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Pulp and paper provide clues to jobless recovery

By Paperitalo Staff

I recently turned down an assignment to study a newsprint mill in the north woods with the idea of keeping it open. This study was being sponsored by a local government desperate to keep high paying paper mill jobs in a remote area. It would have been easy money for me, but a waste for the check writer. The objectives were hopeless: newsprint is a rapidly declining market.

The reality is simple: things change. There are two other key forces at work as well.

The first is improving technology. My career has witnessed computers, hydraulics, radio spectrum and other clever devices taking over many tasks that used to be performed by skilled and manual labor. This increases productivity but at the same time reduces the number of actual human beings required to accomplish a given business objective.

The other force at work (at least in the US, Europe and other developed areas) is the increasing risks one assumes when making the commitment to hire an employee. These risks come from potential lawsuits from employees that think they have been abused, to lawsuits related to injuries to lawsuits for wrongful discharge.

When I started my career, 1970, the veterans of World War II were in ascendancy and running US businesses. These characters were male, white, and took no prisoners. I witnessed a fellow worker get a royal chewing for using his own initials to identify similar assemblies on a detail drawing (such as ABC1, ABC2 and so forth) in the engineering department where I worked. This had been the practice where he previously worked and he had no idea this would be frowned upon. He lived in terror after that and soon quit (by the way, he was a white male as was our former Colonel-in-the-Army boss). Such actions, are, of course, absolutely inappropriate.

The next engineering department in which I worked, at the big consumer products company in Cincinnati, Ohio, spent an inordinate amount of time, progressive even by today's standards, in teaching us to get along with our fellow workers, regardless of their race, color, creed or gender (I had six weeks of what we then called "Black/White" training in less than four years). They turned us into a bunch of narcissistic, politically correct wimps that forgot why we were at work. It is worth noting that within about 5 years, when Computer Aided Design became widespread, this department was essentially decimated.

A female that works for a major company in our industry has told my wife she believes her employer hires proactive, driven females, but the males that have walked in the door during her tenure could be stereotyped as wimps (her words, not mine).

Now, before you sit down to write me an enraged email, read this carefully: I think most of these changes have been very, very good. The point is this: the balance of the relationship between employer and employee has moved radically in favor of the employee in the last forty years. At the same time, improving technology has given employers options which do not represent a potential lawsuit.

So, now employees are hired as a measure of last resort. Employers do not feel any social obligation to hire employees to improve the general welfare of the nation. Thus we have jobless recoveries. A solution (which I do not recommend, as I am opposed to all expansion of government services) would be for the government to take on the liability of any and all employee suits. If the government feels its input is needed to improve the employment numbers, I think this would result in an instant improvement (with a lagging further ballooning of government debt).

Good safety practices keep plants and mills open. It can be shown that perpetually unsafe plants do not prosper. Do your part to keep your mill prosperous.

Be safe and we will talk next week. ##