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SECTIONS

SHRM (</Pages/default.aspx>) » HR Topics & Strategy  
(</hrdisciplines/Pages/default.aspx>) » Staffing  
Management  
(</hrdisciplines/staffingmanagement/Pages/default.aspx>)  
» Articles

»  
SECTIONS

## Viewpoint: Securing Future Success by Investing in Today's Workforce

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By Fred Dedrick 10/23/2015

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While media outlets continuously speculate and debate over the existence of a “renaissance in American manufacturing,” manufacturers across the country are preparing themselves for the reality of impending years of demand, growth and success. To secure this future, many businesses are taking greater initiative developing and making significant investments in their region’s workforce. Hundreds of manufacturers are coming together and partnering with local officials, funders and training providers to build a supply-chain of talented, skilled employees.

A central piece in the effort to build the next generation of the manufacturing workforce is on-the-job training programs that allow workers to develop new skills in the factory and on the clock. Two companies, Austal USA and Universal Woods, stand out as industry leaders in the training and development of their employees. Despite being drastically different companies operating in distinct markets, both are using advanced on-the-job training programs and flexible production systems to let workers explore new occupational niches and develop new skills.

Austal USA is the U.S. branch of a major Australian manufacturer focused on shipbuilding and maritime manufacturing. Operating in Mobile, Ala., the company operates an impressive range of on-site training opportunities to help their employees develop new skills and advance within the company. This year, Austal established a systematic job rotation plan, a leadership-training program, and two new welding training programs, which have positively impacted thousands of workers. The job rotation plan is enabling the cross training of more than 2,000 frontline workers, the leadership training program is affording more than 350 workers the opportunity to move into leadership positions, and the welding training programs are helping Austal's current welding pool of nearly 500 to expand their career opportunities.

To date, Austal's programs have served more than 2,000 workers and surely impacted just as many lives. In addition to its onsite training programs, the company has partnered with local high schools, community colleges and other manufacturers to align the region's training curricula and an array of industry-recognized credentials. These efforts are exposing more individuals to manufacturing careers and helping the industry's workers access new skills and, with them, better jobs.

However, it is important to note that business models focused around advanced training programs are not limited to large employers. Privately owned and operating with less than 200 employees, Universal Woods is a performance engineered panels manufacturer based in Jeffersontown, Ky. Last year, Universal Woods invested more than \$200,000 toward on-the-job and onsite formal learning and college studies and plans to increase its investment by approximately 20 percent in 2016. In addition, the company offers employees onsite learning opportunities with structured college-level curriculum to ensure that workers have the chance to both master and apply new skills. As a result of this training, approximately 25 percent of Universal Wood's frontline production team members have expanded their job roles or secured promotions.

More than ten percent of the company's team members are pursuing and in the past five years have completed thirteen college degrees as part of Degrees at Work, a regional community enrichment initiative associated with 55,000 degrees. Universal Woods pays tuition, books and fees directly to the team members' educational agency and asks only that the team member continue working with Universal Woods six months after completion of the corresponding semester. That enables the worker to focus on his or her work and studies and not incur any cash outlay.

When asked about Universal Woods' culture of on-the-job and other learning, Paul Wilson, engineering and production manager said, "Our Universal Woods team members say they enjoy and see the personal and team value of learning and being qualified to perform multiple production operations. So they willingly teach others and seek to cross-train, giving them flexibility to perform different operations as needed to fulfill our customers' orders and enabling them to increase their pay."

In addition to providing workers with a clear—and company-supported—path to advancement, Universal Woods has reaped considerable business benefit from its employee and skill-focused approach. Employee retention has increased from approximately 50 percent prior to 2006 to greater than 95 percent last year, and the resulting increases in quality of work and productivity contributed to the doubling of sales in the last three years.

The next generation of American manufacturing will be defined by innovations produced by a more engaged, better compensated and higher-skilled workforce. To secure the human talent necessary to stay competitive, American manufacturers are upskilling thousands of workers with on-the-job training, rigorous apprenticeships, and continuing education. These efforts are helping workers secure more skills and higher wages while companies maintain more flexible and productive operations. While American manufacturing may or may not be operating in a renaissance age, companies and communities across the country are sparking renewal and securing tomorrow's success by investing in today's workforce.

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