

Public Policy Hearing, Work Force Development
Beaver Falls, Pa.

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As a representative of the manufacturing sector, promoting domestic manufactured products is of great interest and need to the economic growth of our state and nation. In terms of industries, Pennsylvania manufacturers continue to be the largest contributor toward our gross state product. If we do not support manufacturing activities, an important business sector will suffer even more. We cannot afford to let this industry decline and continually rely on foreign sources to supply our products. When the customer base for manufacturers cannot compete on a worldwide basis, the entire supply chain loses. Continued erosion of this customer base remains the greatest threat to manufacturing. Manufacturing provides the most diverse positions of employment opportunities than any other business sector; anywhere from the skilled operator position to the management executive. The well paid manufacturing positions our industry provides surpasses the retail service positions that continue to increase. Manufacturing operations stimulate a broader supply chain and more employment opportunities. Therefore, creating, maintaining and training our work force to support good, family sustaining jobs is imperative for our future.

Precision Kidd Steel, located in West Aliquippa, Pa, has been manufacturing specialty cold drawn steel bar and wire products in western Pennsylvania for the past 125 years. We are a privately owned company, currently employing 67 “blue collar” individuals. We have been a community responsible corporation in Beaver County for many years. We provide substantial wages and benefits for our employees and have fostered a paternalistic environment. This philosophy has been the foundation from which our nation has been built.

Our company produces a variety of products used in industries including: aerospace, appliances, automotive, dental, electronics, hand and power tools, military and sporting arms, oil/gas exploration, power generation and transmission, textile machinery. Part applications for products include: bearings, electric motors, gears and pinions, special fasteners, rails, shafts and ball screws, spline and spindles, steering systems and others.

During our long history, we have been faced with many different business challenges and have found ways to revitalize our business. We have combated these challenges by continually reinventing and transforming new ideas, technologies, and equipment to develop new market opportunities. These are all accomplished through our employees and the skills they have learned.

Perpetuating the pipe line of the skilled work force is at the top of our business challenges. Our experienced and aged workforce is faced with the loss of many employees due to impending attrition. The loss of this experienced work force will be a serious drain on the business. With the setback of growth in domestic manufacturing over the past several years, a gap in hiring has occurred. Compound this with minimal turnover; and many of our workers now have 20 plus years of employment. This experienced skilled work force has been essential for the success of our company. However, to replace this work force over the next 5- 7 years is a significant business concern. I believe this challenge is not unlike what many other manufacturers are faced with. The longevity of a business reflects the ability to augment work force experience with vision and flexibility.

The positions we seek are primarily machine operators. These individuals should possess an aptitude that includes good mechanical skills, with an ability to use precision measuring and testing equipment, use of basic math, and the ability to comprehend work order instructions that include some drawings and prints. Our more skilled positions are replenished with company sponsored apprenticeship programs. These positions include our maintenance and tool and die making programs. In these positions, the individual is required to have extensive on the job training as well as classroom training hours to qualify for certification. These programs have a duration of 5 years to complete and require a dedicated effort by the employee. We have been finding it more difficult to find individuals that have the required set of skills.

Providing our high school students with an education system that encourages hands on mechanical and technical learning curriculum is a key element. To develop the interest, we need to have the teachers more involved with the practical application of the skills. We should encourage the teachers to visit with the manufacturing operations to help them better understand the employment needs and opportunities. This could be followed up with allowing students to explore companies with the hands on experience. The classroom is an essential part of the process, more importantly there is a great need to promote the interest in these types of employment. The college route is not necessarily the appropriate destiny for all of our high school students. Manufacturing remains a viable and good place to work. We need to make efforts to better communicate to the high school or trade school student of the advantages of skilled manufacturing employment. Communicating

the rewarding compensation and solid benefit opportunities that exist in manufacturing; along with a safe work environment that is focused on developing quality products is important. Furthermore, we need to inform the teachers and students of other career opportunities that can develop. Those workers that apply themselves can create opportunities beyond the shop floor. Many good manufacturing management personnel have been nurtured through a career path that has started on the manufacturing floor. Good qualified sales people are those that understand the product and the value it provides.

In addition to the skills that we can teach, we need to encourage good work attitude followed closely by taking an interest in the occupation. Developing the skills and conveying the message at the high school level should be part of the plan.

As a nation, we should constantly remind ourselves, that the mission is to develop and maintain technical superiority, product quality, and cost competitiveness. The products must be the best of their kind, because it is by the products and the service that customers judge us. This objective can only be accomplished through a qualified workforce.

I am of the belief that worldwide labor costs will level out, and the competitive edge other regions of the world may currently have will not continue. With logistic and energy costs on the rise, the demand to produce products closer to the consumer will increase. We have already experienced foreign companies locating in our country to support the US consumer base. I expect the demand to employ manufacturing positions to increase; creating a demand for skilled manufacturing positions.

To summarize, stimulating manufacturing is critical for economic growth. We may no longer have the large single employment numbers as experienced in the steel industry, but there are many small and medium manufacturing companies employing plenty of job opportunities. Manufacturing can only increase with the correct resources and the right policies. The development of a trained work force is a critical resource for this to occur. Therefore, we need to train the resource, encourage their participation and communicate the need to perpetuate domestic manufacturing.