

In Search of Skilled Labor

Many companies are finding the manufacturing “skills gap” a formidable challenge.



“It’s clear that the shortage of skilled labor hurts our productivity or we’re not getting the expected ROI in our capital investments in equipment and our on-time delivery of our product is dropping.”

There are numerous labor shortages in the U.S. marketplace, across a host of industries and all regions of the country.

A recent comprehensive global study found that 49 percent of all U.S. employers are currently having trouble filling skilled positions. And this is not a problem confined to the United States. The same study found that 34 percent of employers worldwide need skilled workers as well.

Across America and around the globe, some of the most acute skilled labor shortages are in the manufacturing sector. All told, a 2012 study conducted by Deloitte concluded that, on a global basis, as many as 10 million skilled manufacturing jobs are waiting to be filled.

Meanwhile, in the United States, 67 percent of manufacturers are experiencing moderate to severe shortages of available, qualified workers, according to Deloitte. The same study found that U.S. manufacturers, unable to find and hire enough qualified workers, are now operating with 5 percent of their skilled positions unfilled. Just how many jobs are we talking about? Nationwide, a total of 600,000 open positions.

Manufacturing leaders are hardly bullish about the future of the skilled labor shortage, with 56 percent expecting the situation to worsen over the next three to five years. And with good reason, as the persistent shortage of qualified factory workers in the United States is being caused by a number of factors.

For starters, the overall need for skilled labor in U.S. manufacturing is up, despite the decline in the total number of sector jobs in recent decades. Over the past 30 years, total employment in high-skilled manufacturing jobs increased 37 percent, according to a New York Federal Reserve study.

Over the years, as factories have become increasingly automated, the need for higher skilled workers has grown as well. This trend has only intensified in the years since the onset of the Great Recession, as manufacturers have continued to invest in ever more sophisticated and computerized equipment provider of manufacturing workers to work for you and your business.

With more of the oversized Baby Boomer generation reaching retirement age each year, it is falling largely to the so-called Millennial generation to take the place of retiring workers.

Unfortunately for U.S. manufacturers, members of the younger generation—who grew up with computers, the Internet and advanced video game systems—are less inclined than previous generations to work with their hands. Participation in relevant

vocational training has declined as well. And employers must battle the false but widespread perception that manufacturing is a troubled, less-promising sector of the U.S. economy.

Moreover, the persistent shortage of qualified manufacturing employees is not just a growing source of anxiety for hiring managers and human resources professionals. The shortage is also dragging down overall business performance, causing major headaches for managers and senior company leaders.

In fact, three-quarters of manufacturers now report that a dearth of skilled people is having a significant impact on their organizations' ability to expand operations or improve productivity. Not surprisingly, many of the skilled jobs currently going unfilled are in roles with the most acute impact on performance, from machinists and welders to maintenance technicians and skilled electronics workers.

As one manufacturing executive explained to Fortune, "It's a massive problem. We can't hire and train fast enough and that means we have to turn down business." Just keeping up with existing business is stretching many U.S. factory workforces to the breaking point. The leader of a Michigan manufacturer recently described his company's situation to The Washington Post. "Our guys have been working 60 to 70 hours a week, and they're dead," he said, "We need more people. The trouble is finding them."

The worsening shortage of qualified manufacturing employees is putting the sector's hiring managers and human resources departments in a very challenging position. Given the systemic reasons for the lack of skilled workers, many manufacturers are struggling to attract and retain enough talent to fully leverage their investments in technology, automation and efficiency.

As a result, a growing number of manufacturing firms are reaching beyond the four walls of the enterprise, seeking out workforce specialists with the knowledge and experience to close their skilled labor gap and improve overall business performance.

Select is one such provider of skilled manufacturing workers.

One of the largest light industrial staffing companies in the nation, Select has more than 19,000 employees on assignment at more than 1,300 manufacturers every week.

Select is able to find and attract qualified factory workers on behalf of client manufacturers who would otherwise be operating short-handed. Select relies on a set of rigorous screening, assessment, and recruiting tools, giving the company's clients a real and significant advantage over other employers.

Interested in knowing more about how Select can help your manufacturing company attract and retain more skilled workers, boost your productivity and improve your overall business results? Visit the contact page at www.select.com, share your situation and put America's leading provider of manufacturing workers to work for you and your business.

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