This can easily happen if the company executives don't grasp the real power of doing lean and Six Sigma the right way and they grow impatient to see results. [Read Article](#)

Financial Impact of Quality Remains a Question

IndustryWeek

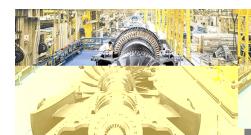


Quality got an upgrade as a strategic asset, according to findings in a new ASQ report, but its financial implications remain a mystery for many.

These are two of the takeaways from the Global State of Quality 2 Research: Discoveries 2016 report, which expands upon research reported on in 2013 by quality association ASQ and its research partner, APQC. [Read Article](#)

FINANCIAL ROUNDUP: Power, Aviation Boost GE Despite Weak Oil

Agence France-Presse and Bloomberg



Strong results in power and aviation boosted General Electric's second-quarter results, despite an economy characterized by volatility and slow growth, the company said Friday.

Net income was \$2.7 billion, compared with a loss of \$1.4 billion in the year-ago period. Revenues rose 14.6% to \$33.5 billion. Performance

among GE's industrial divisions varied, with oil and gas experiencing big declines in revenues and operating profit due to the rout in oil prices. [Read Article](#)



Productivity Crisis? US Workers Are Pulling Their Weight

Bloomberg

Declining U.S. worker productivity has become a hot issue during the presidential campaign, among economists and press as well as the candidates themselves. Labor productivity - defined as the amount of GDP produced per hour worked - just registered its third straight quarterly decline.

Many see this as cause for concern, including Kevin Drum of Mother Jones, who writes that "productivity growth is probably the single most important component of national economic activity, and it doesn't inspire a lot of confidence to see it dog paddling along like this." [Read Article](#)

International News



Is China Growing Services Sector at Expense of Manufacturing?

Bloomberg

It has often been said that China will grow old before it becomes rich. But could it have too many offices, restaurants, and hotels before it becomes wealthy?

That's the warning from HSBC Holdings Plc's China economists, led by Qu Hongbin, in a report published Thursday. Given China's GDP per capita is only 14% that of the U.S., it's too early for Beijing to eschew manufacturing in favor of services, with the latter's growth risking a fall in the economy's productivity in the medium-term, the analysts caution. In short, the faster the services growth, the slower the productivity growth. [Read Article](#)



Komatsu Signals Mining Optimism With \$2.9 Billion Joy Takeover

Bloomberg

Komatsu Ltd., the second-biggest mining and construction equipment maker, agreed to buy Joy Global Inc. for \$2.89 billion, signaling the Japanese company is optimistic that demand for shovels and drills will rebound after years of declining commodity prices.

Komatsu will pay \$28.30 a share in cash, it said Thursday in a statement, an offer 20% higher than Milwaukee-based Joy's closing price the day before. It will be Komatsu's biggest acquisition, bolstering its ability to compete with larger rival Caterpillar Inc. [Read Article](#)



Will Robots Upend Asia's Development Model?

Bloomberg

When the Chinese appliance maker Midea Group announced a bid for the German robotics manufacturer Kuka AG this spring, it seemed like something of an omen. Kuka makes robots that specialize in assembling goods on a factory floor--exactly the kind of work that has lifted millions of Chinese out of poverty.

After opening up to the world in 1979, China focused on tapping its vast pool of cheap labor. From T-shirts to Christmas ornaments, Chinese manufacturers could undersell the world on most any basic product simply by drafting another migrant farmer into a factory. Investment flooded into Chinese cities. The factories got bigger, better and more advanced. Wages rose, poverty fell, and a middle class emerged and

quickly expanded. [Read Article](#)

Facing Cancer Drug Shortage, US Relies on Banned Chinese

Plant

Bloomberg



Last September, U.S. regulators faced a dilemma: whether to allow importation of drug ingredients from a Chinese factory with a history of poor quality controls, or face shortages of treatments for American cancer patients.

Six months earlier, visiting Food and Drug Administration inspectors had uncovered what the agency later called "broad data manipulation" at the factory, located in Taizhou, about 200 miles south of Shanghai. Information about the potency and purity of some product batches had been deleted, making it difficult to investigate a significant increase in customer complaints, the FDA said in a warning letter to the plant's owner, Zhejiang Hisun Pharmaceutical Co. [Read Article](#)

Rolls-Royce Unit Mired in German Bribery Probe over Asian Sales

Bloomberg



Rolls-Royce Holdings Plc's German unit, which paid 12 million euros (US\$13.3 million) as part of a settlement of a corruption case over sales in South Korea, is embroiled in an expanding bribery investigation over sales across seven Asian countries.

Stuttgart prosecutors are investigating five people who may have had a role in suspect sales by the unit, Jan Holzner, a spokesman for the German authority, said in an interview. The probe builds on a case started in 2011 that led to April's settlement. The additional investigation could lead to further profit seizures, Holzner said. He declined to identify the nations concerned. [Read Article](#)

China Iron Ore Stockpiles Post Biggest Monthly Gain in 2016

Bloomberg



Iron-ore stockpiles at ports in China expanded again to cap the biggest monthly increase this year, with holdings piling up in the world's biggest user of the raw material even as prices increased in July.

The stockpiles increased 0.4% to 106.05 million metric tons this week, expanding to the highest level since December 2014, according to Shanghai Steelhome Information Technology Co. They are 4.5% higher this month, the biggest increase since December, when they climbed 6.2%. [Read Article](#)

Apple Plans New R&D Center in China

Bloomberg



Apple Inc., facing mounting competitive pressure in China, plans to open a new research-and-development facility in the world's second-biggest economy.

The site will bring together engineers from some of Apple's existing centers, the company said in an e-mailed statement during Chief Executive Officer Tim Cook's visit to Beijing. Apple didn't specify the office's location or planned number of employees.

Apple has more than doubled its number of corporate sites in China to 45 since 2011, so the move may help it consolidate some of those facilities. Its spending on research and development has quadrupled in the same time frame as investors are eager to see results from other projects Apple is exploring amid slowing iPhone sales. [Read Article](#)

DG Azevêdo Calls on G20 Trade Ministers to Boost Trade Growth*World Trade Organization*

Director-General Roberto Azevêdo briefed G20 trade ministers at their meeting in Shanghai, China, (9-10 July) on the state of global trade and actions which they can take to boost trade growth through the WTO. Ministers responded with a renewed commitment to strengthening the multilateral trading system to support wider economic growth and job creation.

The Director-General said: "Speaking frankly, global trade is not in good shape today. 2016 is likely to be the fifth consecutive year of trade growth below 3%. With the exception of the immediate slump after the financial crisis, this is the weakest sustained level of trade growth for 30 years. In light of this, the G20 has a pivotal role to play in strengthening the trading system, in exploring ways to boost trade growth, and in resisting trade-restrictive policies and anti-trade sentiment. [Read Article](#)

Honduras Ratifies Trade Facilitation Agreement*World Trade Organization*

Honduras has ratified the WTO's Trade Facilitation Agreement (TFA), becoming the fifth Central American nation to accept the new accord. Honduras' Vice-Minister Melvin Redondo presented his country's instrument of ratification to WTO Director-General Roberto Azevêdo on 14 July.

Concluded at the WTO's 2013 Bali Ministerial Conference, the TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

The TFA will enter into force once two-thirds of the WTO membership has formally accepted the Agreement. With the acceptance by Honduras, the number of TFA ratifications now stands at 86, representing more than three-quarters of the ratifications needed to bring the Agreement into force. [Read Article](#)

Some implications of Brexit for UK-African relations

tralac
The UK All-Party Parliamentary Group on Trade Out of Poverty (APPG-TOP) is undertaking an inquiry into the UK's Africa Free Trade Initiative (AFTI). The Inquiry has been extended to incorporate the potential implications of Brexit for UK-Africa trade relations.

A second Inquiry Hearing was held in Parliament on Tuesday 12th July. The timeline for submission of Written Evidence has now been extended to 31st July 2016. The Inquiry Committee will then seek to present and publish its Final Report in September 2016, when a new UK Prime Minister and ministerial team will be in post.

tralac has made a formal submission focusing the implications of the UK's withdrawal from the European Union (EU) for southern Africa and for the Southern African Development Community-EU Economic Partnership Agreement (SADC EPA). Download the full submission below. [Read Article](#)

Annual Agri-food Trade Report

2015: EU First Exporter

Worldwide

European Commission



EU confirms its No. 1 position as agri-food exporter

worldwide. Agri-food exports reached €129 billion in 2015, more than 7 % of all goods exported from the EU.

EU exports for agricultural products reached €129 billion in 2015, an annual increase of 5.7%, securing the EU's position as first world agri-food exporter with a net trade surplus of €16 billion.

The entire output of the European Union's agricultural sector was valued at €410 billion in 2015. Agriculture and the food and drink industry together employ millions of people, accounting for 7.5 % of employment and 3.7 % of total value added in the EU, according to the report published today on Agri-food trade in 2015. [Read Article](#)

Will Daimler Dodge Import Tariffs, Unions With New US Factory?

Agence France-Presse



German automaker Daimler AG broke ground this week on a \$500 million plant in Charleston, South Carolina, to build vans, with the company hoping at last to avoid steep U.S. import tariffs.

When the factory comes online by the end of the decade, it may also help the company pay lower wages and circumvent labor unions.

Volker Mornhinweg, head of Mercedes-Benz Vans at Daimler, said the key reasons for putting the plant in Charleston were the city's excellent port operations and logistics, and because Daimler already operates a factory next door. Avoiding the 25% tariff that the United States puts on imports of commercial vehicles was also crucial. [Read Article](#)

American Aluminum Makers Keep Battling China

Bloomberg



Politicians have backed lobbying efforts for American steel that have won trade cases and succeeded in imposing duties, but American aluminum makers haven't received similar attention. That could have something to do with the fact there are about 140,000 workers in steel production, and some 3,500 in aluminum. Down the chain, though, more than 100,000 jobs in aluminum-dependent sectors could be at risk.

Century Aluminum Co.'s Michael Bless is on a crusade to save his industry from what he sees as its impending doom at China's hand. So far, he has struck out.

The CEO hasn't been able to persuade Alcoa Inc. to publicly back him. He invited all the presidential hopefuls last fall to tour a smelter, and nobody took him up on it. A glitzy documentary has scored fewer than 7,000 views on YouTube. [Read Article](#)

'We Had to Train Those Workers Who Took Our Jobs'

Bloomberg



Hillary Clinton and Donald Trump both came to Michigan this week to woo the auto industry vote by promising to rework the trade deals that put U.S. jobs at risk.

"Past trade deals have been sold to the American people with rosy scenarios that didn't pan out," Clinton, the Democratic presidential nominee, said Thursday in a speech at Futuramic Tool & Engineering, an aerospace factory in the blue-collar Detroit suburb of Warren. She vowed to name a "chief trade prosecutor" and impose "targeted tariffs" on nations that violate trade deals. [Read Article](#)

College Costs Increase

Community College Daily



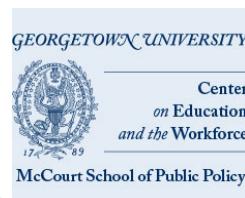
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Average tuition and required fees at public two-year institutions increased from 2013-14 to 2015-16 by nearly 5 percent to \$3,358, according to new federal data. Books and supplies increased by about 1 percent to \$1,409. [Read Report](#)

More Than 95 Percent of Jobs Created During the Current Economic Recovery Have Gone to Workers With at Least Some College Education

Georgetown University - Center for Education and the Workforce



McCourt School of Public Policy

Over 95 percent of jobs created during the recovery have gone to workers with at least some college education, while those with a high school diploma or less are being left behind. America's Divided Recovery: College Haves and Have-Nots reveals that those with at least some college education have captured 11.5 million of the 11.6 million jobs created during the recovery. While jobs are back, they are not the same jobs lost during the recession. The Great Recession decimated low-skill blue-collar and clerical jobs, whereas the recovery added primarily high-skill managerial and professional jobs. [Read Article](#)

Finishing an Associate Degree in Less Than a Year

Community College Daily News



When Central Carolina Community College (CCCC) confers associate degrees later this summer, three students will receive theirs after an intensive, rewarding year that all say was one of the toughest things they've ever done.

Vanessa Alvarez, Alora Johnson and Andrew Sankey are the first graduates of Accelerate, an accelerated degree program allowing motivated students to complete the two-year associate of arts degree in less than one calendar year. [Read Article](#)

Dr. Deming: 'Management Today Does Not Know What Its Job Is' (Part 1)

IndustryWeek Archives - Tim Stevens Jan 17, 1994



In his last interview, Dr. W. Edwards Deming shared his thoughts on quality, management, innovation, and more. Perhaps no one worked harder or enjoyed his job more than Dr. W. Edwards Deming. Less than two weeks before his death late last month at age 93, he was conducting one of his four-day seminars in Los Angeles. Always learning, Dr. Deming continued to integrate new ideas into his inspiring presentations. On a sunny Saturday morning last Oct. 23, sandwiched between his seminars in Detroit and Richmond, we had a chance to meet for a few hours at his home in Washington. Seated at a small circular table in his modest kitchen, we chatted over his breakfast of Quaker Oats granola with milk and cream, toast, and tea.

Though Dr. Deming's legacy will be that of the man who transformed Japan into a formidable business competitor, a sometimes gruff taskmaster who wouldn't visit a company unless he could talk to the man at the top, I was taken by his patience, warmth, and caring

nature....like the wise great-grandfather he was.

While he focused intently on his topic throughout our discussion, afterward we spoke of family and travels, and he offered to find time for us to talk in the future. His passing makes our get-together that much more meaningful and his timeless words even more valuable.

IW: Things are so much different now than when you were formulating your 14 points for transformation of American management. Are you saying anything now that you weren't saying before? [Read Article](#)

HR News

GE Scraps Employee Rating Scale

Bloomberg

General Electric Co. (IW 500/6) is getting rid of its much-imitated employee rating system as the manufacturing giant overhauls performance reviews in favor of more-flexible options.



The decision to scrap the five-point scale follows a pilot program involving 30,000 workers, Susan Peters, GE's senior vice president of human resources, said in a message to employees on July 26. [Read Article](#)

A Tight US Job Market is Putting Slack Employers at Risk

Bloomberg

It's another sign that America's job market is hot.



Workers are in no mood to stick around too long while businesses make up their mind about hiring them.

Almost one of every four employees loses interest in an opening if they don't hear back from a prospective employer within a week of being interviewed, according to a survey by staffing firm Robert Half. Make that two weeks of waiting, and the share jumps to 46%. Further, 39% of people surveyed said they'd move on to chase other openings when faced with a lengthy hiring process. [Read Article](#)

Glass Workers Union Merges with United Steelworkers

IndustryWeek



One of the nation's oldest unions approved a merger with the much-larger United Steelworkers (USW) at its quadrennial convention yesterday.

The Glass, Molders, Pottery, Plastics & Allied Workers International Union (GMPIU) represents about 25,000 workers in the United States and Canada. The USW represents about 850,000 workers. [Read Article](#)

Big Three Open Negotiations With Canadian Union

Bloomberg



Difficult negotiations between Detroit's Big Three

automakers and Canadian employees have opened with the workers' union taking a hard line over warnings that the country's auto industry is under serious threat.

Canadian plants have steadily lost jobs to Mexico during the last 25 years, and unless the negotiations produce job guarantees and investment commitments, the auto industry will continue to contract, according to Jerry Dias, president of Unifor, the union representing 23,000 workers for General Motors, Ford Motor Co. and Fiat Chrysler Automobiles in Canada. [Read Article](#)

How to Recruit, Train and Grow Creative People

IndustryWeek - Dr. Amantha Imber, Founder, Inventium



Does your business have a culture in which innovation thrives? Are people challenging the status quo and being encouraged by leaders to take risks in pursuit of innovation? Or is the opposite true, whereby people don't take time to listen to new ideas and suggestions?

Building a culture of innovation is hard work. However, the scientific research into how to create an organization where innovation flourishes is both plentiful and precise. The following are several strategies you can adopt to help find, retain and grow creative people and build an environment where they thrive. [Read Article](#)

Ten Lamest Excuses for Being Late to Work

Material Logistics & Handling News



Since 25% of employees admit they are late to work at least once a month and 13% say it happens weekly, it raises the question as to whether the traditional 9-5 work schedule is applicable anymore.

CareerBuilder's annual study of why employees are late to work posed this question. Approximately 2 in 3 employers (67%) and employees (66%) believe the concept of "working 9 to 5" is an antiquated practice. Even given this leaning, employers still don't like the idea of tardiness. More than half of employers (51%) expect employees to be on time every day, and 4 in 10 (41%) have fired someone for being late. [Read Article](#)

Environmental, Health & Safety News

US Steel Won't Punish Workers for Injury Reporting Delay

IndustryWeek



U.S. Steel Corp has agreed to change its reporting requirements for workplace injuries, after the U.S. Department of Labor filed a lawsuit charging that a rule requiring its employees to report workplace injuries immediately was unrealistic and discouraged reporting.

According to an article in the Pittsburgh Tribune-Review, the company has agreed to language allowing workers to report injuries after they are aware of them. [Read Article](#)

OSHA Reporting Rules Discourage Use of Mandatory Post-Accident Drug Testing

IndustryWeek - Brian Peterson, Associate, Spencer Fane LLP



On May 12, 2016, OSHA published the final version of new workplace injury reporting rules intended to "Improve Tracking of Workplace Injuries and Illnesses." Among other changes, the rules clarify the implicit requirement that an employer's personnel policies must not "deter or discourage" employees from reporting work-related injuries and illnesses.

This is important because commonly used drug testing policies may now be considered unlawful by OSHA if they are not properly drafted. A group of industry associations recently filed a lawsuit in federal court challenging the enforceability of the new rule. But the legal challenge to the regulation will not be resolved prior to the time the regulation is set to become effective (August 10, 2016). Therefore, employers should consider reviewing their drug testing policy prior to August 10, 2016 and monitoring the outcome of the federal law suit challenging OSHA's new injury reporting regulation. [Read Article](#)

Top Three Ways to Avoid Increased OSHA Fines

EHS Today - James Robins

All it takes is one workplace safety or employee health violation to severely hinder a business's financial standing.

With OSHA's near-80 percent fine increase going into effect August 1, and its more rigorous inspections process, it could be even more crippling to try to stay up to code. Until very recently, a serious OSHA violation penalty stood at \$7,000. [Read Article](#)



Behind the Bradley Curve

EHS Today - Terry L. Mathis, Founder and CEO, ProAct Safety

The pursuit of improved organizational safety has passed through any number of phases.



A hot topic today is safety culture. The concept that a population can become a homogenous group that practices and reinforces safe practices, and passes such practices down to future members of the group, is appealing at many levels.

Since the concept of culture is not clearly defined nor a part of everyday management practice, organizational leaders have struggled to understand exactly how to make a culture better. A model called the Bradley Curve has become a popular way of thinking about cultural development. [Read Article](#)

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