Chapter 19
Socio-Technical Issues in Youth Employment in SMEs:
The Case of the Furniture Sector in Turkey

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ABSTRACT

This chapter investigates how technological developments implemented in the production processes and organizational structures of small and medium sized enterprises affect the skills and therefore the employment of young workers in these businesses. The furniture sector in the greater region of Ankara in Turkey is explored in this chapter because it is one of the fastest growing sectors in the new millennium, and the rate of youth employment is very high. Young workers face severe problems due to the technological developments and organizational changes occurring in these enterprises. Many of them are either removed from production processes or dismissed from the company. To have a decent job, the young generation working in this sector should not be alienated from the production process. It is claimed that this major problem of bias towards young workers can be solved by a proper education, which will greatly increase their technical skills.

INTRODUCTION

New technologies are causing critical changes in established institutional arrangements within companies, including changes in the division of labor, organizational structures, and skill requirements at all levels of the occupational hierarchy. Through their impact on markets and production processes, new technologies are changing the roles of companies, industries, and regions from a socio-economic point of view, and also the interactions and social relations between them. Although they are leading to new and more flexible institutional arrangements that meet the demands of the new era of flexible production and consumption, they totally alter current labor relations.

The aim of this chapter is to investigate how technological developments occurring in the production processes and organizational structures of Small and Medium Sized Enterprises (SMEs)

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affect the skills and the employment of young workers in these enterprises. Since the furniture sector has been one of the fastest growing sectors in the last ten years with a very high rate of youth employment, we have taken it as our example.

Most studies assume that the organizational and technological transformations that have occurred in the production processes and structures of companies in the manufacturing industry have taken place as a response to the tremendous technological changes and economic globalization of recent decades. However, analysis conducted in this study covers only the changes and the resulting impacts on the production processes and the organizational set-up of SMEs.

Hence, the basic question (or issue) this chapter will deal with can be formulated as follows: "What are the impacts of technological changes on youth employment in small-scale manufacturing firms?" The main hypothesis can simply be put forth as follows: The transformations of production processes and changes in the organizational structure in small firms have significantly affected the working conditions of young workers. More specifically, as a result of these changes, the youngsters are removed from the production line and employed in very simple tasks, or they are dismissed from the firm.

TECHNOLOGY/SKILL DEBATE

More than ever before, the new technological improvements are used to effect critical changes in traditional institutional arrangements, including those affecting the division of labor, the organizational structures of labor and social relations, and skill requirements at all levels of occupational hierarchy. They are leading to new, more flexible, institutional arrangements that meet the demands of the new era of flexible production and consumption which totally alter labor relations: the share of the service sector in economic activities has become higher than the manufacturing (OECD, 1998; Grinth, 2005).

On the one hand, it is assumed that technical progress entails the employment of skilled workers (Piore & Sabel, 1984; Zuboff, 1988). Combined with the rapid pace of scientific and technological developments, the intensifying 'global' competition is said to require an organizational restructuring aiming at improvements in product quality, design, and innovation and thereby keeping a good place in the market. This in turn calls for a more adaptable, better educated workforce than was the case in the past. Such a workforce requires a raft of new core skills, competencies, or personal qualities to function effectively, such as 'problem-solving,' 'teamwork,' 'communicative ability,' 'creativity,' 'initiative,' and, above all, the 'capacity for (lifelong) learning' (Lloyd & Payne, 2002, p. 367).

On the other hand, there would be an inevitable displacement of low skilled workers within companies (Rifkin, 1996; Robinson, 2004). There have also been shifts in the work organization or the production processes, which actively affect the condition of the low skilled workforce: they have become dependent on the firms' strategies, and for the most part, they are removed from the core of the production process and employed in very simple tasks. They tend to be kept unskilled and become an ordinary component in the management process of the firms (Braverman, 1974).

The new period showed "the consequent reorganization of production involving machine technology, which results in the establishment of large-scale specialized workplaces such as factories and the increased time synchronization of labor and technology in an economy based primarily on manufacturing rather than agriculture" (Edgell, 2006, p. 7).

Furaker (2005) dealt with the possible consequences on reorganization of the division of labor, restructuring of industries, changes in levels and composition of employment in countries. Related with that, according to Acemoğlu (2002), technical change favors more skilled workers, replaces tasks previously performed by the unskilled with skilled ones, and exacerbates inequality. This view