



**Proactive Technologies News**

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**When Wages Rise for Skilled Labor, Can Your Firm Maximize Worker Value and Minimize Investment?**

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



Ideally, wages rise for most job classifications when conditions are right to match the rising cost of living that an expanding economy brings. As skilled workers find their rightful full-time place, they leave openings behind them that employers need to fill. Competition for the most skilled of the remaining skilled leads employers to adjust wages and benefits accordingly to be competitive.

Rumblings point to the fact that wages for skilled workers have not kept up and a major adjustment is long overdue. **When wages rise, will your firm feel the affects of added labor costs or will they adapt to increasing wages and realize offsetting higher returns on worker investment?**

The economic reasons for competitive compensation usually include the scarcity of labor, scarcity of relevantly skilled labor, abundance of job choices yielding migration of the skilled workers with choices, increasing technical nature of jobs, and an expanding economy yielding internal promotions that create openings both above and below current job classifications. These all increase the level of competition for highly skilled workers that leave job openings in its wake.

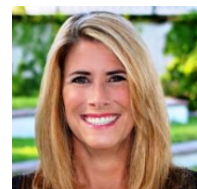
This perpetual labor volatility is more unique to the United States than to other developed economies. [European government and business policies facilitate workforce development efforts](#) based on more accurately predicted labor needs. Economic policies have a purposeful affect on the corporations that thrive, and toward workers and the available jobs today and those to come. Students are exposed to career opportunities starting in grade school which leads to focused interest by middle school school, leading to paid vocational training and apprenticeships before leaving high school. For those wanting to continue college in their chosen profession, apprenticeship training is coordinated with academic learning to promote growth in each and time in both to reinforce each effort.

It is much different here. The U.S. does not believe in long-term planning for the greater good. Many like to believe that this driven by a policy of [laissez faire](#) or "let it be" or "let it go." Other economists claim that this is not a policy as much as it is neglect. Still others see this version of laissez-faire as very selective and that the government does intervene to the betterment of some individuals, companies, and industries to the detriment of others.

In any event, this version of capitalism often yields wild gyrations dotted with cataclysmic events. [Read More](#)

**Retiring Workers and the Tragic Loss of Intellectual Property and Value**

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



The warnings went out over two decades ago. Baby Boomers were soon to retire, taking their accumulated expertise - locked in their brains - with them. But very little was done to address this problem. Call it complacency, lack of awareness of the

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### Free - Live Online Presentation Schedule

If interested in attending one of the presentations below, click on the title, then select a date/time and press "Send." An online presentation invitation and link will be sent to you. On the date and time of the event, just click on link in email invitation and it will connect you to the presentation. **No special equipment**

emerging problem, preoccupation with quarterly performance, disinterest or disbelief, very few companies took action and the Crash of 2008 disrupted any meager efforts that were underway.

According to **Steve Minter** in an **IndustryWeek Magazine** article on April 10, 2012, "Only 17% of organizations said they had developed processes to capture institutional memory/organizational knowledge from employees close to retirement." Who is going to train their replacements once they are gone? Would the learning curve of replacement workers be as long and costly, repeating the same learning mistakes, as the retiree's learning curve? Would operations be disrupted and, if so, to what level?

**"In our new "outsourcing nation," a widely held belief is that employees are simply costs to be cut and not assets to be valued." .... "Manufacturing faces a two-sided problem: it not only has thousands of people retiring, but it does not have the training programs to train skilled workers to replace them."**

A Strategy to Capture Tribal Knowledge  
IndustryWeek- Michael Collins 5-23-16

In the last few years, it seems an alternative to the concentration of expertise in a few subject matter experts has become to use lower-wage temporary or contract workers who specialize in smaller quantities of processes, and who can be "traded-out" with a minimum amount of disruption. History will tell us just how costly that approach was and if anything was learned.

Many in corporate America have come to view all labor as expendable; easy to swap with a cheaper alternative - disregarding the cumulative asset value of the investment made in each. [Read More](#)

## Apprenticeships: Be Careful Not To Minimize Integrity While Spiking The Numbers

*Dr. Dave Just, formally Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting*



In a Community College Daily News article, "[Drawing Lines on Apprenticeships](#)," business and industry representatives seemed to have expressed to their congressional leaders the changes they would like to see in apprenticeships before they would consider participating. The opening statements from the Senate Health, Education, Labor and Pensions Committee chair Sen. Lamar Alexander (Tennessee) and ranking minority member Sen. Patty Murray (Washington) set the debate, with "Alexander arguing that registered apprenticeships limit creativity and flexibility that employers seek because of cumbersome administrative red tape. More companies want less-formal, industry-recognized apprenticeships that allow them to work on specific skill sets, he said, adding they also are more appealing to industries such as health care and information technology that don't traditionally offer apprenticeships."

Ranking Member Pat Murray (Washington) rebutted this claim, "...registered apprenticeships ensure rigor and program quality. She said GOP efforts to encourage more nonregistered programs is designed to 'weaken and water down' programs and to open the training market to for-profit institutions." Most people actively involved with apprenticeships know that much can be done to make apprenticeships more attractive, practical, fulfilling and feasible to employers and more attractive, achievable and valuable to apprentices. And that there is a role for for-profit training providers when the non-profit and institutional related technical instruction in the area is weak, has not been kept up-to-date or is non-existent.

There is no denying that the iconic apprenticeships of old were hard for employers to embrace. An 8-10 year apprenticeship program for, in many cases, 1 apprentice was a non-starter. And with developments in the last 30 years - massive relocation of jobs off-shore, instability of employment even before the Crash of 2008 but more so after (employees not able to continue in a job classification for 3 years let alone 10 year apprenticeship), the stagnation and decline of wages and continual introduction of newer technology that redesigns the nature of jobs - everyone involved including community colleges felt they were playing a seemingly never ending shell game. Add to that a period of uncertainty such as the current trade and tariff action exchanges and the only thing certain is an uncertain workforce development target.

In the past, the criteria apprentices had to meet to reach journeyman status was ambiguous. [Read More](#)

required.

[Click here](#) for descriptions of all of the available presentations. Click on a specific title for that specific description and schedule or to schedule a date and time that works for you.

**APPLIES TO ANY ORGANIZATION (Recorded - Available Any Time):**

[PTIpromo - A Preview of an Upcoming Presentation](#)

(13 minutes)

**FOR FORMER EMPLOYER CLIENTS:**

[PTI1001 - Former Client Employers - Restart Your Organization's PROTECH® Training Infrastructure](#)

(45 minutes)

**FOR ANY EMPLOYER:**

[PTI1002 - Building an Effective Worker Training/Apprenticeship System - Registered or Not](#)

(45 minutes)

[PTI1004 - If You Can't Find Skilled Workers, Develop Your Own](#)

(45 minutes)

[PTI1007 - Structured On-the-Job Training Supports ISO/AS/TS Process Training Requirement Compliance](#)

(45 minutes)

[PTI1008 - Preparing your Workers for Growth: Using Lulls Before Growth to Increase Your Worker's Capacity](#)

(45 minutes)

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

[PTI1003 - Adding Employer-Specific Structured OJT to Your Training Support Strategy\(45 minutes\)](#)

[PTI1005 - Adding Structured On-the-Job Training to Your Apprenticeships](#)

(45 minutes)

[PTI1006 - Building a Regional Workforce Development Infrastructure: Employer-Specific for Maximum Effectiveness and Lowest Investment](#)

(45 minutes)

If you would like more information or would like to discuss these presentations or anything else, click [here](#) and fill in the "Contact Us" with your request including information specifying an alternative date/time you prefer and how many will be attending. An invitation and link will be sent to you.

**UPCOMING EVENTS**

## When is Illustrating Technical Materials Useful to the Trainee?

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

Technical process documents standardize work processes in an attempt to maintain task performance at a consistent level of output. From organization to organization, process documents may vary in usefulness though required by ISO/AS/TS certification. Some may be too vague, too specific or too cluttered into lengthy paragraphs designed for human error. Nevertheless, the intended purpose is to offer guidance as to the "best practice" way of performing work. Whether illustrating technical documents is useful in achieving that goal is dependent on a few factors.

Technical processes, illustrated or not, are most useful to a worker when learning a task for the first time. Unless in a checklist format where step-by-step initials are required to document that no steps are missed, most process documents are reduced to a "reference status" Even though management and auditors want to believe process documents are followed intently each time, that is usually a "staged" behavior. In reality, once committed to a worker's memory many documents are not seen by the user until the audit is scheduled. Unfortunate but true.

Sometimes more diligent workers make up for document inadequacy or lack of process documents by keeping notes in their lunchbox or, more precariously yet, in their head. Heaven forbid this is discovered during an audit. These notes not only are uncontrolled and unofficial, but they represent a wealth of "tribal knowledge" that is not routinely shared with new -hires. Mistakes that are known to have happened, and can be avoided if shared, are repeated with each trainee to everyone's detriment. The fact that each employee feels the need to keep their own notes is a sign of some problem with process documentation and should be investigated.

Stepping back to get a better view of learning patterns of a typical worker may be helpful. It varies from organization to organization, job classification to job classification. If an organization has been



trying to hire based predominantly on wage level, they often find the lower the wage level the lower the inventory of prerequisite skills for not only the tasks to be learned, but also the ability to learn. And most organizations that focus on lower wage levels do not have a budget for remediation of deficient core skills to improve the process of learning.

It is here that organizations sometimes try to make up for the deficit by expending time and money to illustrate the technical materials, thinking "pictures speak a thousand words." [Read More](#)

## Fall Discount Offer!

September 15th - October 31st, 2018



Successful organizations rely on high-performance organizational **systems** that are continually adapting and improving.

**Is your internal worker training keeping up?  
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Wouldn't it be worth a few minutes of your time to find out how you can drive every worker - incumbent and new -hires - to full job mastery with a small investment and huge return?

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Onsite and group presentations are being scheduled for the following states, **and a representative will be in your area**, in the month of:

### **October, 2018**

Colorado (Eastern Slope)

Indiana

Kansas (Kansas City, Topeka and I70 Corridor)

Kentucky (North and Eastern)

Missouri (Kansas City, St. Louis)

North Carolina (Asheville and Western Area, Charlotte, I77 Corridor)

Nevada (Reno, Las Vegas)

New Mexico (Albuquerque, Santa Fe)

Ohio

Pennsylvania (Pittsburgh and Western Area)

South Carolina (UpState, Columbia and Charleston Area)

Tennessee (Eastern)

West Virginia (North-Central, South Central)

[Contact Us](#) to express your interest in an onsite or group presentation.



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## Industry News

### **Hurricane Florence Takes Its Toll on North and South Carolina**

*Proactive Technologies Report Staff*

It seems that when natural disasters strike, those that can least afford to lose, lose the most. Hurricane Florence devastated the lives and livelihoods of so many of our neighbors across the southeast United States. Flooding continues, and they will need help during the coming months and years.

If you want to help but don't know how to reach organizations who are there right now lending a hand, here are a few links to some who can help make sure your donation, whatever you are able to contribute, reach those who need it the most.

[American Red Cross](#)



[The Salvation Army](#)



Giving Hope Today

[North Carolina Disaster Relief Fund](#)

[OneSC Fund](#)

Remember, the floodwaters will recede but it will take many months, perhaps years, for those affected to find some sense of normal life. If you are able, please help in any way you can.

### **DOMESTIC ECONOMIC DATA**

#### **Gross Domestic Product**

*US Department of Commerce - Bureau of Economic Analysis*

Real gross domestic product (GDP) increased 4.2 percent in the second quarter of 2018, according to the "third" estimate released by the Bureau of Economic Analysis. The growth rate was unchanged from the "second" estimate released in August. In the first quarter, real GDP increased 2.2 percent.

Corporate profits increased 3.0 percent at a quarterly rate in the second quarter of 2018 after increasing 1.2 percent in the first quarter. [Read](#)



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## Personal Income and Outlays

*US Department of Commerce - Bureau of Economic Analysis*



Personal income increased \$60.3 billion (0.3 percent) in August according to estimates released today by the Bureau of Economic Analysis. Disposable personal income (DPI) increased \$51.4 billion (0.3 percent) and personal consumption expenditures (PCE) increased \$46.4 billion (0.3 percent). [Read Report](#)

## Manufacturers' Shipments, Inventories, and Orders

*US Census Bureau*

New orders for manufactured goods in July decreased \$3.9 billion or 0.8 percent to \$497.8 billion. July 2018: -0.8° % change; June 2018 (r): +0.6° % change. [Read Report;](#)



## Job Openings and Labor Turnover

*US Bureau of Labor Statistics*

Errors in JOLTS Federal government estimates BLS identified errors in the JOLTS Federal government hires, total separations, and layoffs and discharges estimates from January 2011-April 2018. On June 12, 2018, BLS suppressed these data from the LABSTAT database. [For more information on this error and correction plans](#)



## United States Economic Forecast - 3rd Quarter 2018

*Area Development - Deloitte-Dr. Daniel Bachman, Dr. Rumki Majumdar*  
New tariffs have economists revisiting their old textbooks-and are leaving companies uncertain w hether to begin rebuilding their supply chains. Our forecast sees a higher possibility of recession-though it's still unlikely.  
Introduction: Trade Concerns

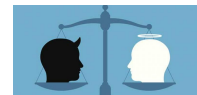
This quarter's Deloitte forecast reflects two major changes, and they are related. First, we are reducing our 2019 growth projection to reflect both the likely impact of the US tariffs imposed so far this year and the impact of US trade partners' retaliatory measures. Second, we are raising the probability of the recession scenario from 15 percent to 25 percent. The vulnerability of the economy to shocks such as a financial crisis increases with uncertainty created by the trade policy actions of both the United States and its trading partners.

The magnitude of the impact of the administration's tariffs depends on whether they turn out to be temporary or permanent. [Read Article](#)

## As Trade Wars Heat Up, Supply Chain Ethics Take a Hit

*IndustryWeek - Sébastien Breteau*

So far in 2018, the chief concerns of global trade and manufacturing have been centered around main geopolitical issues, such as the unfolding China-U.S. trade war and the UK's impending departure from the E.U. With such major developments dominating the agenda, ethical, compliance and environmental standards in supply chains can take a back seat-until an incident happens or an ethical lapse hits the news.



It's evident from analysis of the thousands of global, on-site factory audits we've conducted so far this year that manufacturers' interest in ethics and sustainability is waning. [Read Article](#)

## IW US 500: Top States for Manufacturing

*IndustryWeek - Adrienne Selko*

Texas is tops on the 2018 IndustryWeek U.S. 500, in part due to all of its oil and gas companies. But Dell Computer, Hughes and Kimberly-Clark all call the Lone Star state home.



Last year the state's manufacturing sector rebounded from the crash in the oil market that dragged down a big portion of the state's manufacturing output a few years ago. 2017 was a banner year.

Looking to 2018 uncertainty steps in. "If there is a state that is going to be impacted by trade relationships, it's going to be Texas" said Chris Bryan, communications director for the Texas state comptroller. "We are the No. 1 exporting state going away by a pretty good margin." [Read Article](#)



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### Boeing to Build Refueling Drones for U.S. Navy

*American Machinist - Staff*

St. Louis-based Boeing Defense, Space & Security will build the first the MQ-25 Stingray aerial refueler drones following an \$805-million contract placed by the U.S. Dept. of Defense. The award covers engineering and manufacturing development for four aircraft. The Navy has indicated it plans to buy a total of 76 additional 72 of the drones at a total program cost of \$13 billion.



The MQ-25 unmanned carrier aviation air system (UCAAS), formerly the Carrier-Based Aerial-Refueling System (CBARS), is a product of the DoD's Unmanned Carrier-Launched Airborne Surveillance and Strike (UCLASS) program. According to the U.S. Navy, the MQ-25 will allow for better use of combat strike fighters by extending the range of deployed Boeing F/A-18 Super Hornet, Boeing EA-18G Growler, and Lockheed Martin F-35C aircraft. It will integrate with a carrier's catapult and launch-and-recovery systems. [Read Article](#)

### Americans Agree the Economy is Strong, but Worry about the Future

*IndustryWeek - Staff*

After several years of consistent job growth and unemployment rates finally back under 4%, Americans' views have changed in a positive direction, but they remain fearful and uncertain about the future and are concerned about several major threats to continuing prosperity.



That is the conclusion of a study done by The Heldrich Center for Workforce Development, entitled "Work Trends release, A Glass Half Full or Half Empty? Americans Agree the Economy is Strong, but Worry about the Future." [Read Article](#)

### Mercedes Unveils First Tesla Rival in \$12 Billion Attack

*IndustryWeek - Bloomberg*

Mercedes-Benz, the world's largest maker of luxury cars, is rolling out its first in a series of battery-powered models, adding to a growing array of high-end brands targeting Tesla Inc.



The Mercedes EQC crossover starts production in the first half of next year, part of a plan to develop a range for its EQ electric line, Daimler CEO Dieter Zetsche said in Stockholm at the car's world premiere. The company intended to invest 10 billion euros (US\$12 billion) on the electric-car push, but the spending has become "more than that," he said, without specifying figures. [Read Article](#)

### A High School Reunion Reveals: When Steel Mills Fell Silent, Fates Got Flipped

*NPR Morning Edition - Marilyn Geewax*

The only high school in my hometown - Campbell, Ohio - was built on a hilltop just east of Youngstown.



Behind our football field, the earth sloped away, down to the Mahoning River valley where the Youngstown Sheet & Tube steel mills stretched out for miles. Our school, our small town, the gritty air we breathed - they were inseparable from those blast furnaces.

For three generations of Campbell guys, seeking work at the mill was almost automatic. And smart: You were guaranteed great pay and union benefits.

Last spring, I retired from full-time work at NPR. But I haven't stopped thinking about the economy, and I can see that the data show inequality is growing among retirees. What happened to Nicolaou and me can tell you a lot about what has changed in just one generation - and for millions of retirees, the changes aren't good. [Read Article and Hear Podcast](#)

### Lego's Sweet Sustainability Plan: Plastic Made from Sugar Cane

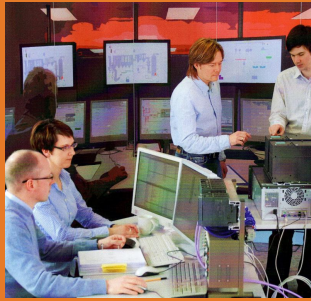
*IndustryWeek - John Hitch*

As the seas fill up with unwanted plastic and the world's reserves of oil - a raw material used in plastics production - go empty, Lego is trying to do what it has asked children to do for six decades: create something new out of a few building blocks and a lot of imagination. Earlier this year the Danish toy company began production on a new line of sustainable Lego accessories made from plant-based polyethylene (common plastic), derived from sugarcane ethanol, as opposed to the polyethylene from oil. Naturally, these green "bioplastic" pieces, released last month, are botanically themed, including bushes,



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## MEMORABLE QUOTES

**"Live as if your were to die tomorrow. Learn as if you were to live forever."**

[Gandhi](#)

Mohandas Karamchand Gandhi was an Indian activist who was the leader of the Indian independence movement against British rule.

**"Champions do not become champions when they win the event, but in the hours, weeks, months and years they spend preparing for it. The victorious performance itself is merely the demonstration of their championship character."**

Alan Armstrong

**"No one learns as much about a subject as one who is forced to teach it."**

[Peter F. Drucker](#)

leaves and shrubbery. [Read Article](#)

## Plastics Industry Flourishes in Response to Market Demand

*Area Development - Dan Emerson, Staff Editor*

With U.S. natural gas costs being so low, the U.S. plastics industry continues to grow, while keeping an eye out for supply chain challenges brought about by changes in trade policy.



It's a good time to be in the plastics manufacturing business. Plastics manufacturers in the U.S. are continuing to enjoy increased demand for their products in a number of end-user categories, along with decreasing production costs. They're also developing new uses for their products, as technology continues to advance the use of strong, lightweight plastics in sectors such as healthcare, automotive, packaging, and 3-D printing.

The U.S. has become the cheapest place in the world to make plastics, as one of the benefits of the fracking technology that has created a surplus of natural gas, the primary ingredient for making most plastics. [Read Article](#)

## Labor Shortage Hurts Logistics Industry

*Material Handling & Logistics - David Sparkman*

Rapid growth of e-commerce will create demand for an additional 452,000 warehouse and distribution workers in 2018-19, which could turn out to be unsustainable in the already labor-strapped industry, says a new report from CBRE, the international industrial real estate firm.



That projected demand for 2018-19 exceeds the industry's job growth since 2013 of 180,300 new positions a year, an acceleration that reflects the growing volume of e-commerce sales. [Read Article](#)

## US Factory Gauge Jumps to 14-Year High as Orders, Jobs Climb

*Material Handling & Logistics - Bloomberg*

A gauge of U.S. manufacturing unexpectedly jumped to the highest since May 2004 as orders, production and employment all picked up, offering a positive sign for the economy even as trade tensions weigh on the outlook.



Highlights of ISM Manufacturing (August) [Read Article](#)

## Introducing Regional Underemployment

*Area Development - CHMURA Economics and Analytics - James Stinchcomb*



The unemployment rate in the United States is at historically low levels, coming in at 3.9% for July 2018, with many observers suggesting the nation is now at full employment. Despite the low unemployment rate, some questions remain about the state of the workforce. For example, one question is "how is the employment being utilized?" Or to put it another way, just because people have jobs right now, does that mean they have good jobs? One way to measure employment utilization is to look at the underemployment rate.

In the broadest sense, underemployment is a gauge of workforce utilization defined as the condition when people are overqualified for the job they are currently working in, typically as judged by the worker's educational attainment or experience level compared to that required by their job. The Federal Reserve Bank of New York publishes a monthly series on the national underemployment rate, with data going back to 1990 and a current underemployment rate of 34.2%. [1] The New York Fed uses a sample of the workforce aged 22-65 and measures underemployment as the number of college graduates (bachelor's degree or higher) working in a "non-college" job (that is, a job that does not typically require a college degree); the underemployment rate is the percentage of all college educated workers in a non-college job. [Read Article and See Chart of 50 Highest Underemployment Cities](#)

## Manufacturers Increase Efforts to Woo Workers to Rural Areas

*Area Development - The New York Times - Ellen Rosen*

They call it the "Not So Heavy Metal" tour. It's a lighthearted effort by Minnesota-based Alexandria Industries to introduce middle and high school students - as well the general public - to manufacturing.



While the name is humorous, it belies an issue that is anything but. The component manufacturing company, with about 550 employees roughly

An Austrian-born American management consultant, educator, and author, whose writings contributed to the philosophical and practical foundations of the modern business corporation

## Recent Proactive Technologies News Article Quicklinks

### September

[The US Workforce Competitive Advantage Has Declined For Decades - Not for Lack of Resources, Effort or Base Talent, But For Strategy](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[The Skills Gap Solution; Employers Still Reluctant to Commit to Role Only They Can Fill](#)

by Staff

[Assessing Employees With Past Drug Addictions for Work Tricky](#)

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

[Estimating the Costs Associated With Skipping Employer-Based Structured On-The-Job Training](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### August

[Labor Costs Expected to Increase, So Will Challenges to Developing Workers](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[More Employers Finding Ways To Strategically Ensure Fair Pay](#)

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

[Pre-Employment Physical Ability Tests Can be a Legal Liability If Not Done Right](#)

by Jim Poole, President of Lifetime Learning, LLC

[Keeping Employers Engaged in Regional Workforce Development Projects](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### July

[From Innovation to Implementation - Success Depends on Preparedness of Those Executing](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[A Management Theory Flashback - The Peter Principle](#)

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

two hours north of the Twin Cities of St. Paul and Minneapolis, faces an acute problem affecting many rural manufacturers: a shortage of workers to fill skilled and unskilled positions.

The company, which supplies manufacturers in the medical, automotive and defense industries, among others, has at least 50 unfilled jobs, and its predicament is not unusual.

"It doesn't matter whether the company is in Michigan, Wisconsin, Texas or Pennsylvania," said Tom Schabel, the chief executive of Alexandria Industries. "One of the top issues is the difficulty of finding people." Skilled positions can remain open for months and even unskilled positions can take 60 days to fill, he said. [Read Article](#)

### China is the World Leader in Drones. US drone Makers Want to Change That

Area Development - CNN Money-Matt McFarland  
US drone companies historically have had trouble taking off.



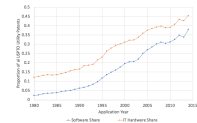
But two American startups think they may have created the innovations that will give them a foothold to compete with Chinese powerhouse DJI, which has faced data security questions.

Impossible Aerospace, a Silicon Valley-based startup founded by Tesla (TSLA) and SpaceX veterans, announced Monday it's selling a drone with two hours of flight time to fire departments, police departments and search and rescue teams. It's a significant advancement considering most drones typically get about 30 minutes in the air on a single charge. [Read Article](#)

### The IT Revolution and the Globalisation of R&D

Area Development - VOX EU-Lee Branstetter, Britta Glennon, J. Bradford Jensen

US firms have begun shifting R&D investment towards non-traditional destinations such as China, India, and Israel. The column argues that this is a response to a shortage in software and IT-related human capital within the US. When US multinationals are able to import talent or export R&D work, this reinforces US technological leadership. Conversely, politically engineered constraints on this response will undermine the competitiveness of US-based firms.



Despite rising globalisation after WWII, corporate R&D spending remained highly concentrated in the same small group of advanced industrial countries that dominated it for decades - until recently. Since the 1990s, the distribution of US multinational R&D investment across countries and industries has shifted dramatically toward non-traditional R&D destinations like China, India, and Israel (Kerr and Kerr 2018). Today's leading US multinationals have developed a global innovation system that increasingly relies on emerging market talent to propel innovation for the global frontier. [Read Article](#)

### Tactical Productive Maintenance: A Targeted Approach to TPM

Bart Kelly, Ryan C. Silvino

Trying to achieve a 100% robust implementation of total productive maintenance (TPM) is more than just unrealistic - it can actually be counterproductive. Often companies cannot achieve better results by applying a more targeted, structured approach.



The concept behind TPM - engaging both maintenance and operations teams in a joint effort to improve the availability and reliability of equipment - seems straightforward and promising. Facilities that engage in TPM initiatives typically report some initial improvements in overall equipment effectiveness (OEE).

But TPM's full benefits often are not realized for a number of years. As a result, many companies are unable to maintain the necessary momentum long enough to achieve the underlying culture change that is needed for a successful, enterprisewide TPM implementation. Eventually, day-to-day firefighting takes priority again, and the TPM effort loses traction. [Read Article](#)

### Federal Contractors Face Closer Scrutiny

IndustryWeek - David Sparkman

If you are a federal contractor, get ready for a new government crackdown on contractors who are not meeting their obligations under anti-discrimination laws.



The Office of Federal Contract Compliance Programs (OFCCP) inspections of federal contractors and subcontractors after August 24 will include



**Workforce Development Partnerships With Substance: My Experience**

By Randy Toscano, Jr., MSHRM, CEO of Legacy Partners 2

**Economic Development Opportunities - An Important Incentive in Attracting Companies to Your Region**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**June**

**Every Work Task Is A Micro Unit - Everything About the Task Should Be Trained At Same Time For Maximum Efficiency and Effectiveness**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**Knowledge Gap v. Skills Gap, Core Skill Gap v. Task Skill Gap; Important to Know Which You Are Trying To Close**

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

**Tips for Workforce Developers - Partnerships That Matter...and Last**

by Dr. Dave Just, formally Dean of Corporate & Continuing Education at Community Colleges in MA, OH, PA and SC. Currently President of K&D Consulting

**Unemployment is at an 18 Year Low, So Where is the Party ?**

By Dean Prigelmeier, President of Proactive Technologies, Inc.

**May**

**The Accelerated the Transfer of Expertise™**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**Challenges Presented by the Widening Skill Gap**

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

**Full Job Mastery means Maximum Worker Capacity - A Verifiable Model for Measuring and Improving Worker Value While Transferring Valuable Expertise**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**April**

**We Have Enough Evidence: Without Employer-Based Structured OJT, Worker Development Falls Way Short**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**Blockchain Employee Records? What is the Balance Between Business Controls and Employee Privacy?**

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

more intensive scrutiny to look for lack of Affirmative Action Plan (AAP) documentation, which employers now are required to update annually. Last February the office announced its intention to conduct affirmative action Compliance Audits of 1,000 federal contractor employers. [Read Article](#)

**GE Selling Engine-Housing Manufacturer**

*American Machinist - Staff*

General Electric Co. agreed to sell MRA Systems LLC (MRAS) to Vision Technologies Aerospace Inc. for a reported \$630 million. The Baltimore-based MRAS manufactures engine nacelles ( housings), thrust reversers, and other aerostructures for narrow - and wide-body commercial aircraft, and also has a presence in the aircraft spare-parts supply chain.



The "cash-free, debt-free" transaction (meaning that the seller, GE, will keep the business's cash and debts, transferring the physical assets to the buyer) may arrive at a final value of \$440 million at the expected closing date during Q1 2019, according to the buyer. [Read Article](#)

**Fake Bike Helmets: Cheap But Dangerous**

*NPR Weekend Edition*

After impact, the authentic Specialized Evade helmet on the left held up but the counterfeit on the right crumbled. Specialized says the fakes lack reinforced roll cages - internal skeletons that hold the helmets together even after a crash.



Forget the fake Rolex watches sold on street corners. These days, most counterfeits are sold over the Internet, right into your home. And some of them could seriously hurt you.

Take bicycle helmets. If you don't use one, you probably have a child or relative who does. Bike helmets are meant to protect us if we ever have a serious fall.

But counterfeits won't provide that protection. [Read Article and Hear Podcast:](#)

**Walmart, Sam's Club Start Mandating Suppliers Use IBM Blockchain**

*IndustryWeek - Bloomberg*

After several years of tests, Walmart Inc. is ready to mandate use of blockchain technology by a swath of its U.S. suppliers, marking one of its biggest commercial uses.



Starting in September 2019, Walmart and its Sam's Club division will require suppliers of fresh, leafy greens to implement real-time, end-to-end traceability of products back to the farm using a digital ledger developed by International Business Machines Corp. The world's largest retailer plans similar mandates for other fresh fruit and vegetable providers within the next year, according to Frank Yiannas, vice president of food safety.

"It's becoming a business requirement, it's a part of our supplier agreements," Yiannas said in an interview. The goal is to speed up response times in case of food-borne illnesses and recalls. [Read Article](#)

**Financial News**

**Tight Labor Market Doesn't Move Wage Needle**

*CFO.com - David McCann*

The labor market is tight. U.S. companies are challenged more than ever to find, win, and retain talent. At the same time, a majority of U.S. companies have extra cash on hand, thanks to the Tax Cuts and Jobs Act.



Despite all that, companies generally are planning to boost their compensation budgets by only the tiniest of increments in 2019, according to two new reports from major human capital advisory firms.

Mercer reported that the average budget for merit salary increases for non-union employees, which has grown at a flat 2.8% each year from 2015 through 2018, will tick up to just 2.9% for next year. The data was derived from a survey of 1,526 organizations. [Read Article](#)

**The Rise of the Net-Short Debt Activist**

*CFO.com - Joshua Feltman, Emil Kleinhaus and John Sobolewski, Contributors*

Companies that may be vulnerable to covenant-default claims by this new



**Classes Alone Will Not Close the "Skills Gap." But Structured On-the-Job Training Can...Every Time!**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**March**

**Explaining Your Process Training to Auditors, Prospects and Clients**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**STEM Programs are Good, But No Substitute for Employer-Delivered Structured On-The-Job Training**

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

**Five Most Important Ways Structured On-the-Job Training Can Reclaim Wealth For an Employer**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**February**

**Eight Scenarios That Would Make You Wish You Had a Structured OJT System**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

**A Pay-for-Value Worker Development Program - Fair to Management and Workers, and Effective Too!**

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

**Who is Responsible for Decisions Regarding Training?**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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breed of debt investor should act swiftly, whether in the markets or in court.

The market for corporate debt does not immediately lend itself to the same kind of "activism" found in equity markets.

Bondholders, unlike shareholders, do not elect a company's board or vote on major transactions. Rather, their relationship with their borrower is governed primarily by contract.

Investors typically buy corporate debt in the hope that, without any action on their part, the company will meet its obligations, including payment in full at maturity.

In recent years, however, we have seen the rise of a new type of debt investor that defies this traditional model. As we previewed here, this investor buys "long" positions in corporate debt not to make money on them, but instead to assert defaults that will enable the investor to profit on a larger "short" position. [Read Article](#)

**Interactive Brokers Fined \$5.5 Million for Violating Short Selling Rules**

Global Custodian - Hayley McDowell

Interactive Brokers has been fined \$5.5 million by US financial authorities for violating regulations related to short selling and supervisory failures. An investigation by the Financial Regulatory Authority (FINRA) revealed that Interactive Brokers' supervisory system was not suitably designed to comply with 'naked' short selling regulation between 2012 and 2015.



Despite numerous red flags from internal audit findings, and clearing and compliance personnel which indicated that Interactive Brokers was in violation of the regulation, the company did not fix its system until mid-2015, according to FINRA. [Read Article](#)

**Coke, Facebook Could Face Tax Hit After Ruling Against Medtronic**

IndustryWeek - Bloomberg

Last week, Medtronic Plc suffered a legal setback in its bid to avoid a \$1.4 billion U.S. tax bill -- a ruling that may have costly implications for other multinationals battling the Internal Revenue Service over the use of overseas payments to lower their taxes.



Companies including Facebook Inc. and Coca-Cola Co. have been fighting the IRS for years over strategies related to so-called transfer pricing -- a way that some companies cut their tax liabilities by assigning lower prices for things like intellectual property that they shift to subsidiaries in low-tax jurisdictions such as Ireland or the Cayman Islands. [Read Article](#)

**How to Cut the Fat Without Cutting Staff**

CFO.com David Johnson, Abraxas Group

When CFOs are charged with leading cost-cutting initiatives, by necessity they find themselves navigating between the certainty of change and the human tendency defer short-term pain at the risk of much more drastic consequences in the future.



There is nothing that can be done to completely avoid that fate, as it is common to all change agents with a mandate to reduce costs. However, one way to at least minimize internal resistance to the program is to explicitly target non-staff costs.

When taking that route, make sure colleagues, middle management, and staff understand that the goal of the cost-cutting initiative is cutting the fat generally versus cutting jobs specifically. [Read Article](#)

**Ford Teeters Toward Junk with Moody's Warning of Restructuring Risks**

IndustryWeek - Bloomberg

Ford Motor Co.'s credit rating was cut to one notch above junk by Moody's Investors Service, adding to the car company's woes after it embarked on a costly restructuring that could take years to complete.



Moody's downgraded Ford to Baa3 from Baa2 with a negative outlook, it said in a report Wednesday. The ratings company cited erosion in Ford's "global business position and the challenges it will face implementing" its restructuring effort that could rack up \$11 billion in the next three to five years. [Read Article](#)

These partnerships:

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## IRS Guidance on Exec Comp Changes Falls Short

*CFO.com - David McCann*

The Internal Revenue Service on Tuesday issued initial guidance on changes to the deductibility of executive compensation that were included in the Tax Cuts and Jobs Act



Those in the executive compensation field had been eagerly awaiting word from the IRS, given that the legislation left many questions about how to apply its compensation provisions.

However, the guidance "doesn't really address a lot of the meaty issues," says Andrew Liazos, leader of the executive compensation group for law firm McDermott Will & Emery. [Read Article](#)

## SEC: Telecom Firm Artificially Boosted Revenue

*CFO.com - Vincent Ryan*

How many ways can one company artificially inflate its revenue?



Tangoe, a former publicly held company that helped large organizations analyze and monitor their telecommunications assets and manage related costs, did it in seven different ways over three years: [Read Article](#)

## Turbulence Roils Emerging Markets In The Shadow Of A Strengthened U.S. Dollar

*NPR All Things Considered - Colin Dwyer*

If you've checked any economic news lately, there's a decent chance you've heard a pretty scary word, and there's a decent chance you've heard it a lot: contagion.



To be clear, economists have not been discussing an epidemic the past few weeks - at least, not the kind that directly concerns physical health. They're talking about the economic health of emerging markets around the world. And the diagnosis doesn't look great.

Many of those countries' currencies have nosedived, but the blame isn't entirely local - many of them have been weakened by rising U.S. interest rates. [Read Article and Hear Podcast](#)

## Which Acquisitions Will Generate Negative Stock Returns?

*CFO.com - Olga Usvyatsky, Kati Manyak, and Nicole Hallas, Audit Analytics*

It's no secret that a substantial percentage of acquisitions fail to deliver expected synergies.

If the acquiring company elects to exempt the target from Sarbanes-Oxley Section 404 internal controls attestation, negative stock returns may follow. That risk increases if the companies are comparable in size or if the acquired business is material to the acquiring company. For example, the 2001 merger of Hewlett-Packard and Compaq Computer arguably led to the end of industry dominance for both companies.

That doesn't mean we can predict whether a particular acquisition will fail. But what if we could? [Read Article](#)

# CFO

## Hedge Fund Adviser Charged In 'Short-and-Distort' Scheme

*CFO.com - William Sprouse*

The Securities and Exchange Commission has charged hedge fund adviser Gregory Lemelson and his firm, Lemelson Capital Management, of illegally profiting from a short-and-distort scheme to drive down the price of Ligand Pharmaceuticals.

The SEC accused Lemelson, in charges filed in federal court in Massachusetts, of making more than \$1.3 million from the scheme, which involved making false statements about Ligand after taking a short position in May 2014 on behalf of the Amvona Fund, a hedge fund he advised and partly owned. [Read Article](#)

# CFO

## SEC Halts Trading in Bitcoin Tracking Products

*CFO.com - Matthew Heller*

The SEC's move highlights its "strict stance against letting ETFs tracking bitcoin and other cryptocurrencies come to market."

# CFO



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**If your organization sees training as a cost, not as an**

In another move that highlights U.S. regulators' concerns over Bitcoin exchange-traded funds, the U.S. Securities and Exchange Commission has suspended trading in two investment products that track cryptocurrencies. Bitcoin Tracker One and Ether Tracker One were launched in U.S. public markets last month after trading on the Nasdaq Stockholm exchange for three years. They have been trading "over the counter" in transactions that occur off exchanges within the U.S.

But the SEC halted trading in the products on Sunday, citing "confusion amongst market participants regarding these financial instruments." [Read Article](#)

### **Largest US Pension Fund Ups Pressure on Companies Over Executive Pay, Harassment** *IndustryWeek - Bloomberg*

The largest U.S. public pension fund is taking a tougher line over executive compensation.



The California Public Employees' Retirement System voted against pay programs this year at 43% of the 2,145 U.S. public firms it owns stakes in, up from 18% in 2017, the system said on Sept. 17.

One reason is closer scrutiny, said Simiso Nzima, investment director for corporate governance. In past years some firms may have received a passing grade despite a degree of misalignment between pay and company results, he said. [Read Article](#)

### **How Financialization Is Starving Manufacturing** *IndustryWeek - Michael Collins*

The shift in the economy that began during the Reagan era is all about short-term strategies to make fast profits.



The news seems to be full of praise for our strong economy. Columnists continuously cite the low 3.9% unemployment rate and GDP growth as the best in many years. Citizens know that there has been a huge redistribution of income to the 1% and the shareholders of corporations and that their wages have been stagnant or declining for many decades. They also remember the economic meltdown in 2007 caused by the big banks and are distrustful of corporations and what they might do to the economy.

Economic analyst Rana Foroohar makes the case that the U.S. system of market capitalism itself is broken. She says that the finance sector of the economy, which includes banking, insurance, real estate, hedge funds and mutual funds, used to be the servant of business, in which they took individual and corporate savings and funneled the money into productive enterprises. [Read Article](#)

### **SEC Commissioner Wants to Rein In Exchanges** *CFO.Com - William Sprouse*

A Securities and Exchange Commission member said for-profit stock exchanges have grown too powerful and should be reined in by regulators.

Commissioner Robert Jackson Jr. said the exchanges have consolidated and developed practices that are not like the competitive marketplaces investors deserve.

"The SEC has stood on the sidelines while enormous market power has become concentrated in just a few players," Jackson said earlier this week at a conference sponsored by the Healthy Markets Association and George Mason University. [Read Article](#)



## International News

### **Mexico, Latin America, South America and the Caribbean**

#### **Argentina Takes Steps to Ease Currency Crisis** *CFO.com - Matthew Heller*

Argentina has announced new austerity measures to close its budget gap amid a currency crisis that has seen the value of the peso decline by almost 50% against the dollar this year.

The announcement of new taxes on exports and steep cuts to spending came as Finance Minister Nicolas Dujovne prepared to meet with the International Monetary Fund on Tuesday as part of an effort to speed up the release of cash from a \$50 billion bailout plan. [Read Article:](#)



**Letter: China's Colonisation of Jamaica**

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- \* Increases worker capacity, work quality, productivity and compliance (ISO/AS/TS training and records requirement, engineering specifications and safety mandates);
- \* Creates framework for cross-training, retraining and worker certification;
- \* Establishes the framework for employer specific/job-specific apprenticeships and internships - registered or not;
- \* Builds career development tracks and succession plans for hourly (and salary) workers;
- \* Ensures the increased and maintained "Return on Worker investment" through any type of change...

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If your firm is partnered with local career and technical educational institutions, use of shared employer's equipment, facilities and paid wages of trainer(s) and trainee(s) are attractive match for potential grant assistance.

**[Contact a Proactive Technologies representative for more information.](#)**

*Caribbean News Now - Silbert Barrett*  
Sir:

Thousands of Jamaicans lining the streets of cities and major towns selling cheap Chinese-made goods have become an effective marketing strategy for Chinese wholesalers holding both wholesalers and retailer licences, giving them an unfair advantage to undermine local retail grocers.

What we would like to see is more investment in manufacturing to create jobs for Jamaicans and the industrialization of energy production to facilitate a 70 percent decrease in the cost of energy. This would be a real investment and would benefit the Jamaican people instead of the cheap subservient marginal jobs in wholesales and on infrastructure projects.  
[Read Open Letter](#)

**Caribbean Food Innovations Recognised in Paris**

*Caribbean News Now*

BRIDGETOWN, Barbados - Two Caribbean companies have been selected as finalists in the SIAL Innovation Awards 2018 in Paris, France, for their product innovation. They are Caribbean Cure Ltd of Trinidad and Tobago and Naledo Belize Ltd.



SIAL is regarded as the world's largest food innovation exhibition and hosts the SIAL Innovation Awards each year to recognise those who help to shape what we eat both today and tomorrow. Taking place in Paris from October 21-25, 2018, the Caribbean Export Development Agency (Caribbean Export) in collaboration with the European Union is supporting 12 food and beverage producers to participate at SIAL under the Caribbean Kitchen banner. [.Read Article](#)

**Canada, Europe and Great Britain Theresa May's Focus on UK-Africa Ties Is Long Overdue**

*Deutsche Gesellschaft für Internationale Zusammenarbeit -Chatham House*

With proper government commitment, the UK could see substantial economic, security and diplomatic benefits from deepening relationships with African partners.



Prime Minister Theresa May's trip to South Africa, Nigeria and Kenya this week is an important signal of renewed British political and economic interest in Africa.

It was long overdue: a British prime minister has not visited Africa since 2013, and there has been a comparative decline in the UK's visibility in many parts of the continent over the last decade, just as many other states, including France, Turkey, China and Japan, have been upgrading their Africa engagement. A planned trip by David Cameron was cancelled in 2016 with just five days' notice because of the Brexit referendum and its results. [Read Article](#)

**Mondelez Stockpiles Goods in Case of Bitter Brexit Breakup**

*IndustryWeek - Bloomberg*

Mondelez International Inc. (IW 500/45), the owner of chocolate-maker Cadbury, is stockpiling goods and ingredients in a bid to avoid any shortfall for U.K. customers in the event of a hard Brexit.



The U.K. alone can't provide the ingredients for the confectionery company's products. Hubert Weber, president of Mondelez's European arm, said in an interview with the Times of London published Tuesday. Mondelez is stacking up goods in case the country's withdrawal from the European Union creates import delays. [Read Article](#)

**Asia, India and Australia Ripped off: Your Data is Making Other People Insanely Rich**

*News.Com.AU - Sam Clench*

AUSTRALIANS are being ripped off every single day - and most of us have absolutely no idea it's happening.



What is the Internet of Things? IT'S the blatant rip-off nobody seems to notice. Every day, businesses are using your data to rack up colossal profits without fairly compensating you.

But if a push by Prime Minister Scott Morrison succeeds, that will soon change.



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## THE DEADLINE for ISO 9001:2015 RECERTIFICATION HAS PAST Did you make it?

Re-certification audit planning for the new standard should have been performed at least 90 days prior to expiration, in other words by September 14, 2018, and the last audit day cannot exceed the deadline or a full, initial audit must be performed.

Along with AS9100D and TS16949, a major new requirement for the "capture of institutional knowledge" and "identifying training gaps and closing them", as well as managing both for change are covered by Proactive Technologies' [PROTECH© system of managed human resource development.](#)

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Training and training records, alone, are usually a target for auditors. Clients report passing their audit for the training and institutional knowledge requirements are rated as "best practice" and "world-class" level.

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"For too long, large companies have been able to Hoover up data and profit off it, without paying a royalty to the people they got it off. It's like pulling iron ore out of the ground," Mr Morrison said in an interview with new s.com.au. [Read Article](#)

### Will 'Modicare' Be a Success in India?

BBC - Devina Gupta

India has launched its new flagship health insurance scheme, dubbed "Modicare", designed as a safety net for millions of people who struggle to afford quality medical care. It was announced in the annual budget in February. [See Video Report](#)



### China and Southeast Asia

#### How China's GPS 'Rival' Beidou is Plotting to Go Global

BBC - Pratik Jakhar

Beidou's coverage is expanding rapidly, with more than 10 satellite launches in 2018



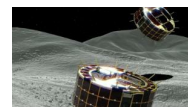
China has ambitions for its rapidly expanding Beidou satellite navigation system to serve the whole world, not just Asia, but will it really be able to rival the well-established - and US-owned - GPS system?

Dalintai - a herder in northern China - used to travel miles every day on his motorcycle to deliver water for his livestock. Now, according to the the Xinhua news agency, all he has to do is send a text message to operate an automated water delivery system. [Read Article](#)

### Japan Successfully Lands Robot Rovers on an Asteroid's Surface

CNN - Chandler Thornton and Euan McKirdy

The Japanese space agency JAXA said it made history Saturday by successfully landing two unmanned rovers on an asteroid.



"The two rovers are in good condition and are transmitting images and data," a JAXA statement said after the rovers separated from the Hayabusa2 spacecraft and landed on the asteroid Ryugu.

The rovers are collectively known as MINERVA-II1. The space agency reported that MINERVA-II1 is the world's first mobile exploration robot to land on the surface of an asteroid. [Read Article](#)

### Africa, Middle East, Eastern Europe and Russia

#### Africa Has Phenomenal Potential for Intra-continental Trade

Deutsche Gesellschaft für Internationale

Zusammenarbeit - United Nations Conference on Trade and Development



Forty-nine of Africa's 55 countries have signed the framework for the African Continental Free Trade Agreement (AfCFTA) to create a single continental market for goods and services, with free and unfettered movement of businesspeople and investments.

When at least 22 countries ratify it, the AfCFTA will officially come into force, potentially making the continent the largest trading bloc in the world. [Read Article](#)

### Russia Launches Biggest Ever War Games With China in a Warning to U.S.

Time.com - Ladimir Isachenkov and Sergei Grits

Hundreds of thousands Russian troops swept across Siberia on Tuesday in the nation's largest ever war games also joined by China - a powerful show of burgeoning military ties between Moscow and Beijing amid their tensions with the U.S.



Moscow said the weeklong Vostok (East) 2018 maneuvers will span vast expanses of Siberia and the Far East, the Arctic and the Pacific Oceans and involve nearly 300,000 Russian troops - nearly one-third of the country's 1-million-strong military. They will feature more than 1,000 aircraft, about 36,000 tanks and other military vehicles and 80 warships.

Russian Defense Minister Sergei Shoigu has described the drills as even bigger than the country's largest Cold War-era exercise called Zapad 1981 that put NATO allies on edge. [Read Article](#)

## Yemen conflict: A Million More Children Face Famine, NGO Warns

BBC

A further one million children are at risk of famine in Yemen, the charity Save the Children has warned. Rising food prices and the falling value of the country's currency as a result of a civil war are putting more families at risk of food insecurity.



But another threat comes from fighting around the key port city of Hudaydah, which is the principal lifeline for almost two-thirds of the population.

Save the Children says a total of 5.2 million children now face famine. [Read Article](#)

## International Trade News

### INTERNATIONAL TRADE DATA

#### Monthly Wholesale Trade

US Census Bureau

July 2018 sales of merchant wholesalers were \$505.6 billion, virtually unchanged (+/- 0.2 percent)\* from last month. End-of-month inventories were \$636.3 billion, up 0.6 percent (+/- 0.2 percent) from last month.

July 2018: +0.6 % change in Inventories; June 2018 (r): +0.1\* % change in Inventories [Read Report](#)



#### Manufacturing and Trade Inventories and Sales

US Census Bureau

U.S. total business end-of-month inventories for July 2018 were \$1,950.0 billion, up 0.6 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,454.1 billion, up 0.2 percent (+/- 0.1 percent) from last month. July 2018: +0.6 % change in Inventories; June 2018 (r): +0.1\* % change in Inventories.

[Read Report](#)



#### U.S. International Trade in Goods and Services

US Department of Commerce - Bureau of Economic Analysis

The goods and services deficit was \$50.1 billion in July, up \$4.3 billion from \$45.7 billion in June, revised. [Read Report](#)



#### U.S. International Transactions

US Department of Commerce - Bureau of Economic Analysis

The U.S. current-account deficit decreased to \$101.5 billion (preliminary) in the second quarter of 2018 from \$121.7 billion (revised) in the first quarter of 2018, according to statistics released by the Bureau of Economic Analysis (BEA). The deficit was 2.0 percent of current-dollar gross domestic product (GDP) in the second quarter, down from 2.4 percent in the first quarter. [Read Report](#)



#### China's Factories Show Resilience Amid Trump Tariff Danger

IndustryWeek - Bloomberg

China's official factory gauge unexpectedly strengthened this month, signaling some resilience as the economy braces for an escalation of the trade war with the U.S.

The manufacturing purchasing managers index stood at 51.3 in August versus 51.2 in July and exceeded the forecast of 51 in a Bloomberg survey of economists. The non-manufacturing PMI, covering services and construction, also rose to 54.2, the statistics bureau said Friday, compared with 54 in July. Levels above 50 indicate improvement.



With the U.S. already raising tariffs on \$50 billion of Chinese goods, such strength may prove difficult to sustain, and levies on another \$200 billion may be imposed as soon as next week. That said, government measures to ensure the supply of credit and stoke investment in infrastructure may be already brightening the outlook among businesses at home. [Read Article](#)

#### US, Canada and Mexico Agree to NAFTA Replacement

IndustryWeek - Bloomberg

The U.S. and Canada agreed to a trade deal with Mexico, setting the stage for their leaders to sign the accord by late November in a region that trades more than \$1 trillion annually.



The three countries reached an agreement to replace the 24-year-old North American Free Trade Agreement, according to a joint statement from U.S. Trade Representative Robert Lighthizer and Canadian Foreign Affairs Minister Chrystia Freeland on Sunday. The new deal will be called the U.S.-Mexico-Canada Agreement, or USMCA.

The accord involves improved access to Canada's dairy market for U.S. farmers, stronger intellectual property provisions, and tighter rules of origin for auto production, according to two senior Trump administration officials who spoke to reporters on condition of anonymity. [Read Article](#)

### **Trade War With China May Hit Car Part Makers First**

*IndustryWeek - Bloomberg - Jinshan Hong and Bruce Einhorn*



The U.S.-China trade war threatens to make September a very slow month at E.D. Opto Electrical Lighting Co.'s auto-parts factory in the eastern Chinese city of Zhenjiang.

With President Donald Trump slapping tariffs on items like car gaskets and ignition wiring sets in July, American buyers of the company's LED car lights pushed hard over the summer to get their orders delivered early in case they got caught up in the next salvo. Now, with the U.S. poised to target another \$200 billion of Chinese goods as soon as this week -- including the car lights made by E.D. Opto -- export manager Melissa Shu wonders what's going to happen to the business. [Read Article](#)

### **U.S. Steel Workers Seek Payout from Trade War as Prices Rise**

*IndustryWeek - Bloomberg*



U.S. steelworkers are ready to get their payout from the trade war.

Labor contracts with U.S. Steel Corp. and ArcelorMittal expired Sept. 1, but workers remain on the job as negotiations over wage increases continue. On Tuesday, U.S. Steel (IW500/92) posted on its website a proposed six-year contract, offering workers guaranteed annual wage increases and a \$15,000 pre-tax cash payment, including a minimum profit-sharing of \$6,000 for the balance of the year, regardless of the company performance. [Read Article](#)

### **Balanced Trade: Fighting the New Mercantilism**



*Coalition for a Prosperous America*

Why the trade deficit is the core economic problem we face. Balancing trade will help eliminate the unemployment, growth and government budget deficit problems. [Get the Fact Sheet](#)

### **U.S. Trade Gap Widens Most Since 2015**

*IndustryWeek - Bloomberg*



The U.S. trade deficit widened in July by the most in three years and the gap with China hit a record as the administration imposed tariffs on a range of Chinese goods, prompting retaliatory levies from Beijing.

The gap increased 9.5% to \$50.1 billion, the biggest since February, from a revised \$45.7 billion in the prior month, Commerce Department data showed on September 5.

Exports fell 1%, driven by steep drops in shipments of aircraft and soybeans, while imports rose 0.9% in a broad-based gain. [Read Article](#)

### **Trump Ramps Up Tariff Pressure With \$200 Billion China Hit**

*IndustryWeek - Bloomberg*



The Trump administration will impose a 10% tariff on about \$200 billion in Chinese goods September 24th and more than double the rate in 2019, deepening what's shaping up to be a prolonged trade war between the world's two biggest economies.

If Beijing retaliates against U.S. farmers and industry -- as it has previously vowed -- the U.S. will immediately pursue further tariffs on about \$267 billion of Chinese imports, President Donald Trump said in a statement Monday. [Read Article](#)

### **Purchasing Index Shows Manufacturing Slows to a Nine-Month Low**

*IndustryWeek - Bloomberg*



The seasonally adjusted IHS Markit U.S. Manufacturing



Purchasing Managers' Index slowed to 54.7 in August, down from 55.3 in July. This is the weakest improvement since last November. The slow down was expected by economists surveyed by Bloomberg.

Renewed growth in export sales for the first time this summer highlighted improvement in the health of the U.S. manufacturing sector. [Read Article](#)

### **China Initiates WTO Dispute Complaint Against Additional US tariffs on Chinese Imports**



*Deutsche Gesellschaft für Internationale Zusammenarbeit - World Trade Organization*

China has requested WTO dispute consultations with the United States concerning additional duties applied by the United States on imports of Chinese goods. The request was circulated to WTO members on 27 August.

China claims that the additional tariffs, applied to \$16 billion in annual Chinese imports, are inconsistent with the provisions of the WTO's General Agreement on Tariffs and Trade (GATT 1994) in that they apply solely to products of Chinese origin and exceed the United States' bound duty rates. [Read Claim](#)

### **BRICS Leaders Pledge Support for Multilateralism, Inclusive Growth at Johannesburg Summit**



*Deutsche Gesellschaft für Internationale Zusammenarbeit - International Centre for Trade and Sustainable Development*

Leaders from the BRICS countries - Brazil, Russia, India, China, and South Africa - met from 25-27 July for the group's tenth annual summit, in which they pledged to enhance cooperation across a range of policy areas. The bloc issued the Johannesburg Declaration at the end of the meeting, a 102-point document that emphasised a commitment to multilateralism and the WTO, as well as in supporting an inclusive, sustainable development model. [Read Article](#)

### **Latin American Integration: An Insurance Policy Against Uncertainty on Global Market Access**



*InterAmerican Development Bank - Paolo Giordano*

Over the last 30 years, in Latin America and the Caribbean (LAC), preferential trade agreements (PTAs) were the instrument of choice for moving toward more integrated markets. Although PTAs were successful in helping countries to move beyond the limitations of earlier, more inward-looking integration initiatives, their proliferation led to a regulatory architecture that has not necessarily given companies the agility they need to compete in the global 21st-century economy.

The most recent IDB flagship report on integration and trade, *Connecting the Dots: A Road Map for a Better Integration of Latin America and the Caribbean*, provides a detailed analysis of the regional integration policies adopted by LAC during the last quarter of a century. It also sketches out a roadmap for closing the gap between expectations and results. [Read Post](#)

### **Making it Whole: Integration in Latin America and the Caribbean**



*InterAmerican Development Bank -Mauricio Mesquita Moreira*

In a recent interview with a Brazilian newspaper, Chilean president Sebastián Piñera could not have been more precise when he summed up the challenges the region is still facing after more than a quarter of a century of regional integration. He argued that Latin America has more preferential trade agreements (PTAs) than any other region in the world and yet integration there lags behind its counterparts. He also spoke of the responsibility that the current political leadership has in terms of integrating the region at a time when the benefits of trade are being questioned in the developed world.

These are exactly the kind of perceptions and motivations that have led us at the IDB to take a step back and delve deeply into the results of integration in Latin America and the Caribbean. Our conclusions were recently published in a policy report and they offer a roadmap to making the most of the region's \$5 trillion market. [Read Post](#)

### **Chinese Companies Shifting to Other Countries to Avoid US Tariffs**



*IndustryWeek - Bloomberg*

A growing number of Chinese companies are adopting a crafty way to evade President Donald Trump's tariffs: remove the "Made in China" label by shifting production to countries such as Vietnam, Serbia

and Mexico.

The world's two largest economies have been locked in a months-long trade fight after Trump imposed 25% customs duties on \$50 billion worth of Chinese goods this summer, triggering a swift tit-for-tat response from Beijing.

Chinese factories making everything from bikes to tires, plastics and textiles are moving assembly lines abroad to skirt higher customs taxes on their exports to the United States and elsewhere, according to public filings.

[Read Article](#)

### **China Cuts US Treasury Holdings as Trade War Starts Heating Up**

*IndustryWeek - Bloomberg*

China's holdings of U.S. Treasuries fell to a six-month low in July, just as a trade war between the world's two largest economies began heating up.

China's ownership of U.S. bonds, bills and notes slipped to \$1.17 trillion, the lowest level since January and down from \$1.18 trillion in June, according to data released by the Treasury Department on Sept. 18.



The first salvos in the U.S.-China trade conflict were fired on July 6, when the Trump administration activated tariffs on \$34 billion of Chinese goods, which sparked immediate in-kind retaliation from Beijing. [Read Article](#)

### **Made in Mexico Good Enough for SunPower to Win Tariff Exemption**

*IndustryWeek - Bloomberg*

SunPower Corp. (NYSE:SPWR), the second-biggest U.S. solar manufacturer, won't have to pay import tariffs on the panels it makes in factories outside the country.



The company was granted an exclusion from the U.S. tariffs on imported solar panels President Donald Trump imposed earlier this year, according to a statement Tuesday from San Jose, California-based SunPower. The shares jumped the most in 10 months. [Read Article](#)

### **BMW Caves In to Trade, Pricing Pressures With Profit Cut**

*IndustryWeek - Bloomberg*

BMW AG cut its profit forecast, becoming the latest carmaker to succumb to pressures ranging from trade wars to scrutiny on emissions. The shares fell the most in over two years.



International trade conflicts are making consumers skittish, eating into demand more than it expected when it first warned on its profit goals in early August, BMW said Tuesday in a statement.

"The continuing international trade conflicts are aggravating the market situation and feeding uncertainty," BMW said. "These circumstances are distorting demand more than anticipated and leading to pricing pressure in several automotive markets." [Read Article](#)

### **Manufacturers Liken Impact of Tariffs to Obama-Era Regulations**

*IndustryWeek - Bloomberg*

Tariffs are beginning to offset some of the positive impacts that American manufacturers have enjoyed since President Donald Trump started rolling back regulations, according to Jay Timmons, president of the National Association of Manufacturers.



"If you look back a couple of years ago, and the uncertainty that existed because of potential regulatory impediments that the past administration were putting forward, I'm starting to see the exact same type of uncertainty being generated" because of tariffs, he said Tuesday during an interview on Bloomberg Television with David Westin.

Timmons spoke a day after the Trump administration ratcheted up tensions with China by slapping tariffs on \$200 billion of goods from the Asian nation. Beijing responded by imposing duties of its own and calling off trade negotiations with Washington. Trump's move is part of his push to increase pressure on China to lower trade barriers and protect U.S. firms from theft of intellectual property. [Read Article](#)

## **Education and Workforce Development News**

**Notice of Establishment of American Workforce Policy Advisory**

## Board

### WorkforceGPS

The Department of Commerce announces establishment of the American Workforce Policy Advisory. The Board will provide advice and recommendations to the National Council for the American Worker (Council) on ways to encourage the private sector and educational institutions to combat the skills crisis. [Read Statute](#)

## Federal Court Rules Against DeVos in For-profit Fraud Case

*Community College Daily News - Associated Press*

A federal court has ruled that it was "arbitrary and capricious" for U.S. Education Secretary Betsy DeVos to delay an Obama-era rule meant to protect students swindled by for-profit colleges. The decision is a significant blow to the Trump administration's attempt to ease regulations for the industry.



A judge in the nation's capital ruled this week in favor of Democratic attorneys general from 19 states and the District of Columbia and former students. They had sued DeVos over her decision last year to postpone the defense to repayment rules finalized under President Barack Obama. [Read Article](#)

## America's High-Tech STEM Crisis

*Area Development - Hudson Institute- Arthur Herman*

America is in a race for high-tech supremacy with China. The question is, whether we will have enough future engineers and scientists to secure our lead in that race; or whether, for the first time, leadership in advanced technologies will pass to a leading geopolitical and economic competitor.



The issue isn't whether our colleges and universities are training students and Ph.D's in computer science and engineering and the physical sciences. It's whether enough of them are American students. In fact, if many of those departments in our leading institutions of higher learning had to rely on American students alone for enrollments, they would probably have to shut their doors. [Read Article](#)

## Ditching the single, standardized placement test

*Community College Daily News - Staff*

A growing number of community colleges over the years have started using alternatives to a single, standardized placement test to determine if students can do college-level work. Now a new study supports that such alternative measures are indeed more accurate in gauging students' math and English skills in deciding whether they need remediation.



According to early results from a study of 13,000 students at seven State University of New York community colleges, colleges using a broader set of measures to place students can boost enrollment in college-level courses - and students have shown that they can keep up.

Researchers from the Center for the Analysis of Postsecondary Readiness (CAPR) found that when colleges used multiple measures to place students, assignment to college-level courses jumped by 5 percentage points in math and more than 30 percentage points in English. Students placed using multiple measures were more likely to pass a college-level English or math course in their first term than comparison students. [Read Article](#)

## A First-hand Look at Using Short-term Pell Grants

*Community College Daily News - Matthew Dembicki*

A handful of congressional staffers on Friday visited the Community College of Baltimore County (CCBC) for a first-hand look at its workforce development programs, particularly its short-term programs as Congress mulls whether to open Pell Grant eligibility to such programs.



Community colleges are comprehensive institutions, but workforce development is the "guts" of what they do, CCBC President Sandra Kurtinitis told the visitors, which included higher education and workforce advocates.

"Students come to us because they want to improve their lives, their families and their communities," said Kurtinitis, who also serves as chair of the American Association of Community Colleges board of directors. [Read Article](#)

## Failure to Focus on Economic Impacts Diminishes Adult Education

*WorkforceGPS - Judy Mortrude*

The article, "Failure to Focus on Economic Impacts Diminishes Adult Education," posits that adult educators must prove the economic value of adult education, not only to investors and policy makers, but also to the students who invest their time in adult education programs. [Read Study](#)

## Reinventing Workforce Development

*WorkforceGPS - Deloitte Insights*

This is the first in a two-part series on workforce reinvention focusing on how state governments can use evidence-based strategies to tailor training programs. The next report will look at how governments can work with businesses to source talent and better meet industry demand.

The access to this WIOA data presents an opportunity for states to rethink their training efforts. There are several ways states can leverage this data to improve training and reskilling: [Read Report](#)

## Training and Organizational Development News

### How Can A&D Companies Strengthen Their Workforce?

*Area Development - PWC - John Karren*

The A&D sector is enjoying strong growth, with transport aircraft orders at record levels and more dollars allocated for defense this year. But companies cannot deliver unless they have the right people—and that has A&D executives concerned. In our recent interviews with industry leaders, they expressed the difficulty of finding skilled labor, STEM talent, and managerial expertise. And, with other industries facing a similar challenge, A&D companies have to compete to attract and retain the workforce they need to succeed.



And in our interviews, they said they've already made changes to workplace culture as well as making better use of technology to develop and engage workers. They are identifying key employees and "reskilling" them through training and continuing education, both on the job and through technology-enabled tools. Current workers are gaining new skills and knowledge to fill positions in AI, data science, automation, cyber, and advanced manufacturing. Other companies are taking a more arms-length approach, encouraging employees to take advantage of educational and development opportunities outside of work by providing tuition reimbursement.

[Read Article](#)

### Only 20% of Employees Have Necessary Skills for Current And Future Career

*IndustryWeek - Staff*

As companies become more digitalized, employees need different skills. In a new study by Gartner, respondents said that 70% of employees have not mastered the skills they need for their jobs today, and 80% of employees do not have the skills needed for their current and future roles.



"More than two-thirds of business leaders believe that if their company does not become significantly digitalized by 2020, it will no longer be competitive," said Brian Kropp, group vice president of Gartner's HR practice. The most effective way for HR leaders to help employees keep pace with shifting skill needs is by building connected learners, the group says. [Read Article](#)

### Manufacturing Workforce Certifications Will Help to Close the Skills Gap

*AreaDevelopment - Chris Hobbs, Manager of Technical Training, Advanced Technology Services*

Manufacturers who are currently seeking to locate a new facility in a community have a number of major considerations. To be sure, utilities, local business climate, and incentives figure prominently in the site selection decision. But more and more, the availability of an adequate workforce to man the new operation is key to the community's attractiveness and the new facility's potential for success down the line.



Today, recruiting and keeping skilled talent in manufacturing is a daunting challenge. The sector suffers from a skills gap as mature manufacturing workers are retiring, and the numbers of younger workers necessary to fill the empty positions - workers with the proper skills to do the job in today's high-tech operations - have not kept up.

Compounding the skills gap is the perception among young people - and those that guide them - that manufacturing facilities are dark, dirty, and dangerous rust-belt dungeons of days gone by. [Read Article](#)

## Quality News

### Pratt Investigating Airbus Engine Vibrations as FAA Weighs Action

*IndustryWeek - Bloomberg*

Pratt & Whitney is investigating incidents of excessive vibration in its engines that power Airbus SE's A320neo aircraft, the latest in a series of problems that have plagued the new turbine, according to people familiar with the matter.



The U.S. manufacturer, a unit of Farmington, Connecticut-based United Technologies Corp., has yet to identify the cause and is assessing if there is a connection to prior design issues, the people said, asking not to be identified as the process isn't public. Pilots have in some instances received alerts of high vibration levels during flights, and the U.S. Federal Aviation Administration is looking into the matter. [Read Article](#)

### Toyota Recalls 1 Million Prius, C-HR Hybrids on Risk of Fire

*IndustryWeek - Bloomberg*

Toyota Motor Corp. is recalling more than a million of its Prius and C-HR compact crossover vehicles globally due to the risk of fire.



Of the 1.03 million affected vehicles, 554,000 will be called back in Japan and 192,000 in the U.S., according to Jean-Yves Jault, a company spokesman. There has been one reported case of a vehicle emitting smoke, but no injuries were reported, he said Wednesday. [Read Article](#)

### Ford Recalls 2 Million Pickup Trucks on Fire Risk

*IndustryWeek - Agence France-Presse*

Ford is recalling two million pickup trucks in North America because of a defect in its seat belt system that increases the chance of a fire, the company announced Thursday.



The recall affects Ford's popular F-150 pickups, the best-selling auto in the United States, due to a fault in the component that locks the seatbelt in place during a crash. [Read Article](#)

## Cyber Security and IT News

### Cybersecurity 101: Six Basic Fixes to Hackproof Your Factory

*IndustryWeek - Kevin Bong*

Many manufacturers are low-hanging fruit for hackers today. How did we get to this point?



Cybercriminals historically focused on stealing credit card numbers and sensitive personal information like Social Security numbers. As a result, healthcare, finance and retail organizations were the top priorities for hackers. Additionally, these targeted industries are subject to stringent information security regulations while manufacturing is not. For these reasons, it's been easy for some manufacturing leaders to deprioritize security.

The threat environment is changing, however. Hackers now seek to monetize cybercrime through ransomware and electronic payment fraud, meaning they're looking for companies with easy vulnerabilities to exploit. Unfortunately, many manufacturers fit this bill. [Read Article](#)

### Phishing for Trouble: One Manufacturer's Mistakes, and How to Avoid Them

*IndustryWeek - Peter Hall, Kevin Langley*

A North Carolina solar panel manufacturer got into hot water because of its email laxity.



Imagine the following:

In the height of tax season, an accounting clerk opens an email asking him: "Please send me W-2's for employees in the marketing department. I need this information ASAP. Thanks very much." The name on the email is the comptroller's, so the clerk sends along the information. But the email was not from the comptroller—it was actually from a cybercriminal, and the W-2s are now for sale on the dark web. [Read Article](#)

## GAO Report Finds Cybersecurity Failings

*CFO.com - William Sprouse*

An audit report from the Government Accountability Office found federal agencies have not done enough to address cybersecurity risks and have often failed to comply with their own security policies.



One third of the cybersecurity recommendations issued by the GAO since 2010 had not been implemented as of August 2018, the report said, and 31 of 35 priority recommendations had not yet been addressed.

The GAO said the federal government still needed to address weaknesses in federal systems. It also needs to enhance incident response efforts, improve critical cyber infrastructure, and prioritize efforts to protect the privacy of individuals. [Read Article](#)

## Fighting to Save Net Neutrality

*Community College Daily News - Jim Hermes*

The American Association of Community Colleges (AACC) recently joined 19 other higher education associations in filing an amicus brief in a law suit challenging the Federal Communication Commission's (FCC) decision to rescind its net neutrality rules. This is the latest manifestation of AACC's long-held support for the concept of net neutrality.



At their core, net neutrality principles hold that internet service providers that control the means that end users employ to access the internet (the so-called "last mile") - cable, DSL, wireless networks, etc. - should not be able to favor some content providers over others. This could take the form of "paid prioritization," where content providers with deep pockets would pay to have their content piped faster into people's homes, giving them a competitive advantage. Even worse, without net neutrality, internet service providers could outright block certain content for financial gain (or any other reason).

So after long consideration and a failed first attempt to regulate on this issue, the FCC adopted the Open Internet Order in 2015 that classified internet service providers as common carriers and required them to abide by net neutrality rules. The regulations withstood a legal challenge brought by telecommunications companies, but President Donald Trump's appointed FCC chairman, Ajit Pai, vowed to overturn the rules soon after taking office. [Read Article](#)

## Balancing Personalization and Security for Online Shopping

*Material Handling & Logistics - Staff*

A majority of consumers in new survey said they're concerned about their online and in-store shopping history, such as transaction history and online searches, being used to provide better, more personalized service.



As retailers across the globe struggle with demands for both personalization and convenience, balanced with consumer skepticism on data privacy, JDA Software, Inc., and Centiro explored consumer trends in key markets in its 2018 Global Consumer Survey, released on Sept. 12. Shopping in-store remains the most popular experience overall (preferred by 38%), although online options were preferred in some of the surveyed countries, such as China where online shopping via mobile/tablet (34%) was the preferred option. [Read Article](#)

## Attorneys General Zoom In On Tech Privacy And Power

*NPR All Things Considered - Alina Selyukh*

A discussion between officials of the Department of Justice and state attorneys general focused on the rapid growth of tech companies like Facebook and Google and their handling of user data.



Officials from 14 states' top legal offices and the Justice Department have begun a coordinated conversation about ways to keep tabs on - and potentially rein in - the fast-growing tech giants.

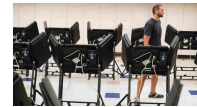
The Department of Justice on Tuesday convened a "listening session" with nine state attorneys general and top deputy attorneys from five other states. The meeting was originally pitched to focus on allegations of anti-conservative bias on social media.

But the discussion featured a broader group of topics in the tech industry,

including the rapid growth of tech companies like Facebook and Google and their handling of user data. The attorneys general also talked about how antitrust laws might be used to set the right standard of consumer privacy. [Read Article and Hear Podcast](#)

### Hacks, Security Gaps And Oligarchs: The Business Of Voting Comes Under Scrutiny

*NPR - Miles Parks*



It's been a tough couple of years for the business of voting. There's the state that discovered a Russian oligarch now finances the company that hosts its voting data.

Then there's the company that manufactures and services voter registration software in eight states that found itself hacked by Russian operatives leading up to the 2016 presidential election.

Will Your Vote Be Vulnerable On Election Day?

And then there's the largest voting machine company in the country, which initially denied and then admitted it had installed software on its systems considered by experts to be extremely vulnerable to hacking.

Private companies play a crucial role in elections, from printing and designing ballots, to manufacturing voting machines, to hosting results websites. The industry exists because the local and state governments who run elections don't have the resources or expertise to maintain all aspects of an election themselves. Read [Article and Hear Podcast](#)

### Steps to Protect American IP from China

*IndustryWeek - Jeffery Lesperance*



Appropriating U.S. manufacturers' intellectual property provides China a competitive shortcut. A patent attorney provides ways to check China's unscrupulous ambitions.

According to a recent 7-month investigation from the United States Trade Representative, after a recent 7-month investigation, "Chinese theft of American IP currently costs between \$225 billion and \$600 billion annually." It's driven President Donald Trump's vociferous trade rhetoric, which has been backed up by \$50 billion in tariffs on China, with another \$200 billion set to be imposed on Sep. 24.

The common perception is that China has been (and still is) stealing intellectual property from the U.S. and has been doing so for a long time. Based on recent cases of IP theft, there is some truth to this. [Read Article](#)

## Human Resource Management News

### General Mills Raises Paid Leave for New Moms and Other Parents

*IndustryWeek - Bloomberg*



Starting next year, General Mills Inc. will bump its paid maternity and parental leave offerings to match some of the more generous big employers in the U.S.

All new parents at the food giant will be eligible for 12 weeks of paid time off to care for a new born, and birth mothers will get an additional six to eight weeks of maternity leave. Under the old policy, General Mills gave two weeks of parental leave and six weeks of maternity leave.

The Minneapolis-based company is also adding paid time off for other types of family responsibilities: [Read Article](#)

### Bugged At Work: How Secret Recordings Are Changing The Workplace

*NPR - Yuki Noguchi*



A pair of recent, high-profile news stories are highlighting the way workplace law suits and culture increasingly are influenced by surreptitious recordings.

Former presidential adviser Omarosa Manigault Newman says she taped several conversations related to her firing, including one involving White House chief of staff John Kelly as well as one with President Trump himself.

Simone Grimes made secret recordings of Federal Housing Finance Agency Director Melvin Watt that she says bolster her claims of harassment, retaliation and equal-pay violations by Watt and the agency.

In a separate case, Simone Grimes says she started recording Federal

Housing Finance Administration Director Melvin Watt in early 2016, to bolster her claims alleging sexual harassment, retaliation and violations of the Equal Pay Act. [Read Article and Hear Podcast](#)

### What's Ahead in Workforce Regulations

*IndustryWeek - Michael Lotito , Maury Baskin , James Paretti*



Almost two years into the new presidential administration, and with highly consequential and hotly debated mid-term elections around the corner, Littler's Workforce Policy Institute's Labor Day Report examines the state of the American workforce. The WPI offers this Report to provide an overview of the U.S. labor economy, highlight employment trends, discuss key employment developments from the past year, and provide a preview of things to come.

**State of the U.S. Labor Market:** [Read Article](#)

### It's Quick, But Is It Effective?

*IndustryWeek - Hawley Kane*



When done right, a pulse survey—a fast, frequent survey—can help measure how people feel about their work, company culture and the organization at any given time. They provide valuable snapshots of the voices of your employees, and their ongoing experience at work.

Here are some key tips to make the best use of pulse surveys: [Read Article](#)

### U.S. Job Openings Hit Record, as Quit Rate Reaches 17-Year High

*IndustryWeek - Bloomberg*



Wages rose in August at the fastest pace since 2009, as employers struggle to find qualified workers and Americans become more confident in leaving their jobs for better pay elsewhere.

U.S. job openings rose in July to a fresh record and the biggest share of workers since 2001 quit their positions, adding to signs of labor-market strength that may push wages higher, Labor Department data showed Tuesday. [Read Article](#)

### IBM Is Being Sued for Age Discrimination After Firing Thousands

*IndustryWeek - Bloomberg*



Over the last several years, IBM has been in the process of systematically laying off older employees in order to build a younger workforce," the former employees claim in the suit, which draws heavily on a ProPublica report published in March that said the company has fired more than 20,000 employees older than 40 in the last six years.

A lawyer known for battling tech giants over the treatment of workers has set her sights on International Business Machines Corp. [Read Article](#)

### When an Employee Has a Substance Abuse Problem, Tread Carefully

*IndustryWeek - Dale L. Deitchler, Jeffrey E. Dilger*



Address the effects the problem has on performance and behavior, rather than draw conclusions based on someone's perceived or self-claimed status as an addict.

Employee impairment from drug or alcohol use and the effects of substance addiction create significant risks in the manufacturing workplace. A momentary lapse of attention caused by impairment from illegal drugs or alcohol can result in severe and irreversible consequences: personal injury, property damage, even death.

Meanwhile, we know that some ten million individuals show up to work battling the effects of substance abuse or addiction. And we know that, every day, some small subset of employees will show up to work impaired by drugs or alcohol.

Like so many areas of labor and employment law, addressing impairment and substance abuse requires the employer to exercise caution. [Read Article](#)

### The Biggest Danger Your Employees Face Could Very Well Be You

*New Equipment Digest - Dave Blanchard*



Bad bosses are costing their companies billions as they



burn out their employees.

The number one job of a safety director is to protect their employees from harm. Harm can come from many different directions and can strike an employee in any number of ways and places—the head, the hands, the feet, eyes, ears, nose, lungs, heart. It could be excessive heat, excessive cold, excessive sunlight, toxic chemicals and gases, spills, falls. It could come from equipment, vehicles, dry rot, asbestos, combustible dust, animals, electricity, fires, floods.

The list goes on and on, of course, as every workplace has its own unique potential to expose workers to some kind of harm. And for just about every possible danger, there is a corresponding solution to prevent it, or at least contain it. [Read Article](#)

### **NLRB Opens Joint Employer Rule-making**

*IndustryWeek - David Sparkman*

The National Labor Relations Board has opened a formal rule-making to change an Obama-era ruling on joint employer status that would allow independent contractors, leased and temporary employees to vote alongside the regular workforce on unionization.



The previous Democrat-dominated board reversed decades of policy holding the opposite in 2015, ruling that two companies can be considered joint employers if one has indirect control or rights of control over the other firm's employees, even if those rights are never exercised. Typically, this involves staff leasing companies and franchisees. [Read Article](#)

## **Environmental, Health & Safety News**

### **Why Being "OSHA Legal" Isn't Enough**

*EHS Today - Michael Pardus*

When it comes to chemical exposure protection for employees and downstream users, companies must be compliant with Occupational Safety and Health Administration (OSHA) regulations. In 1970, OSHA created permissible exposure limits (PELs) that remain the rule of law to this day, though knowledge regarding exposure and toxicity has continued to evolve since then.



Disregarding that knowledge means legal compliance is not the same as protecting your company, employees and downstream users. Staying "OSHA legal" is no longer enough. Going beyond compliance is how you create a safer standard of care and protect your bottom line. But how exactly do you go beyond compliance? For starters, you look beyond OSHA regulations.

EPA & OSHA: Overlapping Jurisdictions? [Read Article](#)

### **Nebraska Railcar Cleaning Services and its Executives are Criminally Charged After Workers' Deaths.**

*EHS Today - David Sparkman*

Three years after two of its employees died and a third was injured while cleaning rail tank cars, Nebraska Railcar Cleaning Services (NRCS) and its top executives were hit with a 22-count criminal indictment.



The charges include criminal conspiracy, violating safety standards resulting in worker deaths, violating the Resource Conservation and Recovery Act by dumping hazardous waste, and for submitting false documents to a federal agency. In the immediate aftermath of the incident the company received 30 citations from the Occupational Safety and Health Administration (OSHA). [Read Article](#)

### **Preparing Emergency Response Coordinators for Success**

*EHSToday - Karen Hamel*

Facility emergency response plans identify specific types of hazards, risks and circumstances that could harm people or the environment. They also document the tools and tactics that will be used to prevent injuries or property damage. Skilled emergency response coordinators are a vital link between just having plans on paper and having emergency response practices that really work.



Emergency response coordinators are responsible for making decisions during emergencies. To do this well, they need to be properly trained and supported by management. [Read Article](#)

**What you need to know about ISO 45001: It's a Leading Concern**

*EHSToday - InteleX-Chris J. Ward*

An important question to consider regarding the anticipated ISO 45001 international standard for health and safety is whether it represents a useful, new approach to occupational health and safety management or is it simply an overly prescriptive set of rules and regulations more likely to constrain business activity?

As a reminder, the ISO 45001 standard spells out requirements for an occupational health and safety management system (OHSMS) through a framework intended to improve employee safety, reduce workplace risks and create better, safer working conditions. [Read Paper](#)

### **Getting Lockout/Tagout Compliance Right**

*EHS Today - David Sparkman*

The Occupational Safety and Health Administration (OSHA) Lockout/Tagout (LOTO) rules for industrial equipment are among the least understood and most-often violated by employers. And probably no rule is as costly if you get it wrong.



One of the most common misunderstandings arises over the fact that the LOTO standard does not cover normal production operations. Instead, the requirements apply to servicing and maintenance, or any production activity that requires an employee to remove or bypass a guard or other safety device. [Read Article](#)

## **Having trouble finding, selecting, training and keeping the skilled workers you need? Are your employee turnover costs a concern?**

- Classes alone will not train workers to perform your tasks...
- Quality Control policies and Process Documents are not a substitute for task training...
- Wishing and hoping won't develop the skilled workers you need...

The cost of one worker malperformance or one worker's under-capacity or under-performance - due to lack of proper training - **can more than justify the investment to train all your workers properly!**

**AND, structured on-the-job training takes place where, and while, the work is performed. You need no additional staff** and structured on-the-job training **does not interrupt your work schedule** like unstructured, haphazard and ad hoc training does. Most of the pieces are already there; they just need structure around them to make the training experience work for everyone through the [\*\*accelerated transfer of expertise™\*\*](#).

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