Rick Carter, Executive Editor

You've seen the numbers: the U.S. jobless rate at 7.6% (as of January) and 2.6 million jobs lost in 2008, nearly 800,000 of them in manufacturing. Many of those jobs disappeared from states long associated with manufacturing and where state-wide unemployment levels are running higher than the national average: Michigan, California, Illinois and Ohio, for example. States in the Southeast have been hit hard, too, especially South Carolina, which not only has higher-than-average unemployment, but also recorded the biggest jump in unemployment (with Indiana) from November to December (1.1% each).

If you're reading this, you're probably not one of these sobering statistics. But in this avalanche of a downturn, few businesses are untouched, and yours has probably been affected in some way.

At least that's the word from some individuals on Maintenance Technology's new Reader Panel. We created this Panel to provide us with timely, regular feedback on the critical issues that impact today's capacity assurance professionals. The column you're reading—For On the Floor— is our way of sharing what we've learned with all of our readers. Look for it to deliver some of the most insightful of the responses we receive in alternating issues of this publication.

The first question we posed to our Panelists was: "In what ways has the economic downturn affected your job, your company and you personally?" Here are some of their observations.

Shifting job duties

"The economic downturn/recession has caused a major shift in my job duties," says a recently hired maintenance planner in the Midwest. As workers at his plant have had to do more with less, the duties of trainer, data processor and researcher have been added to his own, newly

created position. He speaks highly of his employer and fellow workers, noting the company's numerous programs designed to not only improve productivity, but improve worker retention. With his ability to plan ahead reduced, however, he believes a critical shift in importance is taking place. "The importance in this company now," he says, "is on cost and cutting overhead."

In the Southeast, a maintenance supervisor says the downturn has affected his company "dramatically," and in a number of ways. Not only do "new technology businesses face a shortage of venture-capital funding," he says, but "the economic downturn in our area exacerbates the already difficult task of training and retaining technically competent staff." He explains that because his company's manufacturing process depends on a new, sophisticated technology, the pool of qualified applicants that meet even a minimal requirement is small. Adding to this difficulty, he continues, is the fact that "job opportunities in our geographic area are primarily to replace retiring technical maintenance staff from employers that usually pay well and have good benefits."

This Panel member says his company is also "finding it hard to forge relationships with business partners due to the uncertain retail environment they face." And, without capital for large-scale production equipment purchases, his operations are constantly having to come up with economical alternatives such as retrofits and modifications to existing equipment. Consequently, he's spending more time on equipment fabrication or modification, technical training and reactive maintenance instead of preventive maintenance and other longer-term activities.

Ongoing skills crisis

The ongoing challenge of finding qualified workers, worsened by the downturn, was on the mind of a West Coast-based industry consultant."My clients have suffered because of the downturn and they're cutting back on manpower," he says. This decision, he thinks, will be exaggerated for them when they want to go out and hire somebody. "Where are they going to find experienced people?" he asks.

The consultant calls this skills crisis a "progressive problem" because of a rapidly aging workforce that he estimates accounts for as much as 70% of the employment pool in some areas. "When they retire and disappear, they'll walk out the door with corporate memory and expertise," he says. "So there's a double-edged sword here. One edge is having to deal with the financial climate itself, while the other is that in the race to become lean and mean, long-term manpower shortages are being created" that will only make the financial crisis worse.

Another consultant with expertise in steelmaking and the nuclear industry says that the slowdown of business among his steel clients—including the shuttering of a large steel plant—has made it more difficult for him to grow his own business. Unable to hire and develop new people, the consultant "won't be laying anyone off," he says, "but the downturn has made us essentially a one-industry company, probably to mid-year."

Not all gloom and doom

There still are some bright spots among our Panelists. A maintenance technician in the Northeast, for example, says he has experienced no impact from the downturn in his job. And from South America, a senior mechanical engineer tells us that despite scattered layoffs at his company, he has not been personally affected by the downturn. Still, he notes that his company has intensified its cost-cutting efforts by reviewing supplier contracts, especially those involving energy and oil. "In the future, I don't know," he says. "If the economy continues the same way, I think all will be affected." **MT**

What's on your mind? Have questions or comments on what you've just read in this column? We want to hear from you. E-mail: rcarter@atpnetwork.com