The Disposable American

Louis Uchitelle
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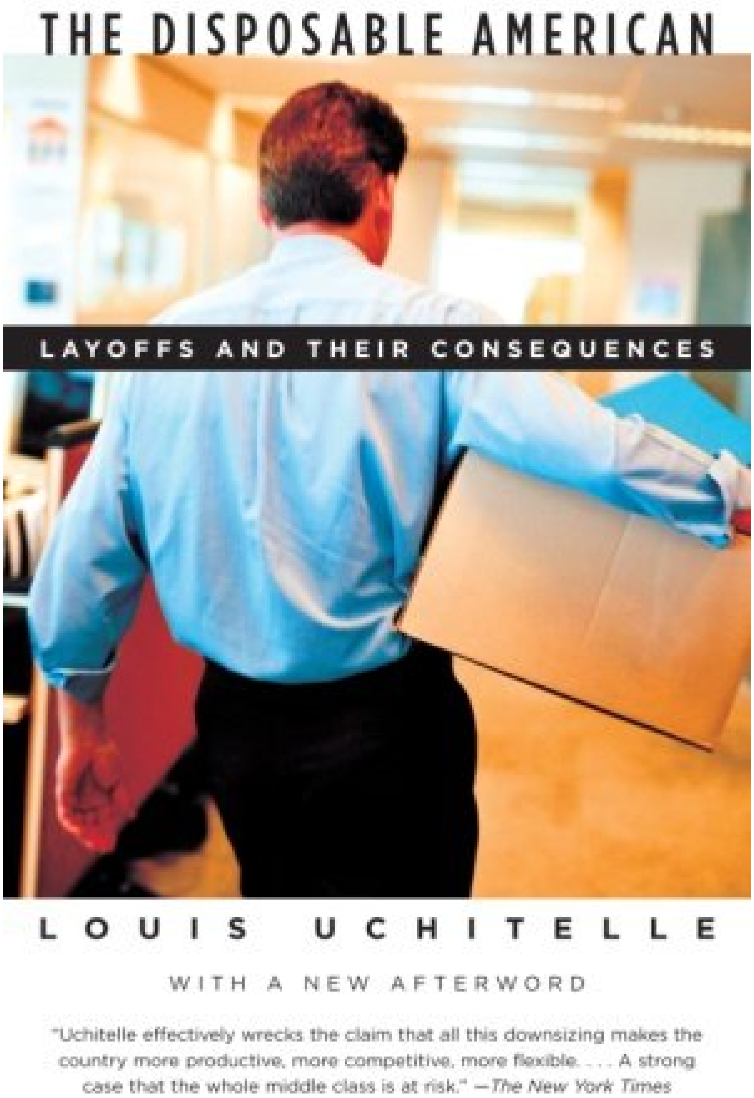

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Louis Uchitelle : The Disposable American before purchasing it in order to gage whether or not it would be worth my time, and all praised The Disposable American:

0 of 0 people found the following review helpful. Boring, Dull, Dry. Not What I ExpectedBy Amzon ReviewI wanted to like this book, but it's not what I expected when I ordered. I was envisioning a book about layoffs and their consequences, perhaps highlighting stories of people who were laid off. There were very few such stories. Instead, this is basically a history text of employment, company culture, unions, and government policy (or lack thereof) from the early 1800's to today, with a handful of such stories mixed in.It's a good book, and I plan on finishing it, slowly, it's

just not for me.4 of 5 people found the following review helpful. We Are ContractorsBy K. Johnson"The Disposable American" appropriately touches on many areas outside of, but directly related to lay-offs: sociology, culture, media, politics, public policy, and the psychological condition of those involved.Lay-offs are an important topic but the way it's presented seems too subtly poignant and explicitly tragic. Within the first couple pages of "The Disposable American" author Uchitelle sets the tone with a term for these millions of layed-off American workers: "victim." The word "victim" is used all-over the spectrum in modern-day America and frankly, it gets tiring. So, layed-off workers are victims? Quite a strong term. I wouldn't refer to them as this. (But I do believe working and middle-class blue and white-collar employees are no longer winners in today's society.) And conditions won't be changing for the better in the short and long-term future. Employees need to adapt and psychologically view themselves as contractors. Contractors, is what we were today. And it's not entirely negative. It can be positive. "You....are not your job." Your self-worth should not be associated with your job title nor tenure in today's work-world.Economic reality + social engineering. This is they way things are because it's expedient for investors and it's *planned* to be that way. 37 states have At-Will employment laws. U.S. labor laws are the worst in the industrialized world.One of the many examples in "The Disposable American" is IBM. IBM publicly stated in 1994 that workers who are efficient, loyal, and productive cannot be guaranteed job security at IBM. When thousands were layed-off from IBM they were rehired to work for....IBM....as contractors. The company concluded that workers who fear lay-offs can provide more "adequate" results (page 145). Employees that were retained (not let go) were "shell-shocked" and still afraid of losing their jobs afterward. Even though a Harvard Business School Study specifically concluded the wrong workers were layed-off and the ones retained often weren't (and still aren't today) trained to deal with the new responsibilities and additional workload (page 194).Increasing immigration is also welcomed. Immigrants are less likely statistically to complain about conditions or labor codes, and provide employers with a large pool or workers at the low end of the pay scale.Uchitelle's personal sob stories of working stiffs having to leave one mundane dead-end job for another is really nothing new. Staying in the same industry is Old School. Dinosaurs. Do Defined Benefit Pension Programs enslave employees and tie them to a company and industry? Are these workers too lazy or stupid to invest on their own for their future? 401Ks for most are a scam: limited investment choices that especially hurt older contributors and hidden fees that significantly eat into returns the longer a worker stays at the same company, and doesn't roll it over into their own IRA that often have lower expense ratios of their choosing. People don't stay in the same industry and/or with the same company for a long time, and those that do risk having to transition into new gigs unexpectedly in their twenties, 30s, 50s, and beyond.In this book there are many individual and family stories of personal circumstances. Many personal stories using a person's first name, hometown, and former "career" are elucidated. Then descriptions of the financial and emotional difficulties faced by those who get layed-off/down-sized/riffed are noted. The politically correct corporate euphemism is "Involuntarily separated."

Layoffs have become a fact of life in todayrsquo;s economy; initiated in the mid 1970s, they are now widely expected, and even accepted. It doesnrsquo;t have to be that way.In The Disposable American, award-winning reporter Louis Uchitelle offers an eye-opening account of layoffs in Americandash;how they started, their questionable necessity, and their devastating psychological impact on individuals at all income levels. Through portraits of both executives and workers at companies such as Stanley Works, United Airlines, and Citigroup, Uchitelle shows how layoffs are in fact counterproductive, rarely promoting efficiency or profitability in the long term. Recognizing that a global competitive economy makes tightening necessary, Uchitelle offers specific recommendations for government policies that would encourage companies to avoid layoffs and help create jobs, benefiting workers, corporations, and the nation as a whole.From the Trade Paperback edition.

ldquo;Uchitelle effectively wrecks the claim that all this downsizing makes the country more productive, more competitive, more flexible. . . . A strong case that the whole middle class is at risk.rdquo; mdash;The New York Timesldquo;The Disposable American is an overdue wake-up call that could start making the wisdom of layoffs that much less conventional.rdquo;mdash;San Francisco Chronicleldquo;Incisive. . . . An airtight case against the common wisdom that favors job cuts.rdquo;mdash;BusinessWeek ldquo;Uchitelle writes about the moral failings of our modern corporate structure with deep and persuasive insight. That alone makes the book a must-read.rdquo; mdash;Detroit Free PressFrom the Trade Paperback edition.About the AuthorLouis Uchitelle worked as a reporter, editor, and foreign correspondent for the Associated Press until he joined The New York Times in 1980 as a business editor; he has written about economics for the Times since 1987 and was designated Senior Writer in 1994, joining a select group honored for achievement. In the early 1990s his reporting on the former Soviet Union's plunge into capitalism earned him a Pulitzer nomination, and he shared a George Polk award as lead writer on the seven-part Times series, "The Downsizing of America," in 1996. He taught feature writing at Columbia University and has been a visiting scholar at the Russell Sage Foundation.Excerpt. copy; Reprinted by permission. All rights reserved.The Stanley Works Several years ago, Donald W. Davis stopped making visits back to New Britain, Connecticut. He felt shame for what had happened to the Stanley Works, the cityrsquo;s largest employer, which he had led from 1966 to 1988mdash;from its best days to the beginning of the layoffs and plant closings that, after he was gone, finally reduced Stanleyrsquo;s presence in New Britain to a collection of mostly empty factory buildings and reproachful former workers. Davis by then no longer lived in New Britain. He had sold his Dutch Colonial home, which he had painted a bright and optimistic yellow, and had moved with his wife to Martharsquo;s Vineyard, where their summer house on seven acres of rolling lawn became their main residence. It was an entirely different setting, but the trip back to New Britain for visits was easy enoughmdash;less than four hours by ferry and carmdash;and Davis at first made it often. Like many chief executives of his era, he had been deeply involved in the life of the city that, in his day, had supplied thousands of Stanleyrsquo;s workers. He had served on the board of education for many years and was its president for a while. The six Davis children attended the public elementary schools. But in the late 1990s, the visits home stopped. Meeting former Stanley employees on the streets, in restaurants, at the YMCA, where Davis still went to exercise, became too painful. ldquo;They just moaned about what was happening to this great company,rdquo; Davis told me. He had tried to share their sadness, to distinguish his stewardship from the accelerated pace of layoffs and the disregard for New Britain that had become so striking after he was gonemdash;as if he were a victim too. But he wasnrsquo;t really. The people he encountered had lost their jobs against their wishes, while he had retired on schedule, a wealthy man. And he had, after all, initiated the layoffs. No one blamed him, Davis maintained. But the encounters with former Stanley workers became, as Davis put it, ldquo;much too personal.rdquo; So he stayed away. When we renewed our acquaintance a few years into his self-exile, I found a restless, often passionate man, unable to put behind him his final years as chief executive. At eighty-one, still stocky and agile, he was grateful for good health so late in life. Age showed only in his hair, which was pure white, and in his eyes, which became tired and bloodshot in the late afternoon, although when I suggested that we take a break in our conversation, which had started in the morning and had continued through lunch at a noisy seafood restaurant, he waved me off, intent on his recollections. He no longer bothered with the suits and sports jackets of his CEO days, but he did have on a white button-down shirt. He was running a leadership seminar twice a week during the fall semester at the Massachusetts Institute of Technology, where he shared a small, cluttered office with two other instructors. Davis rarely canceled a class; the seminar he led became a last connection to his former business world, a final public platform. Sitting in on a class in the late afternoon, listening to him draw on his experiences from his Stanley days, I imagined that beyond the nineteen young peo- ple seated in the room, he was speaking to all those he knew back home, explaining that he had done as well as any executive could, in a very changed world, to preserve Stanley as it was. And that could not be done. The Stanley Works illustrates, as well as any Fortune 1000 company, the accelerating deterioration of job security in America over three gen-erations of chief executives, a deterioration that Davis and his counterparts in the first generation resisted for a while, reluctant to let go of the expiring norms. So did their workers. For almost ninety years, from the 1890s until the late 1970s, the thrust of American labor practices had been toward lasting attachments of employers to workers and vice versa. There were lapses and backsliding in those decades. Descriptions of labor practices during the 1921ndash;22 recession, for example, are remarkably similar to labor practices today. But the direction was toward job security, not away from it. Efficiency seemed to require it. So did union power, government policies, community expectations, and social norms. Even the Depression, with its mass unemployment, produced in reaction labor laws that in the postndash;World War II years strengthened job security. We had decided as a peoplemdash;managers, politicians, and workersmdash;that job security had value, and in pursuit of that value, we lifted ourselves out of insecurity. And then, starting about 1977, midway through Davisrsquo;s twenty-one-year term as chief executive, there was a U-turn. Over the next twenty years, the achieved job security disintegrated in the United States. Layoffs were the medium. Each step in the disintegration was a novelty and a shock. But the layoffs continued, and in 1984 the Bureau of Labor Statistics began to count ldquo;worker displacement.rdquo; By 2004, the bureau had counted at least 30 million full-time workers who had been permanently separated from their jobs and their paychecks against their wishes. Huge as that number was, it did not include the millions more who had been forced into early retirement or had suffered some other form of disguised layoff, masking the magnitude of the problem. A more comprehensive survey would very probably have found that 7 or 8 percent of the nationrsquo;s full-time workers had been laid off annually on averagemdash;nearly double the recognized layoff rate. And the percentages crept higher as the years passed. Davis remembers vividly the circumstances that brought on the U-turn. The experience was, in his word, ldquo;traumatic.rdquo; He awoke in 1979 to find that customers for Stanleyrsquo;s hand tools were defecting in alarm- ing numbers. The lure was Asian tools. Once-shoddy socket wrenches, screwdrivers, claw hammers, saws, levels, chisels, pliers, and measuring tapes imported from Asia had gradually become indistinguishable in quality from Stanleyrsquo;s offerings, and at 60 percent of the pricemdash;a feat Davis and his counterparts in many other industries had not anticipated. Scrambling to respond, they cut prices and, hoping to preserve profits, they began to cut labor costs, at first through attrition and then through layoffs. Hundreds of other companies were caught in a similar experience. From then on, job security unwound in America. Layoffs became the measure of our national retreat from the dignity that had been gradually bestowed on American workers over the previous ninety years. What started as a necessary response to the intrusion of foreign manufacturers into the American marketplace got out of hand. By the late 1990s, getting rid of workers had become normal practice, ingrained behavior, just as job security had been twenty-five years earlier. That did not happen without resistance, particularly in the 1980s and early 1990s. Community groups, for example, tried to purchase and reopen shut factories, the goal being to reemploy the working people who gave the community its existence. The Roman Catholic Church joined in this endeavor, and issued two pastoral letters in the 1980s opposing job destruction. But then the church fell silent, as did the communities, which disintegrated without the steady jobs that had sustained them. Government regulation had protected the jobs of nearly 13 percent of the workforce, those employed in airlines, trucking, public utilities, telephones, banking, and railroads. And then deregulation, starting with President Jimmy Carter, precipitated endless reorganizations in those industries, and endless layoffs to accommodate the reorganizations, until reorganization and layoff finally became the norm. Organized labor also protested, but union membership and power were already in decline, and after 1981, when President Ronald Reagan fired and then replaced the nationrsquo;s striking air traffic controllers, strike activity in support of job securitymdash;or in support of any other demand, for that mattermdash;declined precipitously. The old assumption that a worker out on strike had his job waiting once the strike ended was gone. Just as layoffs began to be a source of national anxiety, mainstream economic theory completed an about-face that in effect endorsed layoffs and diminished the pressure on the nationrsquo;s presidents and on Con- gress to preserve job security. The dethroned way of thinking had recognized a central role for government in protecting workers in a free market economy. Entrepreneurial, hard-driving managers were essential to keep the economy vibrant and growing. But they ran roughshod over workers unless they were restrained by government rules and regulations, including rules that strengthened laborrsquo;s bargaining power. The marketplace would not provide job security without pressure from government. That way of thinking, born in the New Deal in the 1930s and greatly expanded over the next three decades, died in the 1970s. The new intellectual framework took the opposite view, and in so doing validated what was already beginning to happen. Companies were freeing themselves from the many obligations to their employees that had accumulated over the years, and now mainstream economics blessed that endeavor. In the process, government was depicted as an obstacle to prosperity. Unfettered enterprises, the argument now went, would expand more rapidly and, over the long run, share their rising profits with their workers, doing so voluntarily through job creation and raises. If that did not happenmdash;and it did not happen for tens of millions of people who lost their jobsmdash;well, that was the fault of the job losers themselves. They had failed to acquire the necessary skills and education to qualify for the increasingly sophisticated jobs that were available. They lacked value as workers. And the argument took hold. Sanford M. Jacoby, the economic historian, citing a study typical of this period, noted that ldquo;workers with at least some college education were more likely than less educated workers to view fairness as lsquo;recognition of individual abilitiesrsquo; instead of lsquo;equal treatment for all.rsquo; rdquo; The new economic theory, making each worker responsible for his or her own job security, interacted fatally with the actual layoff experience. Layoffs, we are told, do not happen to people who are valued by their employers. The layoff says that you have failed in your endeavors to improve your skills and to be flexible, innovative, congenial, and hardworking. The damage to self-esteem from this message is enduring. It shows up frequently in people who have been laid off, whether or not they work again, and yet it is ignored in the political debate. Job creation and full employment are held up by Democrats and Republicans, and nearly all the experts who advise them on policy, as sufficient antidote. Putting the laid-off back to work in new jobs solves the problem. There is income again and even prosperity, or the potential for it. But mental health is not easily restored. Psychologists and psychiatrists are just beginning to recognize that layoffs chip away at human capital by eating at self-esteem on a mass scale. It is like acid rain eroding the environment, according to Dr. Theodore J. Jacobs, a professor of psychiatry at Albert Einstein College of Medicine and New York University School of Medicine in New York. He says: ldquo;Even if a person is accurate in saying, lsquo;I did a really good job, and I can see that the company is in a bad way and they have to lay off a lot of people and it is really not about me,rsquo; there is seldom an escape from the inner sense of lsquo;Why me?rsquo; In other words, one has some sense that one has failed and the outside world has made that judgment. And that self-perception dovetails with existing inadequacies that many people feel about themselves.rdquo; The Great Depression was less damaging. Millions of people lost their jobs then, but the majority blamed flaws in the market system, not in themselves. They demanded that government fix the flaws. That collective response, which helped to produce the New Deal, is missing today. Implicit in self-blame is acquiescence to layoffs, now the American condition. All this was still well in the future when Don Davis became chief executive of the Stanley Works in 1968. Job insecurity in those daysmdash; at the Stanley Works and most other manufacturersmdash;went no further than the temporary furloughing of blue-collar workers when sales weakened. The white-collar staffmdash;clerks, secretaries, salespeoplemdash;were not touched. ldquo;We thought of them as part of management,rdquo; Davis said. But at the factory level, some workers would be told to stay home until production picked up again, which it always did in those truly prosperous years. Seniority dictated who was furloughed first, and in what order they would be recalled, which they always were. ldquo;That was a very important thing, that recall; it made people feel they still had this connection with Stanley,rdquo; Davis said. Seniority rights continued to accrue during the stay-at-home period, and health insurance remained in effect. These were Stanleyrsquo;s ways, and the ways of many American companies. The onslaught of imports starting in the late 1970s changed those ways. As customers defected, sales plummeted and failed to bounce back. Nowhere was that more on display than in the auto industryrsquo;s struggle with Japanese imports. But nearly every manufacturer was hit, and the steep recession in 1981 and 1982 compounded the damage. The old world has never returned. Visit the tools department at Home Depot, which is Stanleyrsquo;s biggest single customer, purchasing 12 percent of its annual output in 2004, and the array of products shows Stanley painfully struggling to stand out. The companyrsquo;s yellow and black colors still dominate the shelves where measuring tapes are stacked, the clip-to-the-belt models whose steel blades spool out across a room and quickly retract into stubby cassettes at the click of a lever. Many of the claw hammers bear Stanleyrsquo;s name, and also the scraper blades, the linoleum-cutting knives, and every variety of sawmdash;hacksaws, wood saws, keyhole saws, compass saws, pull saws. But even on these shelves, the colorful tools of other companies are well represented. And the Stanley label no longer dominates the displays of socket wrenches, screwdrivers, adjustable squeeze-handle pliers, levels, wood planes, counter punches, chisels, and bolt cutters. What all the tools have in common, including Stanleyrsquo;s, is origin: the great majority are made outside the United States, particularly in Asia. Shifting manufacturing abroad was not in Davisrsquo;s thinking in the late 1970s and early 1980s. Struggling to prevent the imports from gaining a foothold, he tried at first to bring down labor costs by shrinking the previously sacrosanct white-collar staff, not through layoffsmdash;that would not happen to Americarsquo;s white-collar workers for a few more yearsmdash;but by attrition. He froze hiring and decreed that as white-collar workers resigned or retired, those who remained would have to pick up the work of their departed colleagues in addition to their own. ldquo;Wearing two hats,rdquo; he called it. The goal was a reduction of six hundred employees over two years, or 15 percent of the white-collar staffmdash;a mild cutback by later standards, but worthy then of a display of anguish. Davis and his second in command, the chief operating officer, engaged in an exhausting tour of Stanleyrsquo;s plants, concentrated then in the Northeast and Midwest. They divided them up, and at each stop, one or the other explained to the assembled workers how the companyrsquo;s survival had become the issue. ldquo;We had a meeting of all the employees, salaried, white-collar, blue- collar, management, everybody,rdquo; Davis said, ldquo;and where that was too big a crowd, wersquo;d break it up into two or three groups. Then wersquo;d have the night shift in another group. And he or I spoke to each one of these groups about the revolution that had taken place in competition, and how we had to respond to it if we were going to survive as a major player.rdquo; The attrition worked. The white-collar staff shrank as planned. But it was not enough cost-cutting and Davis turned to his factory workers. For the first time, he went beyond temporary furloughs into outright dismissal. He also beganmdash;reluctantly, he insisted in old agemdash;to shift some operations from New Britain to lower-wage cities. As he did so, he figured out a system, by trial and error, for handling layoffs with a minimum of backlash. He even reduced the procedure to a checklist, and on the day I sat listening in his classroom at MIT, he introduced that checklist to his nineteen seminar students, all selected because they seemed to have the potential to become chief executives themselves. ldquo;Letrsquo;s say you are a plant manager of four hundred people and you are not going to need most of them because of automation,rdquo; Davis explained. ldquo;Your boss tells you that the new machinery will arrive in three months and the switchover has to be made without a breakdown in production. Your job as leader of this group is to minimize the outcry and keep production going. What do you do?rdquo; Several students raised their hands. Be honest with the workers about what you are doing, one suggested. ldquo;Of course you explain to the workers,rdquo; Davis replied, impatiently, ldquo;but what about the politicians, the editor of the newspaper, the union officials, the mayormdash;all the people who can accuse you of messing up the town? You need a game plan for telling them, in just the right order in advance of the public announcement, so that when they hear the news later, they can say, Yes, we knew. It takes the sting out of layoffs.rdquo; And he illustrated the point. You wait until just after the newspaperrsquo;s deadline to tell the editors, he explained, so they know in advance but canrsquo;t break the news to their readers ahead of the public announcement. ldquo;Stanley had a whole timeline of people who had to be notified and explained to if we had a significant layoff.rdquo; For all his regrets, Davis by the mid-1980s had clearly become skilled at layoffs. He had bitten into the apple, if you will. ldquo;I was forced to get used to layoffs,rdquo; he told me. What he had begun, his handpicked successor, Richard H. Ayers, an industrial engineer with a bent for efficiency, accelerated. Ayers closed a huge distribution center in New Britain and reopened it in Charlotte, North Carolinamdash;away from unions. Other operations also moved south, or overseas. Under Ayers, the merchandise Stanley sold in America was increasingly not made in America. Sledgehammers and crowbars now came from a Stanley plant in Mexico, socket wrenches from a company purchased in Taiwan, a trickle of door hinges and latches from China, the result of a new joint venture. Under pressure from Ayers, two hundred workers who made hinges for kitchen stoves accepted a wage cut of $2 an hour as a condition for keeping the operation in New Britain. ldquo;I looked at this process as being evolutionary,rdquo; he said. But Stanleyrsquo;s directors werenrsquo;t satisfied. Ayers, they felt, was not moving fast enough. So in 1997 they hired an outsider, John M. Trani, as chief executive, luring Trani away from General Electric with a signing bonus of one million Stanley stock options and a seven-figure annual salary package two to three times greater than either Davis or Ayers had ever earned. And Trani, who had won a name for himself at GE, excelling at the company that invented the modern American layoff, did move faster. Over the next six years, he closed forty-three of Stanleyrsquo;s eighty-three factories. The total payroll plummeted to 13,500 people from nearly 19,000. Some work was outsourced to contractors; other operations were combined in one factory. New

Britain was a big loser in this shuffle. By the fall of 2002, the payroll there had dwindled to 900 employees, a far cry from the 7,000 people who had worked for Stanley in multistory brick factory buildings that dominated the downtown when Davis joined the company in 1948 as a twenty-seven-year-old junior executive, freshly graduated from Harvard Business School, which he had attended on the GI Bill. Not much besides the headquarters building is left in New Britain. That building, strangely, is new, a modernistic, three-story structure put up by Davis in 1985 in a wooded industrial park as a last, futile gesture of loyalty to the city of Stanleyrsquo;s birth. In the fall of 2002, if you stepped out of the elevator on the third floor, where Trani and his top executives had their offices, against the opposite wall stood a wooden rolltop desk, beautifully restored, a desk once used by Frederick T. Stanley, who founded the company in 1843 in a workshop at the rear of his home in what was then a rural village. Along another wall, portrait paintings of eight earlier chief executives, each ornately framed, each man a stalwart in the civic life of the growing industrial city, paid tribute to the illustrious past. The eight paintings were lined up opposite the entrance to the chief executiversquo;s office, and as Trani came and went, those long-gone chiefs peered out at him. Elsewhere along the quiet carpeted halls were black-and-white drawings, in Norman Rockwell style, of fathers and sons, circa 1930s, working serenely together at home, fixing things with Stanley tools. All this Trani made a point of ignoring, as if he had chosen corny, anachronistic adornments so he could snub them, which he certainly did. He is a chubby, tall, tightly scheduled man. He had an hour available in mid-November that year, his administrative assistant had told me, and if that did not work, January or February was the next available slot. I took the hour in November and drove to New Britain. We met alone in a conference room next to his office, sitting across from each other at a round, barren table. He answered my questions fully. Nothing I asked fazed him. He was very pleasant. But he did not permit our conversation to veer into a discussion of alternatives to layoffs. There were no alternatives, he insisted. ldquo;People who basically look at reality as it exists, without hoping for it to change, and deal with the hand they are dealt, so to speak, they are the successful ones,rdquo; he said. Reality for Trani at the outset of his stewardship meant sales revenue per factory. As Trani tells the story, the first thing he did when he took over in 1997 was to divide the total annual sales revenue ($2.6 billion that year) by the number of factories. The outcome, $31 million in average sales per factory, was too low, much lower than his main competitors. So he closed factories left and right, particularly the ones with the highest wagesmdash;i.e., in the United Statesmdash;and by 2002 sales per factory were approaching $55 million, even though sales revenue, the numerator in the Trani equation, was still stuck at $2.6 billion. Too many competitors were offering too many hand tools at cutthroat prices. Costcutting, which meant mainly labor cost-cutting, was the only way out. ldquo;Layoffs and plant closings,rdquo; Trani explained, ldquo;are not such a rare event anymore that one generally makes a big deal out of them.rdquo; He was equally casual about New Britain. He kept the headquarters there, he said, only because a better opportunity elsewhere had not yet presented itself. He emphasized the ldquo;yet.rdquo; Given the opportunity to disparage the hometown, Trani rose to the occasion, as if he wanted to burnish his image as a rootless executive. He had recently been vilified in newspaper editorials and media accounts for attempting to move Stanleyrsquo;s headquarters of record to a post office drop in Bermuda to avoid $30 million a year in U.S. taxes. The public exposure had forced him to cancel the plan, but he was still defiant. Several competitors had reorganized as Bermuda corporations and had gained a competitive advantage, he told me. They had not been challenged by local politicians as he was, one of the critics being Mayor Lucian Pawlak of New Britain. ldquo;I understand that he does not like globalization,rdquo; Trani said, ldquo;but thatrsquo;s the way it is. The mayor thinks that Stanley owes New Britain forever. Forever! We have discussions all the time. Nice guy. Great guy. But he has a view that I think is so far from reality that it creates angst when it does not neces- sarily have to be that way.rdquo; Davis and Ayers would never have belittled the mayor, or New Britain, so openly. They see themselves, in hindsight, as incrementalists and Trani as a CEO who does things ldquo;by overnight fiat,rdquo; as Davis put it. They also see themselves as more humane. They walked the factory floors, greeting workers by name, asking after their families. Trani rarely hobnobbed. Not surprisingly, he also abandoned the periodic dinners for workers celebrating twenty-five, thirty, and forty years with the company, dinners that Davis and Ayers made a point of attending. And yet, in the end, for all their disdain for Tranirsquo;s ways and his unseemly speed, they were not in disagreement with the outcome. They accepted as probably healthy for Stanleyrsquo;s profitability the reduction in the workforce and in the number of factories. Trani, in effect, finished what they had started. Ayers in particular felt this. He noted, for example, that while Trani moved most of the production of Stanleyrsquo;s retractable clip-to-the-belt tape rulers from New Britain to a factory in Thailand, it was he, Ayers, who had acquired the Thai factory in the first place. The same was true for steel door hinges and latches. A staple of the Stanley product line, they were once manufactured in a great variety of shapes and sizes only in New Britainmdash;and under Trani only in Xiolan, China, near Shanghai. Ayers started up the Chinese joint venture that Trani embraced with unnerving speed, employing a thousand people in Xiolan. In doing so, Trani closed a decades-old hinge factory in downtown New Britainmdash;the five-story building is still shutteredmdash;and laid off five hundred workers. He also shut a newer, smaller hinge factory in Richmond, Virginia, that Ayers had started up. Ayers, like Trani, had sought to lower labor costs, but more gradually. The nonunion Richmond factory was an interim step. Ayers, a slightly built, courteous, patient man, had moved more slowly, he said, because for him a social norm existed that kept him in check, a norm that disappeared on Tranirsquo;s watch. The Thai factory, in the

Ayers strategy, would have made steel measuring tapes only for the Asian market, not for American consumers. Selling those tapes in the United States, he felt, would have offended customers, many of them carpenters and construction workers who belonged to unions that campaigned against purchasing merchandise not made in America. Hammers manufactured in China might be acceptable to these workers, but not the retractable steel measuring tapes, a signature Stanley product. ldquo;We had a very high user base in the unions,rdquo; Ayers said, ldquo;and there was still resistance on their part in the mid-1990s to imported products.rdquo; By the late nineties, however, the Made in America sentiment had dissipated. Americans had become focused on quality and price, and uninterested in origin. That a product was made abroad ceased to be a negative. But even if Ayers had enjoyed a freer hand, he still would have held back on layoffs. He simply did not have the stomach, he said, for the upheaval that Trani thrived on. Much later, that was the justification he offered for his early departure from Stanley in 1997 at age fifty-five, still in his prime, only three years older than Trani, his replacement. Soon Ayers, in retirement, was shuttling between a summer home on a New Hampshire lake and a winter one in Florida, devoting considerable energy to Habitat for Humanity, the philanthropy whose volunteers, Jimmy Carter among them, build housing for the poor with their own hands. Of his decision to retire, he insisted that it was not Stanleyrsquo;s board of directors that threw him out, but his own distaste for the work ahead. ldquo;I disliked the difficult decisions you had to make in terms of their impact on people and I knew there was more of that coming,rdquo; Ayers said. ldquo;I decided that it was time for someone else to do it. I could not.rdquo; Davis to Ayers to Tranimdash;the dismantling of Stanleyrsquo;s workforce through three generations of chief executives finally got to Diane Sirois. After twenty-five years she still worked for the company, at its last factory in New Britain of any consequence, an elongated, two-story building where Stanley once made all of the retractable measuring tapes that it sold in the United States, millions of them each year. In 1995, Ayers had taken a stab at keeping most of this manufacture in New Britain. He had spent millions on machinery to automate the assembly process. When I visited that year, Diane was a curly-haired thirty-nine-year-old climbing over the new machinery, which resembled a Lilliputian railroad, the tracks only a few inches apart. Small pallets, the Lilliputian equivalent of railroad flat cars, moved slowly along the tracks, each bearing a partly assembled measuring tape. The pallets halted briefly at automated stations to receive components: a black plastic cap was welded to a reel at one stop, the spooled metal blade was inserted at another, an outer casing was added at a third, the belt clip at still another. There were several of these railroads. Each could be reprogrammed to produce different models: the 30-footer, the 25-footer, the 16-footer. Only a handful of workers was needed to keep the machines running. In 1995, however, men and women seated at work- stations still assembled many of the measuring tapes by hand. But Ayers assured me that more railroads would be installed, as soon as funds were available to invest in the contraptions. As they arrived, hand assembly would be phased out. Production would remain in America, but not as many jobs. The survivors would be those with enough gumption to train for the automated assembly lines and then staff them, responding like emergency workers when the various red beacon lights installed along the lines flashed on, signaling a breakdown. Diane had decided to be among the survivors. She liked new ventures, and the automated railroad system required greater skill and ingenuity than sitting at a worktable repetitively assembling steel and plastic parts into measuring tapes. While we talked she gestured disdainfully at a group of assemblers seated nearby. They were doomed, she said. But she was not. She had spotted a way to immunize herself against layoff. Under Stanleyrsquo;s labor agreement with the International Association of Machinists and Aerospace Workers, those employees with the least seniority had to go first in a layoff, even if they performed essential tasks. As they departed, colleagues with more seniority were reassigned to their jobs. Sirois, with eighteen years at Stanley then, was vulnerable. One of those expressionless assemblers she had just belittled could bump her. But the contract had an out. While others balked at the training needed to operate the new machinery, she had jumped at the opportunity, knowing that, under the contract, she could be bumped by a colleague with greater seniority only if that colleague could learn her job in a week. Diane had needed three months of training to master the skills required to fine-tune and troubleshoot the railroad. She did not think anyone could do it in less time. ldquo;Job security is why I bid for this job,rdquo; she told me then. Visiting the tape factory seven years later, I walked through a building that was a ghost of its former self. The second floor was almost deserted and soon to be closed off entirely. In the mid-1990s it had bustled with workers assembling tape measures by hand. So much was gone that Stanley no longer invited Boy Scouts and civic groups to tour the plant. The tours would be an embarrassment, Terry Christensen, the plant manager, explained. Downstairs, not a nickel had been spent on more automation. The hand assembly had nearly disappeared, but the Lilliputian railroad system had not been expanded to replace the assemblers. That system had turned out to be more breakdown-prone and less efficient than Ayers anticipated. But rather than invest in better technologymdash;better automationmdash;John Trani eliminated jobs in New Britain and shifted to hand assembly in Thailand, which now was the focus of expansion.*From the Hardcover edition.