Victorian Employer Skills and Training Survey 2017

Manufacturing

Over 12,100 employers responded to the skills and training component of the *Victorian Employer Satisfaction and Skills Survey* in 2017. Of these, 942 were from the Manufacturing industry. Employers report that skills are important to productivity, but many are facing challenges filling jobs and finding the right applicants with the right skills. These challenges are faced both now, and are expected to continue into the future. However, a high proportion of employers that access training to improve the skills of their workforce report a positive impact on productivity and return on investment.

The statistics below reflect the experience of employers in the Manufacturing industry compared to the overall Victorian average.

**Productivity**

**Skills are important to productivity**

Businesses found that a lack of skills had a medium to high impact on workplace productivity.

**High impact**

Manufacturing Industry: 34%

Victoria: 28%

**Medium impact**

Manufacturing Industry: 47%

Victoria: 53%

**Low impact**

Manufacturing Industry: 17%

Victoria: 16%

**Impact of insufficient workforce skills**

A lack of skills can increase the workload for other staff, result in poorer quality of service/products and affect operating costs.

**Increased workload for other staff**

Manufacturing Industry: 68%

Victoria: 61%

**Poorer quality of service/products**

Manufacturing Industry: 48%

Victoria: 38%

**Increased operating costs**

Manufacturing Industry: 48%

Victoria: 44%

**Challenges**

**Managing the skills of the workforce**

Employers reported that recruitment was challenging due to candidates not having the required skills or being job ready.

A quarter of employers saw the need to improve leadership skills of existing staff.

Finding people with the right skills

Manufacturing Industry: 57%

Victoria: 53%

Finding job ready candidates

Manufacturing Industry: 37%

Victoria: 33%

Building leadership skills

Manufacturing Industry: 25%

Victoria: 24%

**Recruitment challenges**

Employers faced recruitment challenges because potential candidates did not have the required job specific experience needed.

Agreed roles were difficult to fill

Manufacturing Industry: 60%

Victoria: 54%

**Lacked technical / job specific skills**

Manufacturing Industry: 59%

Victoria: 50%

**Lacked relevant experience**

Manufacturing Industry: 54%

Victoria: 55%

**Few applicants**

Manufacturing Industry: 51%

Victoria: 46%

**Skills**

**Skills needed now and for the future**

Businesses are concerned they may not have the skills they need for the future

Manufacturing Industry: 24%

Victoria: 24%

Businesses lack the skills they need today

Manufacturing Industry: 12%

Victoria: 9%

Businesses believe the have the skills needed for today and for the next 12 months

Manufacturing Industry: 59%

Victoria: 61%

**Main skills lacking today and in the next 12 months**

The majority of employers identified technical and job specific skills are lacking today or will be lacking in the next 12 months.

**Technical / job specific skills**

Manufacturing Industry: 82%

Victoria: 69%

**Problem solving skills**

Manufacturing Industry: 38%

Victoria: 35%

**Management / leadership skills**

Manufacturing Industry: 35%

Victoria: 40%

**Training**

**Employers’ access to training**

Employers supported staff training in 2016

Manufacturing Industry: 56%

Victoria: 63%

Employers mainly used private training providers, TAFEs and industry associations to deliver their training in 2016.

**Private training providers**

Manufacturing Industry: 47%

Victoria: 50%

**TAFE**

Manufacturing Industry: 39%

Victoria: 24%

**Industry associations**

Manufacturing Industry: 35%

Victoria: 48%

**Training contribution and quality**

Employers find that training has a positive contribution to productivity and business success.

Positive Return on Investment

Manufacturing Industry: 74%

Victoria: 75%

Positive impact on productivity

Manufacturing Industry: 67%

Victoria: 72%

Trained staff are more valuable to the workplace

Manufacturing Industry: 85%

Victoria: 86%

Quality of provider training was high

Manufacturing Industry: 75%

Victoria: 79%