

The Skills Gap in the Manufacturing Industry and What We Can Do About It



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There is a serious skills gap crisis in the U.S. manufacturing industry, an industry which makes up nine percent of the U.S. workforce, making it one of the largest workforces in the country. The manufacturing industry, like many other industries in our quickly-shifting, modern economy, requires skilled workers to fill critical positions, such as machine/equipment operators and automation supervisors. Without these skilled workers, the manufacturing industry would undoubtedly be disrupted and overall production and revenue would take massive hits. Despite the importance of skilled worker positions and the fairly high compensation offered, manufacturing companies are still finding themselves with a dearth of talent from which to hire some of their most important employees. For years now, the industry has reported that the number one issue plaguing it is a lack of skilled workers.

There are almost three times as many skilled worker positions being posted than are being filled. Over the next decade, almost two million manufacturing jobs are predicted to go unfulfilled due to the skills gap crisis.

What Is Causing The Skills Gap?

Recent reports suggest that the issue is as bad as it has ever been and is only

growing worse due to a number of factors. One factor is the aging of the skilled work force. Industrial engineering is essential to the modern manufacturing world as technology and manufacturing become ever more intertwined day by day. While industrial engineering is one of the fastest growing fields in engineering, it also has one of the largest populations of workers nearing retirement. Approximately twenty-five percent of the industrial engineering workforce is 55 years or older. As a result, experienced skilled workers in the industry are retiring daily, further decreasing the available skilled worker pool. Making the problem worse is that many of the niche skills necessary to perform particular positions become outdated in just a few years. This requires employees to either retrain on new technology or get a new job. Further adding to the skills gap is the general societal emphasis on high school graduates attending college or university, which do not necessarily prepare graduates for employment in skilled positions. These factors and more have led to the perfect storm which faces the manufacturing industry today.

What Is Being Done to Address the Skills Gap?

Politicians at every level are painfully aware of the skills gap crisis. They hear it from all sides as constituents are left unemployed, despite a large number of available skilled worker positions, and as companies are unable to fill their ever-growing void of skilled workers. At both the state and national level, legislation designed to address the skills gap is finally starting to be discussed and passed. At the federal level, Congress recently reauthorized the Perkins Act, which allows for up to \$1.3 billion dollars to be allocated to various national and local efforts designed to help post-secondary students receive the on-the-job training they need to succeed in industries with skilled worker shortages.

At the state level, states such as Michigan and North Carolina are attempting to lead the pack in terms of innovative solutions to the skills gap crisis. In Michigan, a newly adopted plan calls for investing \$100 million in programs that award competency-based certifications, provide assistance to schools in updating their curriculum and equipment to address certain skills, and support for career navigators and teachers. This plan, known as the Marshall Plan for Talent, signals a shift, not only in terms of budgetary spending, but also in terms of the way our country thinks about education. High schools in Michigan now will have the advantage of preparing their students to immediately assume a place in the local job market. Recently, in North Carolina, Ingersoll Rand and the National Association of Manufacturers hosted Rep. Richard Hudson for a facility tour, employee town hall, and workforce development roundtable. The purpose of the congressman's visit was to discuss the skills gap crisis in local manufacturing and how to address it. The hope in North Carolina is that the government might be able to enact a solution that rivals what Michigan is doing or which applies some other creative solution to the skills gap crisis.

Some other solutions that governments and manufacturers alike have used to address the skills gap is through the use of training programs that train future workers at offsite locations such as community colleges, workforce agencies, and other independent organizations. Some companies have focused on outsourcing as a method to train their future workers on a core competency of the few specialized tasks that they will be asked to perform. Other companies have taken more of a DIY

approach to the training and have seriously focused their efforts on the development and training up of current employees.

In short, it will take efforts from educators, government and the manufacturers themselves to address the skill gap in order to keep up with the demand for labor in this country. Parents and students also need to be part of the effort as people recalibrate their attitudes toward skilled manufacturing work paths.

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