

THE AMERICAN WORKFORCE IN TRANSITION

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ADDRESS BEFORE THE
NORTHEAST MIDWEST CONGRESSIONAL COALITION
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CONFERENCE ON "SHAPING THE WORKFORCE OF THE FUTURE"

THE AMERICAN WORKFORCE IN TRANSITION

SINCE THE PURPOSE OF THIS CONFERENCE IS TO FOCUS ON SPECIFIC ISSUES AND DIRECT EXPERIENCE RATHER THAN ON ELABORATE THEORIES, LET ME RECOUNT OUR EXPERIENCE AT AMERICAN CAN. I THINK IT IS FAIRLY TYPICAL OF THE PROBLEMS FACED BY INDUSTRIAL AMERICA AND THE CONCERNS WE NOW HAVE AS A NATION.

AMERICAN CAN HAS GONE THROUGH A MAJOR TRANSFORMATION DURING THE LAST 10 TO 12 YEARS. IN 1972. WE WERE ONE OF THE TRADITIONAL "SMOKESTACK" INDUSTRIES LIKE STEEL, RUBBER AND GLASS. WE HAD HELPED SUPPORT AMERICAN ECONOMIC GROWTH FOR DECADES.

~MORE~

AS OUR MARKETS CONTRACTED AND OUR PLANTS RAPIDLY BECAME NON-
COMPETITIVE, WE REALIZED THAT OUR DAYS AS A COMPANY WHOSE
PRIMARY BUSINESSES WERE CAPITAL INTENSIVE

MANUFACTURING WERE NUMBERED. WE COULD NOT AFFORD THE HIGH
CAPITAL COST TO REMAIN COMPETITIVE IN BOTH OUR PACKAGING AND PAPER
BUSINESSES. OUR FUTURE -- ASSUMING THERE WAS A FUTURE -- LAY IN
CONSOLIDATION, PRODUCTIVITY IMPROVEMENTS AND NEW, HIGH GROWTH
BUSINESSES.

WE REORGANIZED AND DIVERSIFIED. WE BECAME A COMPANY WITH THREE
PRINCIPLE BUSINESSES: PACKAGING, FINANCIAL SERVICES AND SPECIALTY
RETAILING. OUR FIRST DIVERSIFICATION WAS IN SPECIALTY RETAILING,
WHICH SHORTLY THEREAFTER PUT US FIRMLY IN A FAST-GROWING SECTOR
OF THE ECONOMY, THE DIVESTMENT OF OUR CAPITAL-INTENSIVE PAPER
BUSINESSES PROVIDED THE CAPITAL TO LAUNCH OUR FINANCIAL SERVICES
SECTOR - NOW THE FASTEST GROWING IN THAT INDUSTRY,

OUR PACKAGING BUSINESS HAS BEEN CONSOLIDATED INTO A MUCH MORE
EFFICIENT OPERATION, WE HAVE MOVED INTO SPECIALIZED PACKAGING,
MAKING METAL AND PLASTIC PRODUCTS FOR TARGETED,
HIGHER GROWTH MARKETS, TO ACHIEVE THIS, WE SPENT NEARLY \$1400
MILLION IN INNOVATIVE, NEW MANUFACTURING TECHNOLOGY, MODERNIZING
SOME OLD PACKAGING PLANTS AND BUILDING NEW ONES IN COMMUNITIES
WHERE WE ALREADY WERE LOCATED.

THESE ACTIONS DRAMATICALLY INCREASED PRODUCTIVITY AND MADE US MUCH MORE COMPETITIVE. THEY ALLOWED US TO SAVE JOBS AND MAINTAIN OUR CONTRIBUTION TO THE TAX BASE IN COMMUNITIES SUCH AS LEMOYNE, PENNSYLVANIA; CHICAGO, ILLINOIS; HAMMOND, INDIANA; FAIRPORT, NEW YORK; AND ST. PAUL, MINNESOTA.

WE HAVE BEEN ACTIVE ON OTHER FRONTS AS WELL. IN CLEVELAND, OHIO, WE ARE PART OF AN INNOVATIVE PUBLIC-PRIVATE PARTNERSHIP BETWEEN CITY OFFICIALS, INDUSTRY AND LABOR AIMED AT STEMMING CAPITAL FLIGHT, ENCOURAGING REINVESTMENT AND THEREBY MAINTAINING AND DEVELOPING JOBS, RATHER THAN ELIMINATING THEM,

BUT, DON'T BE MISLED, THE PLUSES AND MINUSES DO NOT ALWAYS BALANCE OUT. AMERICAN CAN SURVIVED AS A COMPANY,

BUT THE COST WAS HIGH -- TO US AND TO OUR EMPLOYEES. THIS HAS BEEN A DIFFICULT PERIOD FOR EVERYONE. EACH DECISION

WAS DIFFICULT. MANY PEOPLE WERE HURT. MANY PEOPLE STILL HURT. BUT WE HAD ONLY TWO ALTERNATIVES.

WE COULD RETRENCH. REORGANIZE AND DIVERSIFY AND STILL MAINTAIN A COMPETITIVE LEVEL OF INDUSTRIAL CAPACITY. OR. WE COULD CLOSE OUR EYES TO OUR PROJECTIONS AND PROCEED

BLINDLY UNTIL WE COULD NO LONGER SUSTAIN OUR PACKAGING AND PAPER BUSINESSES. SOME MAY FIND FAULT WITH THE FIRST ALTERNATIVE. LET ME ASSURE YOU -- THE SECOND WOULD HAVE BEEN MUCH WORSE.

COULD WE HAVE MADE BETTER DECISIONS? COULD THE IMPACT OF THOSE DECISIONS BEEN LESS PAINFUL? POSSIBLY. A MEETING LIKE THIS. WITH ITS EMPHASIS ON VARIOUS RESPONSES TO ECONOMIC TRANSFORMATION. WOULD HAVE BEEN A GREAT HELP 12 YEARS AGO.

WHEN WE MADE OUR WATERSHED DECISIONS IN THE EARLY 1970'S WE RECOGNIZED THE END OF AN INDUSTRIAL CYCLE WAS UPON US. BUT THE PROCESS OF TRANSFORMATION WAS LARGELY UNCHARTED BACK THEN. WE KNEW OTHER COMPANIES HAD BEEN THROUGH

SIMILAR EXPERIENCES. BUT SOURCES FOR RELIABLE EVALUATION. INFORMATION OR ASSISTANCE WERE FEW AND FAR BETWEEN. MORE OFTEN BASTIONS OF THEORY THAN PRACTICE. THERE WERE NO

CLEARINGHOUSES WHERE WE COULD LEARN WHAT OTHER PEOPLE HAD TRIED. WHAT INNOVATIVE PROGRAMS MIGHT BE RELEVANT. WHAT TRAPS TO AVOID. WHAT ISSUES WE NEEDED TO CONSIDER.

TRUE. TODAY'S ECONOMIC TRANSFORMATION IS SIMILAR IN MANY WAYS TO TRANSFORMATIONS OF THE PAST. HOWEVER. TWO RELATED FACTORS ARE FUNDAMENTALLY DIFFERENT: FIRST. THE SPEED WITH WHICH ECONOMIC CHANGE IS OCCURRING AND SECOND ITS UNPREDICTABILITY. WE ONCE HAD DECADES TO IDENTIFY AND SOLVE THE PROBLEMS OF ECONOMIC CHANGE, Now CYCLES HAVE BEEN COMPRESSED INTO ONLY A FEW YEARS. BECAUSE WE HAVE LESS TIME. WE HAVE LESS ROOM FOR ERROR.

THE INABILITY TO PREDICT CHANGE OFTEN RESULTS IN MIND BOGGLING PROBLEMS. FOR INSTANCE. THE ECONOMIC STRATEGY REPORT PREPARED BY THE REGIONAL PLAN ASSOCIATION FOR THE NEW YORK NEW JERSEY CONNECTICUT AREA CALLS FOR THE CREATION OF AN ADDITIONAL 500,000 JOB OPPORTUNITIES FOR STRUCTURALLY UNEMPLOYED AND DISPLACED WORKERS IN THE THREE STATE AREA. IT INCLUDES UPGRADING THE SKILLS OF MORE THAN 200,000 NOW OR SOON TO BE UNEMPLOYED PEOPLE: A MASSIVE CAPITAL INVESTMENT IN WATER. SEWAGE, WASTE DISPOSAL. TRANSPORTATION AND ENERGY SYSTEMS; ATTRACTING MORE THAN \$6 BILLION IN FOREIGN INVESTMENTS; AND EXPANDING HIGH TECHNOLOGY INDUSTRIES.

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THE COALITION'S PRESENCE IS NOT GOING TO REDUCE THE COMPLEXITY OR THE INTRACTABILITY OF THESE AND OTHER ECONOMIC ISSUES. THERE ARE LIMITS TO WHAT ANY OF US CAN ACHIEVE. THIS COALITION DOES NOT HAVE ALL THE ANSWERS, NOR DOES ANYONE ELSE.

BUT THE PRESENCE AND ACTIVITIES OF THE COALITIONS AND THE INSTITUTE -- THE FIELD HEARINGS, THE CONFERENCES, THE

BACKGROUND PAPERS, THE EXPOSITION -- ARE PROVIDING US WITH AN OUTLOOK AND SENSE OF DIRECTION THAT ARE ABSOLUTELY ESSENTIAL FOR THE TASK AHEAD; A DEDICATION TO FINDING

PRACTICAL SOLUTIONS TO SPECIFIC PROBLEMS; AND A COMMITMENT TO THE PEOPLE CAUGHT UP IN THE TURBULENCE OF ECONOMIC CHANGE.

IF OUR ECONOMIC PROBLEMS WERE LIMITED TO A FEW ISOLATED
EXAMPLES. LOCATIONS AND INDUSTRIES. WE WOULD NOT NEED THIS REMINDER.
BUT THE SCOPE AND MAGNITUDE OF THESE PROBLEMS OFTEN LEADS US IN A
DIFFERENT DIRECTION. WE START DEBATING THE WISDOM OF A NATIONAL
INDUSTRIAL POLICY. WE ANALYZE THE HIGH TECH REVOLUTION. WE LOOK
FOR THE BIG ANSWER. WE SEEK THE ONE ORGANIZING CONCEPT. THE ONE
DEFINITION. THE ONE NEW PHRASE THAT WILL PROVIDE US WITH A HANDLE ON
OUR PROBLEMS. I AM VULNERABLE TO THIS TEMPTATION AS CHAIRMAN OF THE
REGIONAL PLAN ASSOCIATION,

I SUSPECT YOU ARE AS WELL. WHEN YOU CONSIDER THE NEEDS OF AN ENTIRE
REGION OF THE COUNTRY.

THIS "BIG PICTURE" THINKING CAN MISLEAD US. IT CAN
CONVINCE US THAT WE KNOW MORE ABOUT DRAMATIC ECONOMIC AND SOCIAL
CHANGE THAN WE ACTUALLY DO. THAT INTELLECTUAL ANALYSIS IS THE
CRUCIAL ISSUE. THAT IF WE CAN JUST BE RIGOROUS ENOUGH IN OUR
THINKING ON A THEORETICAL LEVEL. ALL THE PRACTICAL ISSUES WILL FALL
INTO PLACE.

YET IN THE LAST ANALYSIS IT IS THE "SMALL PICTURE" WE MUST FOCUS ON, As A PRACTICAL MATTER, IT DOES NOT MAKE ANY DIFFERENCE WHAT NAME WE GIVE OUR PROBLEMS OR HOW MANY GRAND THEORIES WE DESIGN TO SOLVE THEM. IT IS THE INDIVIDUAL WHO MUST COMMAND OUR ATTENTION - NOT DEFINITIONS, NOT CONCEPTS, NOT THEORIES.

OUR SEARCH FOR THE RIGHT WORDS AND IDEAS OFTEN REMINDS ME OF A PANEL DRAWING THAT JULES PFEIFFER, THE POLITICAL SATIRIST, PUBLISHED IN THE 1960'S WHEN THE WAR ON POVERTY WAS IN FULL FORCE. IT SHOWED A YOUNG MAN. "I USED TO BE POOR," THE MAN SAID IN THE FIRST PANEL. "THEN THEY TOLD ME I WAS DISADVANTAGED," HE SAID IN THE SECOND. HE WAS "UNDERPRIVILEGED" IN THE THIRD AND "ECONOMICALLY DEPRIVED" IN THE FOURTH. SUCCEEDING PANELS CONTAINED OTHER EUPHEMISMS. IN THE LAST PANEL, A SADDER BUT WISER MAN SAID: "I STILL DON'T HAVE A DIME. BUT I'VE GOT A GREAT VOCABULARY."

IN THE MONTHS AHEAD, YOU WILL HAVE AN OPPORTUNITY TO PUT THE EXPERIENCE AND INSIGHT YOU HAVE GAINED AS MEMBERS OF THIS COALITION TO IMPORTANT PRACTICAL USE. You WILL BE ASKED TO RENEW AND REWRITE MANY BASIC PIECES OF LEGISLATION THAT FORM THE FOUNDATION OF THE FEDERAL EFFORT IN EMPLOYMENT, TRAINING AND EDUCATION.

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I WORK IN THE PRIVATE SECTOR. MY PERSPECTIVE IS SOMEWHAT DIFFERENT THAN YOURS. BUT I WOULD LIKE TO OFFER A FOUR-POINT FRAMEWORK FOR DECISION-MAKING THAT I BELIEVE IS CONSISTENT WITH THE PURPOSE OF THIS CONFERENCE AND WITH THE GOALS OF THIS COALITION.

FIRST, OUR PEOPLE -- OUR HUMAN CAPITAL, IF YOU WILL --MUST BE SEEN AS THE MAJOR RESOURCE FOR REVITALIZING OUR ECONOMY. ECONOMIC RENEWAL IS A HUMAN PROBLEM. TECHNOLOGY AND MANAGEMENT ABILITY ARE CRITICAL FACTORS, BUT ECONOMIC GROWTH AND RENEWAL ULTIMATELY DEPEND UPON OUR WORKFORCE. THEY DEPEND ON WHETHER WE, AS A NATION, CAN PROVIDE OUR PEOPLE WITH THE EDUCATION, TRAINING AND JOB OPPORTUNITIES THAT WILL ALLOW THEM TO REACH THEIR FULL POTENTIAL AND ATTAIN SECURITY IN THEIR PERSONAL LIVES.

SECOND, DEVELOP YOUR PROGRAM IN STAGES. WHILE DEVELOPING A COMPREHENSIVE VIEW, WORK ON THOSE ASPECTS OF EDUCATION, TRAINING AND EMPLOYMENT WHERE YOU CAN APPLY YOUR HARD-EARNED KNOWLEDGE AND EXPERIENCE FOR IMMEDIATE, PRACTICAL SOLUTIONS. THEN MOVE ON TO OTHER ASPECTS AS NEW NEEDS ARE PERCEIVED, ISSUES UNDERSTOOD MORE CLEARLY, AND ADDITIONAL INFORMATION AND EXPERIENCE BECOMES AVAILABLE.

THIRD, FIND A PLACE FOR THE INNOVATIVE AND THE UNUSUAL. THE ECONOMIC ISSUES THAT BRING US TOGETHER INVOLVE NEARLY EVERY INSTITUTION IN OUR SOCIETY: STATE GOVERNMENT, LOCAL GOVERNMENT, BUSINESS AND INDUSTRY, LABOR AND UNIONS, SCHOOLS. VOLUNTARY AGENCIES, COMMUNITY BASED ORGANIZATIONS AND THE FEDERAL GOVERNMENT, THE EXPOSITION YOU HAVE CREATED IS IN ITSELF A REMARKABLE EXAMPLE OF THE CREATIVITY. ENERGY AND LEADERSHIP AVAILABLE TO US THROUGH THESE INSTITUTIONS. IT IS NOT ENOUGH, THOUGH, SIMPLY TO ENCOURAGE THE INNOVATIVE AND THE UNUSUAL. WE ALSO HAVE TO BEGIN USING THESE EXAMPLES AS MODELS UPON WHICH TO BASE PUBLIC POLICY FOR THE FUTURE.

FOURTH, ENCOURAGE BUSINESS TO BECOME MORE ACTIVELY INVOLVED IN OUR PUBLIC EDUCATION SYSTEMS. FOR TOO MANY YEARS. THE CORPORATIONS OF AMERICA HAVE IGNORED THE PUBLIC SCHOOLS, WE HAVE CONTRIBUTED GENEROUSLY TO COLLEGES AND UNIVERSITIES. BUT RARELY THOUGHT TWICE ABOUT WHAT WAS HAPPENING IN THE PUBLIC ELEMENTARY AND SECONDARY SCHOOLS.

THAT IS BEGINNING TO CHANGE, I THINK ONE PROGRAM IN WHICH AMERICAN CAN BE DEEPLY INVOLVED WILL HELP TO ILLUSTRATE.

ABOUT A YEAR AGO. THE NEW YORK CITY BOARD OF EDUCATION STARTED A PROGRAM CALLED JOIN A SCHOOL. THE IDEA WAS TO INVOLVE THE PRIVATE SECTOR IN THE PROBLEMS OF PUBLIC

EDUCATION BY MATCHING UP CORPORATIONS THAT WANTED TO HELP WITH SCHOOLS THAT WERE WILLING TO PARTICIPATE. WE WERE ONE OF THESE CORPORATIONS. WE WERE MATCHED WITH MARTIN LUTHER KING JR. HIGH SCHOOL IN MANHATTAN. WHICH. INCIDENTALLY. HAS AN EXHIBIT AT YOUR EXPOSITION.

JOIN A SCHOOL IS NOT A COMPLICATED PROGRAM. THE CORPORATION AND THE SCHOOL ARE LEFT ALONE TO DEVELOP THEIR OWN RELATIONSHIP. FOR THE MOST PART. THE SCHOOL SETS THE AGENDA. THEY TELL US HOW THEY THINK WE CAN HELP, WE PROVIDE A CERTAIN AMOUNT OF PERSONNEL. EQUIPMENT. SERVICES AND FUNDS.

JOIN A SCHOOL IS A MODEST PROGRAM. IT ALSO IS A SUCCESSFUL ONE. I OFTEN URGE OTHER CORPORATIONS TO DEVELOP SIMILAR EFFORTS. THE CORPORATIONS HAVE RESOURCES

AND TALENTS THE SCHOOLS CAN USE, ESPECIALLY OUR INNER CITY SCHOOLS; AND THE CORPORATIONS NEED THIS TYPE OF

INVOLVEMENT FOR THEIR OWN SAKE. ALMOST TO A PERSON, THE AMERICAN CAN EMPLOYEES WHO PARTICIPATE IN JOIN A SCHOOL FEEL MORE USEFUL IN THE SOCIAL ARENA THAN THEY HAVE IN

YEARS. I KNOW SEVERAL PEOPLE WHO NEVER THOUGHT MUCH ABOUT SOCIAL INVOLVEMENT -- UNTIL THIS PROGRAM CAME ALONG.

FROM YOUR PERSPECTIVE, HOWEVER, THE MORE SIGNIFICANT POINT MAY BE THAT JOIN A SCHOOL PROGRAMS COULD PROVIDE THE BASIS FOR A RELATIONSHIP THAT WILL ALLOW CORPORATIONS -- IF INVITED -- TO WORK MORE CLOSELY WITH OUR EDUCATIONAL SYSTEMS SO THAT PUBLIC EDUCATION CAN PLAY A MORE ACTIVE

ROLE IN PREPARING PEOPLE FOR THE EMPLOYMENT OPPORTUNITIES THAT WILL EXIST IN THE YEARS AHEAD.

BUSINESS AND THE PUBLIC SCHOOLS HAVE NOT WORKED WELL TOGETHER IN THE PAST. WE HAVE BOTH BEEN THE LOSERS. WE

HAVE FAILED TO CAPITALIZE ON MANY OPPORTUNITIES TO IMPROVE OUR ECONOMIC AND EDUCATIONAL INSTITUTIONS. THAT IS WHY I RECOMMEND THE JOIN A SCHOOL PROGRAM TO YOU TODAY. I BELIEVE IT SHOWS THAT THE BUSINESS AND EDUCATIONAL COMMUNITIES DO NOT LIVE IN SEPARATE WORLDS. THAT WE ARE PART OF THE SAME COMMUNITY. THAT WE SHARE MANY COMMON CONCERNS. AND THAT WE CAN WORK TOGETHER TO SOLVE PROBLEMS

OF LOCAL AND NATIONAL IMPORTANCE IN A RELATIONSHIP THAT IS BASED ON MUTUAL RESPECT AND TRUST.

AN ADDITIONAL POINT MUST BE MADE. OUR SCHOOLS NEED MORE THAN WHAT ONE CORPORATION CAN PROVIDE. THEY NEED MORE THAN WHAT ALL CORPORATIONS CAN PROVIDE TOGETHER. THEY

NEED THE FULL, WHOLEHEARTED. UNQUALIFIED SUPPORT THEY HAVE A RIGHT TO EXPECT FROM ALL LEVELS OF GOVERNMENT. INCLUDING THE FEDERAL GOVERNMENT. AND THIS WILL UNDOUBTEDLY MEAN

INCREASED FUNDING. I DO NOT BELIEVE THAT A PUBLIC PRIVATE PARTNERSHIP MEANS PRIVATE SECTOR SUBSTITUTION FOR PUBLIC SECTOR RESPONSIBILITY. JOIN A SCHOOL CAN SUPPLEMENT

GOVERNMENT SUPPORT OF PUBLIC EDUCATION. IT SHOULD NOT BE CONSTRUED AS A REPLACEMENT FOR IT.

FINALLY, PERMIT ME TO RESTATE. MY BASIC MESSAGE. IT IS RELATIVELY
SIMPLE. LET US ALL WORK TO DEVELOP OUR
LEGISLATIVE SOLUTIONS FROM THE BOTTOM UP. .LET US FIND OUT WHAT WORKS IN
EVERYDAY LIFE AND USE THAT AS OUR STARTING POINT. THE REALITY OF
PEOPLES' LIVES MUST ALWAYS BE OUR GUIDE. THE PLAIN TRUTH IS, IF WE
CANNOT SOLVE OUR- ECONOMIC AND SOCIAL PROBLEMS ON THE LEVEL OF THE
INDIVIDUAL WORKER AND HIS OR HER FAMILY, THEN WE WILL NOT HAVE SOLVED
THESE PROBLEMS AT ALL.

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