





## Skills Gap IMTS 2018: Finding Hope in the Manufacturing Skills Gap

Don Sears | Sep 13, 2018

The skills gap is an omnipresent theme. When you talk to manufacturers and attend conference sessions at IMTS 2018, it's one of the most frequent topics discussed—and there is hope.

The manufacturing skills gap is a bit like the subconscious: It's always there lurking in the background, making itself known when maybe you'd rather not be reminded of certain overwhelming things. Denial may be a river in Egypt, but it's also a force to be reckoned with—and it needs to be addressed sooner rather than later, finds Tooling U-SME, a nonprofit organization that promotes manufacturing in the U.S.

"After the Second World War, there was a really strong development in the manufacturing economy," says Magnus Ekback, vice president of strategy for Sandvik Coromant, during a conference session on manufacturing digitalization. "We had one or two generations that were trained and became skilled tradesmen in manufacturing. But if you were born in the 1950s, you're going to retire."

Think the skills gap is overblown? The data show otherwise: 99 percent of manufacturers say their top workforce challenge is finding skilled new hires, according to research released by Tooling U-SME. Its "Industry Pulse: 2018 Manufacturing Workforce Report" also found that 92 percent of companies struggle to "upskill" their incumbent workforce, and 84 percent struggle to onboard new employees.

"The lowest unemployment rate in years along with high turnover and looming retirements are adding extreme pressure to the workforce," *notes* Jeannine Kunz, vice president at Tooling U-SME. "Three of the top challenges companies face in the next three years revolve around developing a skilled workforce. Yet three-quarters of the study respondents say their company does not have a talent development strategy for manufacturing employees."

During his conference session, Ekback asked if there were any millennial attendees—and about 5 of the 25 attendees raised their hands.

"The good news is that there is plenty of opportunity," Ekback says. "The equally good news is that the pressure is on—and there are big shoes that you have to fill. ... This is something that all of us that operate in the manufacturing industry, we truly have joint responsibility to talk up the industry, to talk up manufacturing ... because the challenges that we have at our workplaces, they are tremendous."

There are issues to be reckoned with, but they are not insurmountable with the right awareness, attitude and effort, finds Tooling U-SME. From help with business leadership to culture to funding, the

organization supports manufacturers that are making strategic commitments to address the skills gap head-on.



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## How Do You Overcome the Manufacturing Skills Gap?

How do you solve this burgeoning gap?

"I don't know—that's a horrible challenge," says Bob Goulding, a machine tool business manager at Seco Tools. "Gosh, if I knew that, I'd be retired already."

It's not easy and it will take time, but you can also take proactive measures, finds Tooling U-SME. The organization has isolated them to five best practices:

- Identifying business objectives
- Defining performance-based competency models
- Aligning learning solutions to develop knowledge and skills
- Structuring an on-the-job training program
- Developing and executing a measurable impact study

"Many workforce development actions are within employers' control, such as retaining new hires and making positions appealing to candidates," Kunz notes. "Solid onboarding and job qualification programs, robust blended learning and development programs, and clearly defined career pathways with skills compensation plans all contribute to a high-performance workforce."

## See how technology can help the skills gap in the video: How to Straddle the Skills Gap With Automation.

## Examples of Companies Addressing the Skills Gap

During an interview with Kunz after a panel discussion at IMTS, she pointed out successful programs across a range of career development and training areas. Pella Corporation, a window and door company, implemented defined worker performance and accountability standards through a six-week onboarding training program. Honda of America Mfg. worked closely with Tooling U-SME to establish a center of excellence in manufacturing education.

"Honda worked with us in Marysville, Ohio, where they have a plant in a very rural environment, rural part of the state, and the local high school is a huge feeder of potential workers," Kunz says of Honda's operations in the town of Anna. "They were very much structured in how they had their competencies and their onboarding, and they wanted the school to be aligned to it."

To help bolster the program toward success, Honda donated to SME Education Foundation's Partnership Response in Manufacturing Education, or PRIME, to bring the training Honda uses in its

Anna Engine Plant to Anna High School. Students receive training that would help them gain the foundation for employment with Honda.

Similarly, a PRIME lab was set up in Grand Haven High School in Michigan that offered students internships with Shape Corp., a tier-one automotive and industrial component supplier. The program includes four apprenticeship tracks across machine repair, tool and die, electrician and roll form. After graduation, students are fast-tracked into the company's apprenticeship program.



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