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## Management Insights

### Creative Ideas to Fill the Skills Gap and Attract Great People

As the owner of a manufacturing and distribution company, you can probably relate to a challenge recently faced by Eric Spiegel, president and CEO of Siemens Corporation. Siemens was building a new gas turbine plant and chose its location in part based on the area's rich manufacturing history.

Although the plant attracted 10,000 applications, and Siemens considered 6,000 of them, the company still had a tough time filling 1,000 slots. Only one-third of the applicants passed the required tests in math, reading and basic technology.

Siemens' hiring situation is not an anomaly. Finding qualified employees has never been easy but it seems to be getting harder, especially in the manufacturing and distribution sector.

A 2014 CEO survey by Change the Equation and the Business Roundtable found that nearly 98 percent of CEOs reported a skills gap that hurts their businesses. The survey reports that over the next five years, employers expect to replace nearly one million employees needing basic science, technology, engineering and mathematics (STEM) literacy and more than 600,000 employees needing advanced STEM knowledge.

### What to Do

So what's the solution to bridging this skills gap and creating a talent pool to fuel the future of your business? Get creative — and get involved. Here are a few suggestions for getting started:

- **Visit high schools.** Many high school students — and faculty and administrators, for that matter — have no idea what types of skills are required to work in a modern manufacturing facility. They often assume the jobs are low-tech.

By visiting schools and establishing relationships with career counselors, teachers and students, you can illuminate the true and varied nature of manufacturing jobs. You can also clarify the types of prerequisites necessary to be successful in a manufacturing career.

- **Invest in trade education.** One manufacturing company didn't realize the dire nature of its skills gap until it bought a CNC machine and found that none of its current employees had the skills to use it.

To correct this problem, the company hired a skilled trainer and sent a team of its employees to intensive classes to learn the ins and outs of the machine, essentially retraining them in new jobs. They then trained others. The efficiency and productivity improvements provided by the new machine easily covered the cost of the training.

Similarly, the Siemens team discovered that no area community colleges were teaching the

manufacturing skills necessary to run a plant like the one they were building, which used automation, robotics and software. So the company sent local professors to Germany to learn the required techniques and then created training programs in local community colleges.

You and your industry colleagues could do the same type of thing in your local area, on whatever scale seems reasonable and necessary. If you pay for the training, it will likely pay off for your business in the long run.

- **Start an apprentice program.** For centuries, formal apprentice programs were the lifeblood of dozens of industries. Unfortunately, this type of training has largely gone the way of the typewriter. But the trend is your friend. After decades of “everyone must go to college” thinking, students and progressive educational institutions realize that a typical four-year degree is not for everyone.

Apprentice and internship programs are coming back, largely fueled by businesses themselves. They often start with afterschool and weekend jobs for high school or trade school students. They are formal and organized, designed with the aim of building skills as the apprentice gets hands-on experience. The beauty of apprenticeships and internships is that they provide a clear and active career path for students and a ready workforce for businesses. How might such a program work for you?

- **Contact your municipal and state job authorities.** Dozens of government-sponsored job readiness, job assistance and skills promotion programs are already in place in many areas. The problem is that hiring companies or individuals often are not aware of them.

Make it your goal to get to know your local and state development authorities and learn about the programs they have in place. These can range from established internships and training initiatives to tax credits for companies hiring certain categories of workers, such as veterans. Many of these programs are underwritten by the U.S. Department of Labor.

Also, there are likely nonprofit organizations in your area running job-readiness programs. Many are seeking partners where candidates can get experience. Identify and reach out to those that might mesh well with your needs. Also, ask your CPA about tax breaks that may be associated with these hiring programs.

- **Get involved politically.** Tell your local, state and national representatives about your challenges in filling jobs. Invite them to visit your facilities and meet your employees. Share with them your interest and willingness to be a source of steady income for local citizens. Ask them about what they’re doing to aid job creation and training, and volunteer to get involved.

Job-related programs are good for people of all political stripes, so there’s no need to get tangled in messy partisan politics. Your representatives work for you, but they won’t know what you need unless you tell them.

- **Use PR to your advantage.** Participate in and sponsor community events to get your company’s name known. Open your facilities for student and community group tours to let people know what you do and show them the nature of the jobs involved.

This type of community involvement builds goodwill and establishes your company’s reputation not only as a good neighbor, but also as a good place to work.

- **Enhance your employee benefits package.** Do you know how your benefits compare to other employers in the area? If not, now would be a good time to find out. Many companies now offer wellness initiatives, flexible time off, volunteer hours, tuition reimbursement, pet insurance and a host of other unusual perks that attract both entry level and more experienced employees.

## It's Your Issue

You and your business could be an integral part of the solution to bridging the skills gap in the manufacturing and distribution industry. Taking the lead in this arena is a win-win for your company and your community. It may also give you a competitive edge.



We are dedicated to your company's success. Let us help you brainstorm creative ideas to build your workforce. Contact us today to discuss your options.



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