

Manufacturing and Logistics

SKILLS GAP SURVEY

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EXECUTIVE SUMMARY

- **87% are experiencing a skills gap:** Even though unemployment remains higher than pre-recession levels, manufacturers and distributors cannot find the talent required to support their business. Now that employees are feeling more comfortable with the recovery, they are beginning to proactively pursue better opportunities. Simultaneously, as baby boomers are feeling more comfortable with their retirement nest eggs, they are choosing to retire. Since employers have stayed lean, these departures are leaving significant gaps. To add fuel to the fire, as supply chains have become more complex in recent years, a higher level of skills and talent is required for success, leaving a skills gap.
- **Communication skills rising in importance:** Although traditionally, manufacturers and distributors have been focused on professional and technical skills, soft skills have gained in criticality. Having employees with the technical skills is no longer enough; to compete in today's new normal business environment, collaboration is a must. Therefore, communication and presentation skills have become increasingly vital and were #1 on the soft skills priority list.
- **A spattering of training options are pursued:** The survey shows that employers pursue a wide variety of training options from on-the-job training as the most frequently pursued to state sponsored training as the least often pursued. I'm noticing an emerging trend towards professional training and development programs (typically including certification) as executives run into the skills gap with limited time and internal resources.
- **Retention must become a higher priority:** In my research, it has become clear that retention cannot be left to chance. Employees are willing to pick up and leave long-term jobs for better opportunities. Those companies with top notch retention programs will thrive in this environment. According to the survey, the most popular retention programs are succession planning and mentor programs. Attention and focus on these must become a priority.
- **77% struggle to find qualified candidates:** Undoubtedly, as skill requirements have increased, ideally qualified candidates have become scarce. Due to the increasingly complex and multi-faceted environment, a broad range of skills are required to succeed. Specific technical skills are now an assumption; instead, employers are searching for candidates with related technical skills in combination with superior soft skills. Leadership skills are

EXECUTIVE SUMMARY

- **Post high school education not preparing employees for the job:** This is the #1 cause for not finding qualified candidates by almost a 25% margin. In my 20+ years of experience as a manufacturing executive and business consultant, it's become clear there is a significant gap between what's learned in the classroom to what's required for success in business. Concepts are understood in theory; however, putting them to practice is a rare talent.
- **Word of mouth gains top pick:** Although everyone seems to focus on on-line job searches (similar to the old days of newspaper want ads), the best candidates are found via word of mouth. What could be better than receiving a referral from someone you respect who understands your needs? It eliminates wasted effort. Smart executives are thinking about how to get the word out about key positions – and about why their company is more attractive than the rest.

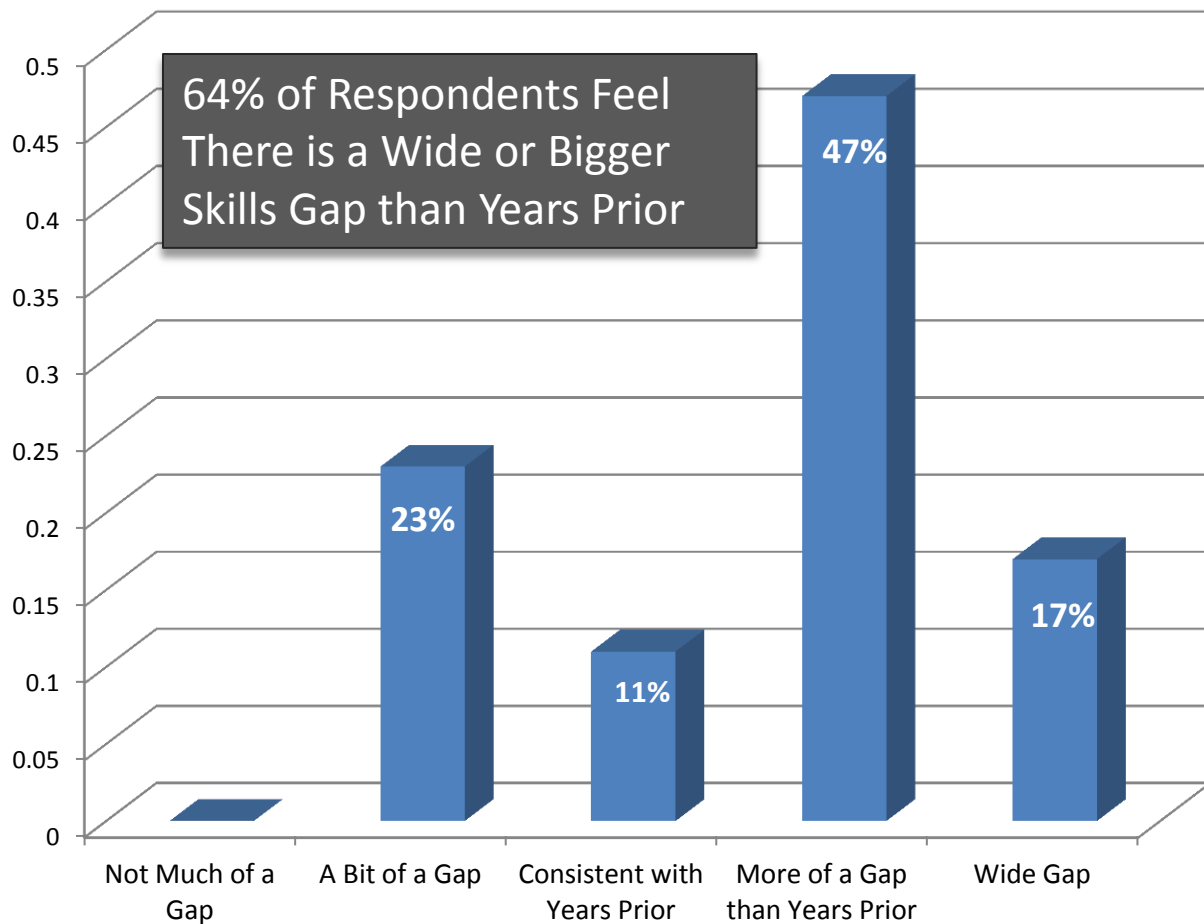
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SURVEY RESULTS

How would you rate the current skills gap in manufacturing and logistics?



“Cognition skills of high school and college graduates is decreasing each year. People in my APICS classes can barely do the addition and subtraction. ”

“The current focus on "Supply Chain" has caused too many up and coming personnel to lack 1st principles of Manufacturing Planning & Control. ”

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SURVEY RESULTS

Which of the following professional/technical skills are lacking in your workplace? (choose all that apply)













Answer	0%	100%	Response Ratio
Accounting			11.7%
I.T./ERP			47.0%
Demand Planning/Forecasting			47.0%
Supply Planning (buying production planning, etc.)			41.1%
Inventory Management			47.0%
Capacity Planning			52.9%
Operations Management			52.9%
Transportation & Logistics			23.5%
Warehousing & Forklift			5.8%
Manufacturing Operations Technical Skills (CNC, etc.)			52.9%
Engineering			23.5%
Lean/Six Sigma/Process Improvement			47.0%
Customer Service/Sales			5.8%
Environmental & Safety			23.5%
Project Management			47.0%
Microsoft Office Skills			5.8%
Other (View all)			5.8%
		Totals	100%

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SURVEY RESULTS

Which of the following soft skills gaps are lacking in your workplace? (Please select all that apply)

Answer	0%	100%	Response Ratio
Attendance			5.5%
Writing skills			50.0%
Presentation & Communication Skills			77.7%
Management skills			50.0%
Critical, analytical thinking			50.0%
Customer service			27.7%
Following Directions			27.7%
Problem-solving			61.1%
Reading/ Comprehension			27.7%
Collaboration & Teamwork			50.0%
Supervisory Skills			44.4%
Other (View all)			11.1%
		Totals	100%

“ Oftentimes I find myself taking meetings that other people cannot handle because of their communication skills. Additionally, we have seasoned folks that often ask questions that they should know the answers to or at the very least, now how to find the answers. ”

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SURVEY RESULTS

Looking to the future, which of the following skills developmental areas would be most valuable in improving your workforce?

Top 4 Skill Developmental Areas

1 = Least Valuable					Ranking Score*
Answer	1	2	3	4	
Professional/Technical Skills					2.9
Management & Leadership Skills					2.2
Communication & Presentation Skills					2.6
Computer Skills					2.2

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

Although traditionally, manufacturers and distributors have been focused on professional and technical skills, soft skills have gained in criticality. Having employees with the technical skills is no longer enough; to compete in today's new normal business environment, collaboration is a must.

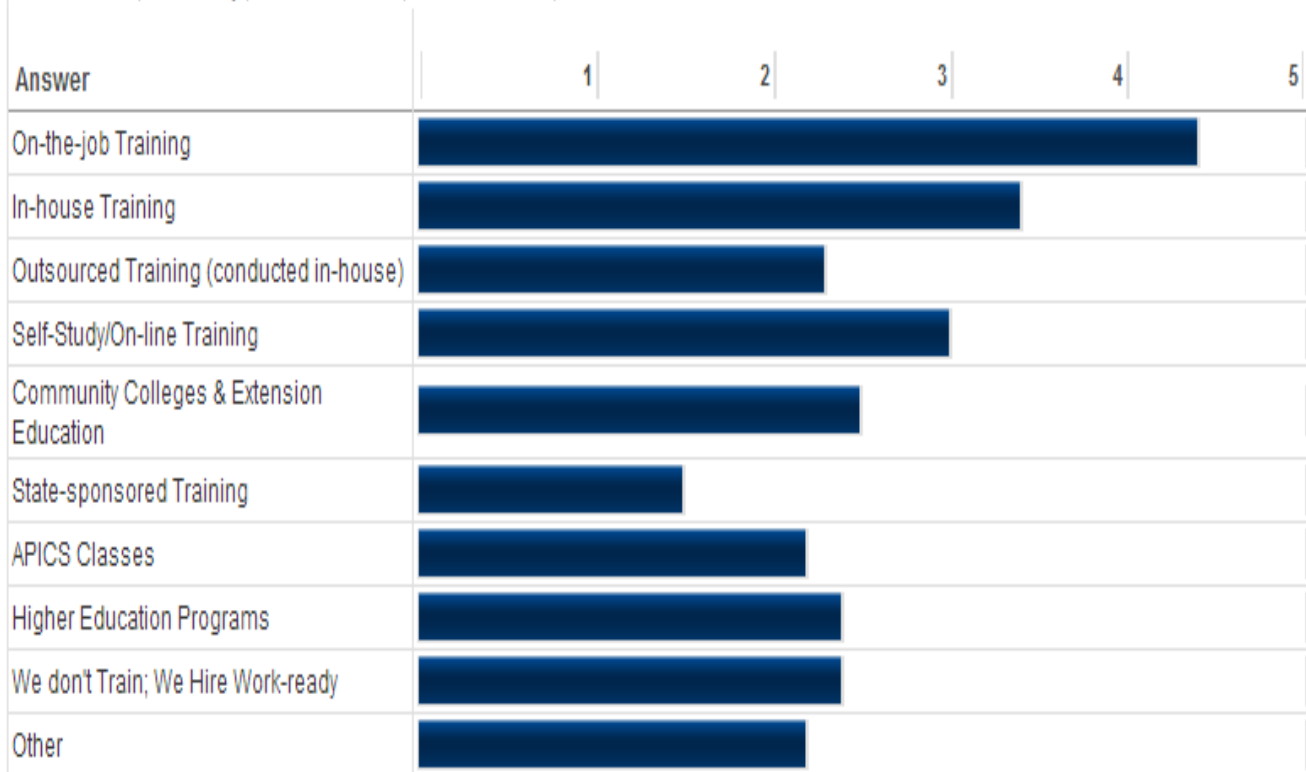
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SURVEY RESULTS

Rank the frequency of the methodology you currently use to train your employees.

1 = Not at All , 2 = Rarely , 3 = Sometimes , 4 = Oftentimes , 5 = Most of the time



*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

An emerging trend towards professional training and development programs (typically including certification) occurs as executives are faced with bridging skills gap with limited time and internal resources.

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SURVEY RESULTS

Do you utilize any of the following to retain your top talent?

1 = Yes, 2 = No

Answer	1	2	Rating Score*
Performance Management			1.2
Leadership Training Programs			1.4
Succession Planning			1.6
Mentor Programs			1.6
Support for Certification and Higher Education Programs			1.2
Reward & Recognition Programs			1.2

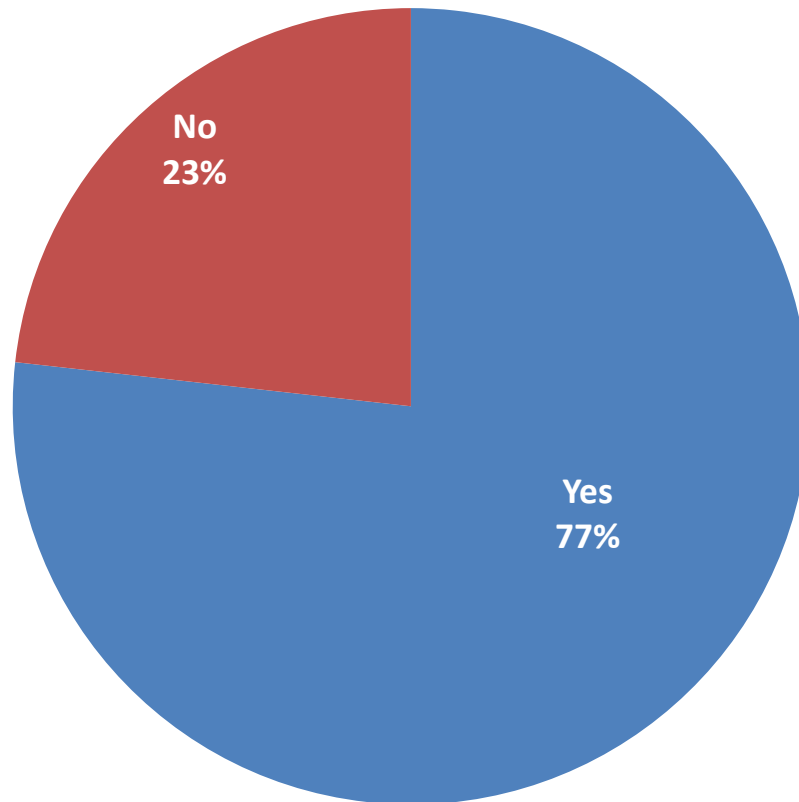
*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

Retention must become a higher priority. Employees are willing to pick up and leave long-term jobs for better opportunities. Those companies with top notch retention programs will thrive in this environment.

SURVEY RESULTS








If you are hiring, are you struggling to find qualified candidates with the necessary skills for your open positions?

Percent Struggling to Find Qualified Candidates



SURVEY RESULTS

If you are struggling to find appropriately skilled candidates, to what do you attribute the difficulty?

Answer	0%	100%	Response Ratio
Undesireable Location of Company			5.5%
Competitors Hiring Skilled Talent			5.5%
Wage and Benefits Package			0.0%
Lack of Experience in Work Environment			16.6%
Disconnect Between Post High School Education and Skills Needed			38.8%
I'm Not Having Problems Recruiting New Employees with the Appropriate Skills			11.1%
Other (View all)			11.1%
No Responses			11.1%
		Totals	100%

Clearly there is a significant gap between what's learned in the classroom, the post high school workforce preparation and what's required for success in business. Concepts are understood in theory; however, putting them to practice is a rare talent.

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SURVEY RESULTS

How do you recruit qualified job candidates?

Answer	0%	100%	Response Ratio
Executive Recruiters			27.7%
Staffing Agencies			27.7%
Employment Websites such as Monster, Craig's List			44.4%
LinkedIn			22.2%
Referrals			55.5%
Professional Trade Associations such as APICS			27.7%
Other (View all)			11.1%
Totals			100%

The best candidates are found via word of mouth. Smart executives are thinking about how to get the word out about key positions – and about why their company is more attractive than the rest.

If you could prioritize one thing to secure the appropriate talent for your company, what would it be?

Open-Ended Responses

Answer
Better people skills
Collaboration and Teamwork skills/methods
Potential employee's attitude
Form relationship with Engineering departments at local Universities.
Higher salaries and better health benefit packages
Pay scale equal to the talent.
critical thinker
Know exactly what we need.
A current and ongoing training program
Be realistic about expectations, pay and investing in the recruiting process.
Counciling of enrolled students
How the candidate communicates and interacts, starting with the very first interaction.
Insure that long-standing in-house employees are provided the opportunity and time to dedicate to development programs to build the skills necessary in today's global business environment.
Improve benefits package to compete with other companies in industry
Community college courses supporting skills gaps, such as CNC programming, computer aided design/drafting, production control and planning.