Victorian Employer Skills Survey 2018

Manufacturing

Of the 13,600 employers that responded to the *Victorian Employer Skills Survey* in 2018, nearly 950 were from the Manufacturing industry. Employers report that skills are important to productivity, but many are facing challenges filing 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 with a lack of skills found it had a medium impact on workplace productivity.

**High impact**

Manufacturing: 32%

Victoria: 28%

**Medium impact**

Manufacturing: 51%

Victoria: 56%

**Low impact**

Manufacturing: 16%

Victoria: 15%

**Impact of insufficient workforce skills**

Businesses lacking skills mainly reported the following workplace issues:

**Increased workload for other staff**

Manufacturing: 68%

Victoria: 66%

**Increased operating costs**

Manufacturing: 59%

Victoria: 46%

**Withdrawal or delays in producing products**

Manufacturing: 52%

Victoria: 32%

**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.

Over a quarter of employers saw the need to build leadership skills amongst existing staff.

**Finding people with the right skills**

Manufacturing: 70%

Victoria: 59%

**Finding job ready candidates**

Manufacturing: 48%

Victoria: 35%

**Building leadership skills**

Manufacturing: 26%

Victoria: 23%

**Recruitment challenges**

Employers facing recruitment challenges mainly reported applicant related reasons for their difficulties.

**Agreed roles were difficult to fill**

Manufacturing: 65%

Victoria: 59%

**Few applicants**

Manufacturing: 56%

Victoria: 52%

**Lacked technical / job specific skills**

Manufacturing: 53%

Victoria: 52%

**Lacked relevant experience**

Manufacturing: 46%

Victoria: 56%

**Skills**

**Skills needed now and for the future**

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

Manufacturing: 27%

Victoria: 26%

**Businesses lack the skills they need today**

Manufacturing: 19%

Victoria: 12%

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

Manufacturing: 53%

Victoria: 62%

**Type of skills lacking today and in the next 12 months**

Employers who lack the skills today, or expect to over the next year, identified various skills needs.

**Technical / job specific skills**

Manufacturing: 81%

Victoria: 68%

**Management / leadership skills**

Manufacturing: 41%

Victoria: 39%

**Problem solving skills**

Manufacturing: 36%

Victoria: 36%

**Training**

**Employers’ access to training**

**Employers supported staff training last year**

Manufacturing: 62%

Victoria: 64%

Employers who supported training either utilised external trainers or made provisions for training within the organisation by other staff.

**Internal training**

Manufacturing: 49%

Victoria: 57%

**External training**

Manufacturing: 88%

Victoria: 82%

**Training contribution and quality**

Employers who supported training agreed it had a positive contribution to productivity and business success.

**Positive return on investment**

Manufacturing: 75%

Victoria: 90%

**Positive impact on productivity**

Manufacturing: 80%

Victoria: 90%

**Trained staff are more valuable to the workplace**

Manufacturing: 91%

Victoria: 95%

**Quality of provider training was high**

Manufacturing: 82%

Victoria: 88%