

global shift

OFFSHORING JOBS AND THE NORTH COAST



JOHN BURGESS / The Press Democrat

Lydia "Lee" Martinez

Age: 43

HP/Agilent: 22 years

Job: Assembled and tested multiports, devices used in communications systems; trained other assembly workers.

Pay: About \$20 an hour

Laid off: October 2002

Current: Jail guard training, Santa Rosa Junior College

Pay: Starts at \$18.85 an hour

Michael Martinez

Age: 42

HP/Agilent: 20 years

Job: Production supervisor on a digital oscilloscope production assembly line.

Pay: About \$70,000 a year

Laid off: October 2001

Current: Running rodeo shows; inventing a video-game accessory.

Pay: In good months, about \$2,000.

Art Martinez

Age: 46

HP/Agilent: 19 years

Job: Coordinating product and parts shipments in the Rohnert Park plant.

Pay: \$16 an hour

Laid off: June 2003

Current: Started day care with wife, Sharon

Pay: Together, he and Sharon make a little more than half of what they did when he was working at Agilent and Sharon was a pre-school director.

Vicki Martinez

Age: 47

HP/Agilent: 22 years

Job: Education program manager in human resources.

Pay: About \$65,000 a year

Laid off: January 2002

Current: Lives in Missouri, works part time as a substitute teacher

Pay: Not available

Siblings start anew

SANTA ROSA FAMILY THAT GREW UP WITH 'THE HP WAY' SEARCHES FOR PROSPECTS

By JEREMY HAY

THE PRESS DEMOCRAT

As they stepped one by one into the working world a quarter century ago, the Martinez kids reached the same conclusion as thousands of others in Sonoma County.

They saw in Hewlett-Packard a bright and stable future.

"Everybody wanted to work there," said Lee Martinez.

Of six Martinez children, five went to work for the pioneering high-tech company as it expanded into Santa Rosa from Silicon Valley.

They stayed through many good years, some lean times, and through the 1999 transition in which HP's Sonoma County operations were spun off into Agilent Technologies.

They built strong careers and solid lives. But today, like so many others, they are left to wonder what happened.

Four of the siblings, who had devoted a combined 83 years to the company, lost their jobs in just 19 months: Michael, laid off in October 2001; Vicki in January 2002; Lee in October 2002; and Art in June 2003.

"It hurts your morale. You feel, I don't know, uncertain," said Steve Martinez, 38, the last to join the company. A process specialist, he is the only one remaining.

The Martinez siblings' relationship with Hewlett-Packard, and Agilent, in many ways tells the story of Sonoma County's long, prized, and now uncertain relationship with its signature high-tech employer.

Today, like many who lost jobs during the sliding economy and offshoring that followed the dot-com bust, the Martinezes earn considerably less than they did, although they also find hope as they forge new lives.

"It's financially painful, but I feel like I'm moving forward," said Michael Martinez, 42.

He now stages rodeos and is working to invent a video-game accessory. Vicki has moved to Missouri, where she is a substitute teacher. Lee is studying to become a corrections officer. And Art has started a day care center with his wife.

The Martinezes, children of a Santa Rosa elementary school principal who moved to

Sonoma County in the 1960s, were each at a different stage in life when they joined Hewlett-Packard.

Lee was a clerk in a Coddington maternity shop; Michael an expectant father and budding technophile; Vicki a college graduate ready for a career; Art a fry cook in a new marriage; and Steve a tile setter who wanted steadier work.

By 1980, when Lee Martinez left the maternity store for Hewlett-Packard, the management philosophy of its storied founders, David Packard and William Hewlett, was already known as "The HP Way."

Matching high expectations with an atmosphere that encouraged and rewarded suggestions, it was personified by Hewlett and Packard, whose hard-headed business sense didn't dent their concern for employees.

It is a rare conversation with anyone who worked for them that doesn't include a story about "Bill and Dave" to illustrate why working at HP was more than making a living.

Lee Martinez's first job was assembling transformers at the Airway Drive plant that HP leased when it moved to Santa Rosa.

One day co-founder David Packard visited. "He was a huge man," she recalled. On the plant floor Packard and Martinez shook hands and his enveloped hers.

"He thanked us," she said. At the recollection, her eyes turn damp.

"I remember thinking, 'God, that's the way things should be,'" she said. "You know, it's very basic. All people want is to be treated with dignity."

The company pioneered flexible, family-friendly scheduling. In good times, the company's profit-sharing plans included workers from the plant floor. In tough times, HP relied on salary cuts; in the worst of times, voluntary buyouts or transfers.

"Everyone shared in the pain and the gain," said Vicki Martinez, who joined the human resources department in 1982 as an administrative assistant.

Employees who wanted to advance were offered training; if outside schooling was needed, the company paid their way.

"They brought in ideas that were totally new to this isolated little county at the time,"

said John Crevelli, a Sonoma County native and retired Santa Rosa Junior College historian whose son-in-law works for Agilent.

Sonoma County business and political leaders had courted the Palo Alto firm, hoping to set a new direction for a suburban county becoming less reliant on agriculture.

"Why? To create jobs and wealth in the community," said Bill Reinking, former Exchange Bank president and a member of the Santa Rosa Chamber of Commerce committee that wooed HP.

"This was the type of industry that if Sonoma County was going to play in the game, then you needed the Hewlett-Packards of the world," Reinking said.

HP quickly became known for encouraging employees to get involved in the larger community. It was a call heeded by thousands, Vicki Martinez among them.

In her 22 years with HP, she volunteered in as many as a dozen activities at a time. Now that she has moved to Missouri, she no longer contributes time to the Ukiah Food Bank, to an annual science and math conference for middle-school girls or to a Junior Achievement program focusing on high-tech careers.

Michael Martinez was 22 with a daughter on the way when he was hired at HP in 1981.

"I was a young parent. I had flexible hours. I'd say they were invaluable to helping me raise my kids," he said.

The company put him through technical training at SRJC, and later through a management course. He became a production supervisor in 1996 and by the time of his layoff in 2001 was earning about \$70,000 a year.

"They opened up a career path," he said.

When he joined the company, it had been in Santa Rosa for a decade and its Fountain Grove campus was already a local landmark.

In 1984, Art Martinez left the kitchen at Lyon's Restaurant for a warehouse job at HP's Fountain Grove facility.

"I said, 'I'm leaving and I'm going to Hewlett-Packard,'" he recalled. At first he made \$840 a month, less than at Lyon's, but "the long-term security was what I was looking for, and I knew the wage would change."

And in 1989, Steve, looking for steadier work than setting tile, took a job as a maintenance man at the company.

"My brothers and sisters all worked there. I wanted to be a part of it," he said.

Over the years, they each grew up through the company.

Lee became an assembly worker in the microwave test equipment division at the Rohnert Park plant HP opened in 1984.

Vicki rose to become an education program manager in human resources at the Fountain Grove headquarters.

Art moved up to handle trade orders, processing customer orders from the logistics department in Rohnert Park.

Michael ended up as a supervisor in the lightwave division at the airport facility, which closed two years ago.

As a process specialist, Steve supports a research and development production line of circuit boards at Fountain Grove.

Their children formed a vision of Agilent similar to the one their parents had held a generation before.

"It was like major security, man," said Paul Martinez, 21, Art's son. "Growing up, I was always, like, if I ever need a job, I can always go to Agilent."

That all changed in the first years of the millennium when Michael, Vicki, Lee and Art were laid off. With each announcement, they'd hold "pity parties" at their mother's Santa Rosa home.

The company provided each with a severance of up to nine months' salary and benefits. Still, there is a sense of betrayal.

"Offshoring, globalization, those are corporate words," Lee Martinez said. "It's a corporate world, you know. They have to satisfy their investors and shareholders and that's the bottom line now."

In the human resources department, Vicki Martinez had heard since the late 1990s that more jobs would be sent to Malaysia.

The theme, she recalled, was "globalization, globalization." And the message was that it was necessary to make Agilent more competitive.

"Necessary for who? For the people who are making the money at HP? The goal is higher profits, so they're making decisions based on that," she said. "But the result is, well, you can see what the result is. Hundreds of people whose livelihoods are gone."

"They have to satisfy their investors and shareholders and that's the bottom line now."

LEE MARTINEZ