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A RECORD SIX MILLION U.S. JOB VACANCIES:

REASONS & REMEDIES

JOINT ECONOMIC COMMITTEE

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Thank you Chairman Tiberi, Ranking Member Heinrich and the members of the committee for hosting this hearing on the critical issue of workforce participation and workforce development. This is a topic vital to the United States economy and to companies like Honda who have significant domestic manufacturing operations.

My name is Scot McLemore and I serve as manager of Talent Acquisition at Honda North America. In my role at Honda, I work to develop strategies to help address workforce challenges. It is my honor to be here today to share some of those initiatives with you and discuss ways that industry and government can partner to activate the full potential of the domestic manufacturing sector. Honda has more than 70 facilities in the United States, including 12 manufacturing plants that produce a wide range of products; including cars, trucks, light business jets, power equipment and power sports products. More than 73 percent of Honda's 30,000 U.S. associates work in manufacturing roles. In addition to our direct employment, Honda works with more than 600 U.S. suppliers who employ tens of thousands of workers nationwide.

I. Overview

Manufacturing jobs are high paying jobs, with good benefits, which should be highly attractive in our current economic climate. Unfortunately, however, there is a shortage of young people entering the manufacturing workforce, and that alone threatens the foundation of American industry. According to a 2015 Deloitte study completed in conjunction with the Manufacturing Institute, nearly 3.4 million manufacturing jobs will need to be filled over the next decade; 2.7 million of those jobs will be due to retirement and another 700,000 will be due to new job creation. Of those 3.4 million jobs, two million are expected to go unfilled because of a lack of interest in manufacturing or simply because prospective employees lack the essential skills needed to be successful in a manufacturing role.

This situation presents a great opportunity for our country, but without immediate action, the number of unfilled jobs will only continue to grow. The same Deloitte study found that only 37 percent of parents would recommend a manufacturing career to their children. Despite the reality that the average manufacturing employee earns roughly \$15,000 more than the average employee does across all other sectors, the industry has been long been stigmatized by the outdated visions of the factory floor of yesteryear.

Even when prospective employees understand the opportunity of a career in manufacturing, too often they lack the skills to succeed in modern industry. Specifically, these individuals often do not possess the problem solving ability, technical training, computer knowledge, or math skills needed to compete in the 21st Century workforce. Modern manufacturing equipment and processes involve an integration of pneumatic, hydraulic, mechanical, electronic and computer-networked components. Employees must have the ability to understand these systems and how they work together to be able to install, troubleshoot and modify to maintain daily operations within a facility.

Honda's success is reliant on our ability to hire and develop talent to build the high quality products that bring our customers joy. While it is true Honda has a stake in more people entering manufacturing positions, we want to implement programs that create interest and opportunities for all companies and to help advance the entire U.S. manufacturing economy.

II. What Honda is Doing To Encourage Interest/Address Skills Gap

As we have developed our workforce education and training programs, Honda has taken an intentional approach that establishes a pathway for students from middle to post-secondary education so that they may have a successful career within the manufacturing sector, which I will outline today. Our programs reflect our desire to build enthusiasm and passion for individuals who pursue careers in manufacturing, which we believe can be achieved through innovative instruction and continued skills support.

A. Early Engagement

Honda believes that the first step in technical workforce development is to create excitement for manufacturing jobs through enthusiastic engagement with students, parents and educators. One way we are working to engage students early in their academic career is with the deployment of an educational video game for middle school aged children. Through a partnership with an Ohio-based company called EdHeads, we have developed a unique virtual experience designed for classroom use. The game teaches logic, critical thinking and takes students right to the engine manufacturing line where they apply math and problem solving skills to find answers to real world problems. This free resource is available at <http://edheads.org/page/manufacturing1>. I encourage you to visit the site and share this resource with any of your constituents who may be interested.

However, we also recognize that creating interest comes down to providing hands-on opportunities for students to experience manufacturing in real life. To help facilitate this learning, Honda has partnered with several businesses and academic institutions to create mobile labs that feature robotics and other technologies that help middle school students develop critical thinking skills and gain an understanding of modern manufacturing. The fact that these labs are mobile allows them to travel to rural areas that may be underserved by most traditional workforce development programs. By expanding the number of students who have early access to this technology, Honda hopes to grow the base of students who become interested in manufacturing and become future manufacturing employees.

In addition, Honda has partnered with TechCorps, a nonprofit organization focused on developing technology-related skills in K-12 students, to create summer programs geared toward middle school students in Ohio. Interested students can attend full-day, week-long summer camps where they are submerged into STEM subject matters, including computer programming, web development and app development.

These summer camps are designed so students emerge with knowledge, concepts and skills that are useful in today's classroom and tomorrow's workplace.

B. Skills Gap/Technical Education

As Honda recruits technical talent, we experience the challenge of identifying individuals who possess the required skills to maintain modern manufacturing equipment. Many young people have not experienced learning beyond a textbook or computer to really understand how things work. We recognize there must be a bridge formed between creating interest in manufacturing and preparing people to use analytical skills to effectively interact with today's manufacturing equipment. Through our workforce development initiatives, Honda has helped to create that bridge from middle school robotics clubs to high school "hands-on" learning using classroom equipment which operates similar to the equipment found on today's manufacturing floor to providing technical training through work study and internship programs at community colleges.

At the high school level, Honda is a strong supporter of the Marysville Early College STEM High School. This school was developed as a partnership between Honda, the Marysville School District, Columbus State Community College, the Ohio Hi Point Career Center, and the Union County Chamber of Commerce. Early college high school is a unique approach to education, based on the principle that academic rigor combined with the opportunity to save time and money are powerful motivators for students to work hard. Early college high schools blend high school and college level courses in a supportive but rigorous program, compressing the time it takes to complete a high school diploma and the first two years of college.

In the dual enrollment program at Marysville Early College STEM High School, students have the opportunity to graduate with not only a high school degree, but also an associate degree from Columbus State. Additionally, graduates possess skills that they can use right away, including mechanical engineering, robotics and welding skills. Honda believes this type of school can be replicated, not just across Ohio but also throughout the country as a way to help reduce the skills shortage.

At the postsecondary level, Honda works with multiple institutions including Columbus State, Clark State, Edison State, Marion Technical, Rhodes State and Sinclair, to develop a STEM-focused curriculum with real-world applications. Classroom lessons are supplemented with plant visits, mentorships, scholarships and work-study programs to encourage interest but – more importantly – further develop the skills essential to a successful technical career.

One example of providing students with access to technical training is a work-study partnership with Columbus State, which is designed so students can work at Honda three days a week and go to school two days. This program gives students the chance to build technical skills while earning their degrees. The partnership also provides students with a way to graduate debt free and an opportunity to pursue a

career with Honda. Upon graduation, students may be offered a full time position with the company.

While the majority of the efforts I've highlighted thus far are based in Ohio, Honda has similar efforts in other communities where we have manufacturing operations in the United States. One of our more recent partnerships is with Guilford Technical Community College (GTCC) in North Carolina, global headquarters of Honda Aircraft Company, Inc. that produces the award winning HondaJet.

Honda worked closely with GTCC to develop programs to train prospective Honda aircraft technicians and avionics experts. Honda continues to work with Guilford College as it expands its new avionics program. The government has also supported Guilford in the expansion of these programs, which has resulted in an emerging aerospace and advanced manufacturing industry cluster in the region.

In Indiana, Honda has partnered with Ivy Tech Community College to offer paid internship opportunities for students enrolled in the school's advanced automation and robotics technology program, an area where the skills gap is acutely felt by manufacturers. Ivy Tech students have the opportunity to work two days a week at Honda while continuing their education at Ivy Tech. These internships offer students an opportunity to apply their knowledge in the real world and for Honda to evaluate the student for potential fulltime employment.

C. Continuing Education

Because the technology in modern manufacturing, particularly that within the automotive industry, is constantly changing, we make a commitment to ensure that education does not stop once associates are hired. It does not matter if associates have five years of work experience or 25, Honda remains committed to ensuring our workforce has the skills necessary to be part of our exciting future. To that end, we have established technical training centers near several of our manufacturing operations including in Ohio, Indiana and Alabama. These training centers help ensure that Honda associates stay current with the robotics and technology in their work process and, most importantly, can continue to develop professionally by building on the skills and knowledge they have gained throughout their careers. Honda is constantly looking for the most effective method to provide associates with the skills required to produce the high quality products we build. One example is the use of Virtual Reality technology or "VR". This technology allows associates to interact with virtual components and equipment simulating real equipment in a training environment reducing material and equipment costs. This type of technology may be used in a secondary or post-secondary classroom setting in the future to help prepare students for technical manufacturing careers.

The success of these technical training centers is a credit to our partnerships with academic institutions like Columbus State. By having educational professionals work with our technicians, Honda is able to employ best practices and educational

techniques that are critical to the success of these programs. We are also able to ensure the alignment of Columbus State's curriculum with the skills required within Honda's production facilities.

D. Recommendations

We strongly believe that Honda's future and the future of manufacturing in the United States rests in the hands of programs like the ones I have outlined today. These programs have been developed so that they can easily be adopted in other regions of the United States based on the activities and philanthropic approach of the various Honda operations and/or by other companies.

The key theme throughout this presentation is "partnership." Closing the manufacturing skills gap will be impossible without proactive collaboration between academia, government and private industry. While many partnerships already exist, there must be a significant increase and expansion of these collaborative attempts to develop a 21st Century workforce.

Additionally, continued support and improved access for STEM education is critical to ensuring that our future workforce have the skills to compete in modern manufacturing.

One thing Congress can do immediately is to reauthorize the Carl D. Perkins Career and Technical Education Act, which recently passed the House of Representatives. The current version of the bill will help encourage more collaboration between stakeholders to ensure students have a pathway to a relevant and meaningful technical career.

Like many employers, Honda stands ready to work with Congress to help solve the critical workforce issues that stifle the full economic potential of our country.

I want to thank the members of this committee for your interest in this issue and for inviting me today to highlight some of Honda's efforts. We greatly appreciate being included in this very important conversation.