

Results of Mt. Auburn Survey of Merrimack Valley Manufacturers

METHODOLOGY

Survey Methodology

- 622 email addresses were collected through each of the WIBs. This accounted for about one third of total manufacturers in the region
- 506 emails were delivered – about 80% of those sent
- 73 responses were received for a response rate of 14.4% of those receiving emails. These employers employed 11,000 individuals, about 12% of manufacturing jobs in the region.
- Slight over representation of Greater Lowell and Merrimack Valley and under representation of NH
- Survey relatively representative of industry makeup in the region



Survey provides a snapshot of views across the region - not necessarily statistically significant

Survey Response Rate				
Region	Sent Survey	Received Survey	Completed	Response
Greater Lowell	309	242	26	10.7%
Merrimack Valley	159	125	25	20.0%
Southern New Hampshire	154	139	22	15.8%
All	622	506	73	14.4%

Distribution of Survey Respondents By Region		
Region	% of Respondents	% of Total Mfg Enterprises
Greater Lowell	36%	18%
Merrimack Valley	34%	22%
Southern New Hampshire	30%	60%

Respondents relatively representative of the regions manufacturing base

Distribution of Survey Respondents By Industry			
NAICS	Industry	% of Respondents	% of Total Mfg Enterprises
311	Food Manufacturing	3%	6%
312	Beverage & Tobacco Product Mfg	0%	1%
313	Textile Mills	0%	1%
314	Textile Product Mills	3%	2%
315	Apparel Manufacturing	0%	1%
316	Leather and Allied Product Mfg	1%	0%
321	Wood Product Manufacturing	5%	3%
322	Paper Manufacturing	1%	2%
323	Printing & Related Support Activities	5%	9%
325	Chemical Manufacturing	1%	4%
326	Plastics & Rubber Products Mfg	5%	4%
327	Nonmetallic Mineral Product Mfg	1%	4%
331	Primary Metal Mfg	1%	1%
332	Fabricated Metal Product Mfg	21%	21%
333	Machinery Manufacturing	14%	7%
334	Computer & Electronic Product Mfg	22%	19%
335	Electrical Equipment & Appliance Mfg	1%	3%
337	Furniture and Related Product Mfg	4%	4%
339	Miscellaneous Manufacturing	10%	7%

Current Conditions



The defense sector remains the largest market for manufacturers - though life sciences and computers are also important



While over half of respondents have seen employment declines, performance is not as bad as expected.

- Most of the respondents were small to mid sized companies
- Most of their employees live in the Merrimack Valley – on average 78%
- Companies reported hiring about 300 individuals in the last 12 months. Of these 62% was due to growth, 26% related to replacing employees who left, and 7% due to retirement.

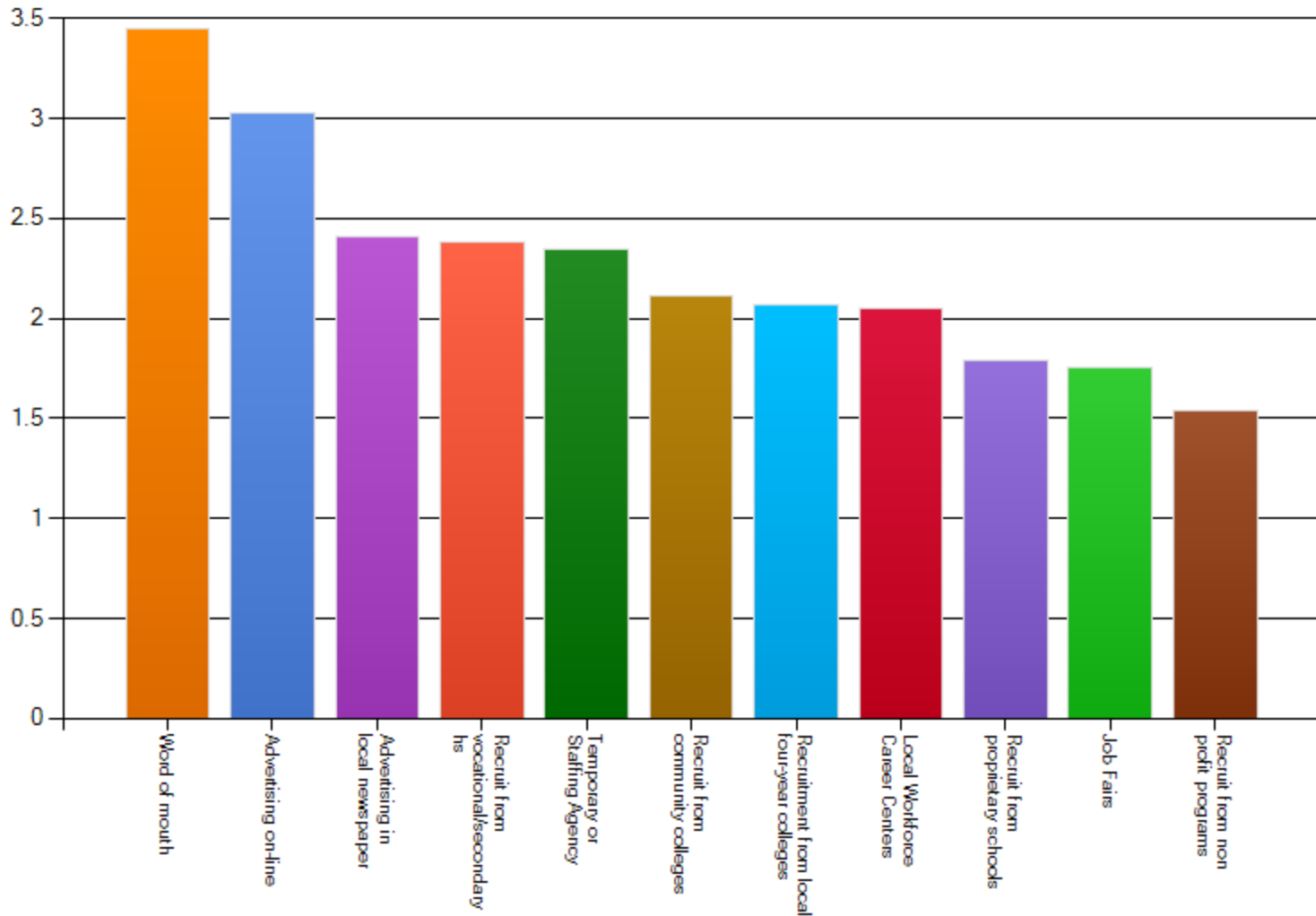
Current Workforce



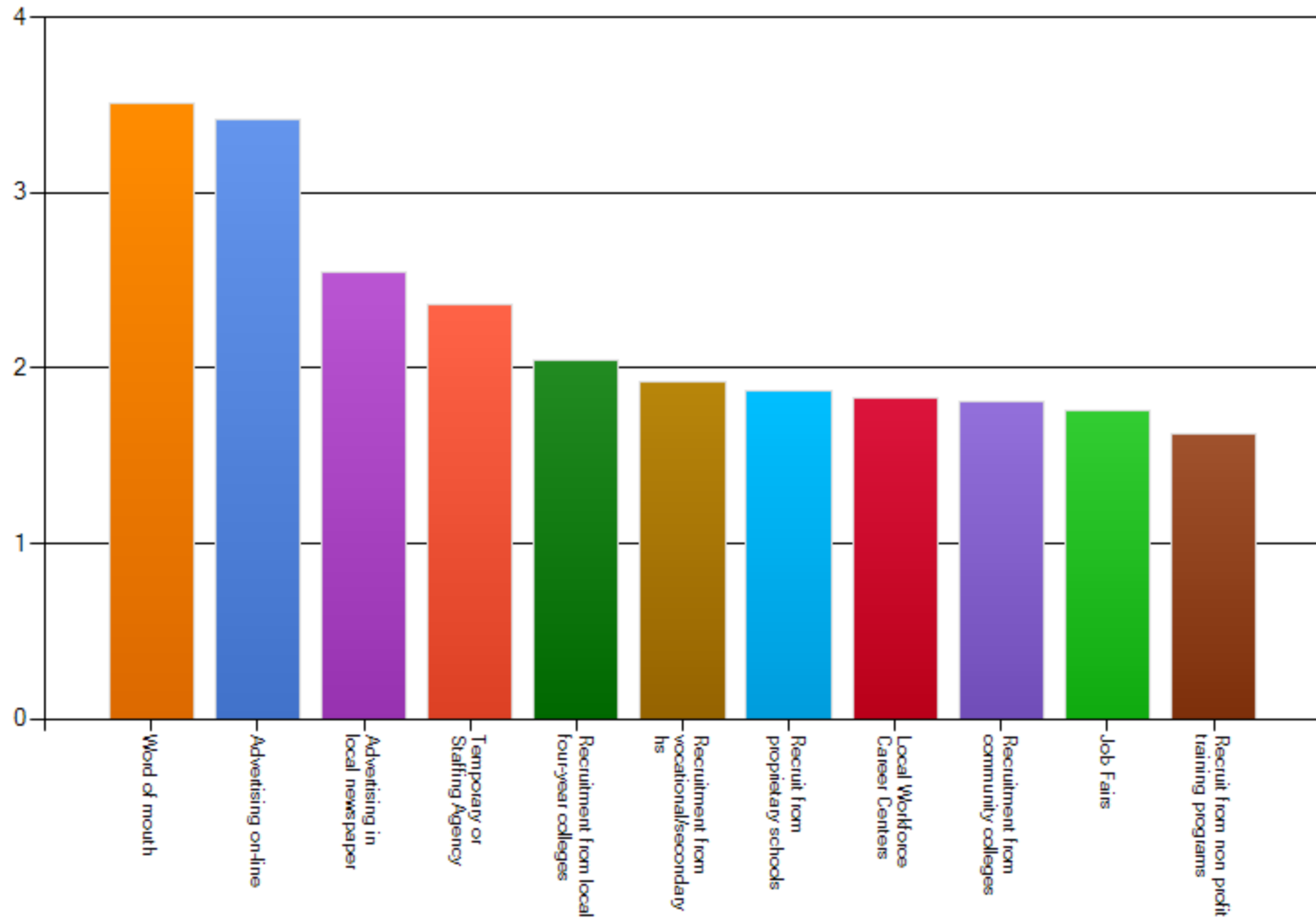
Most of the positions in manufacturing require at least a high school degree, with the largest percentage requiring an Associates Degree

Word of Mouth and on line advertising are the most common methods for recruiting entry level employees

Ranking of Methods for Recruiting Entry Level Employees



Ranking of Methods for Recruiting Skilled Employees





Recruiting from secondary schools and career centers is more important for unskilled workers.

Recruitment of Unskilled

Answer Options	Do not utilize	Use, but of minimal importance	Somewhat important	Very important	N/A
Word of mouth	3%	7%	30%	57%	3%
Temporary or Staffing Agency	34%	12%	28%	19%	7%
Advertising on-line	15%	14%	20%	47%	5%
Advertising in local newspaper	30%	16%	27%	20%	8%
Recruit from vocational/secondary hs	29%	18%	28%	18%	6%
Recruit from community colleges	41%	12%	27%	12%	8%
Recruitment from local four-year colleges	43%	12%	22%	14%	9%
Recruit from proprietary schools	51%	12%	17%	8%	12%
Recruit from non profit programs	63%	11%	9%	6%	11%
Job Fairs	50%	20%	9%	9%	11%
Local Workforce Career Centers	45%	13%	15%	18%	10%

answered question 70

Recruitment of Skilled

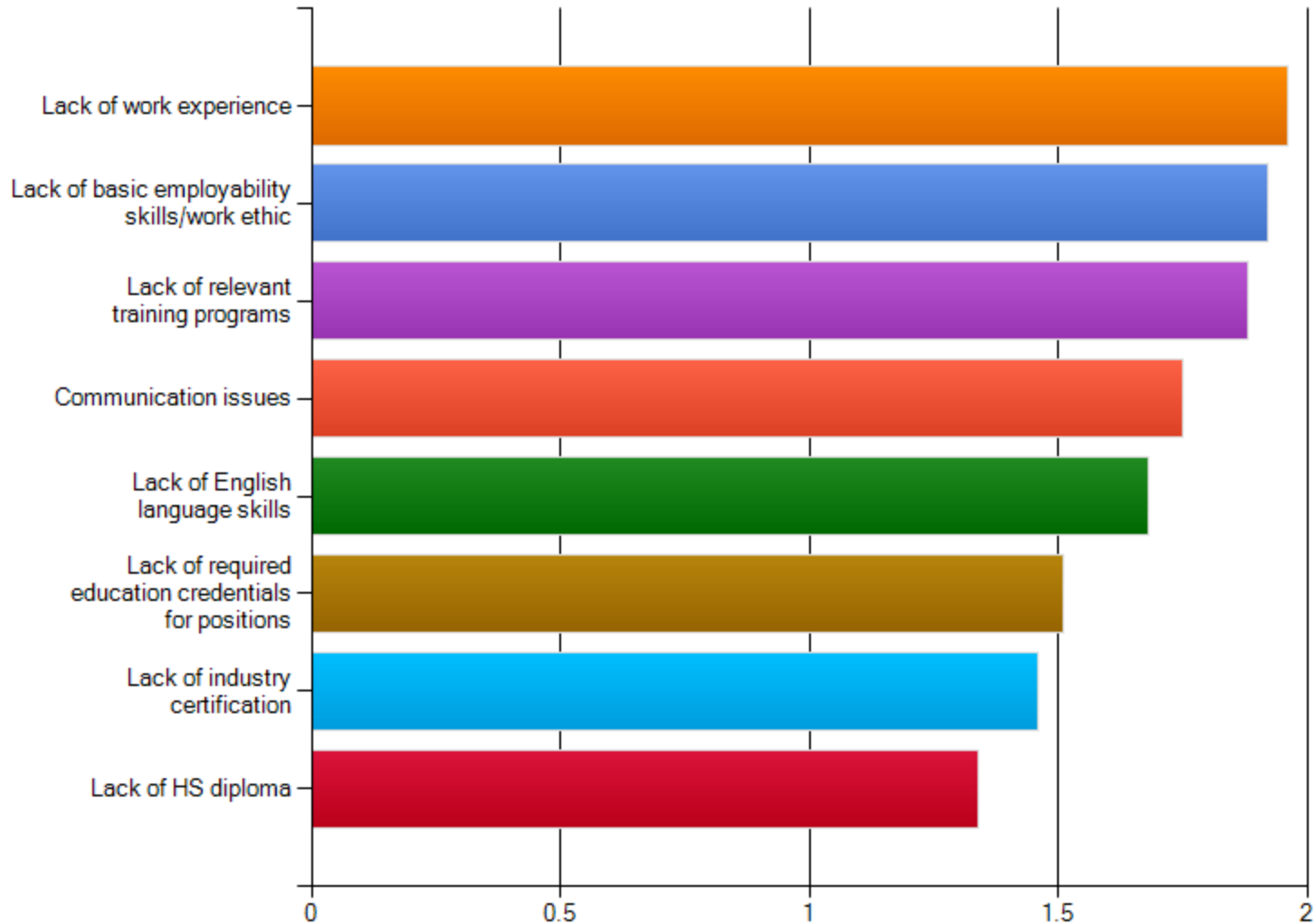
Answer Options	Do not utilize	Use, but of minimal importance	Somewhat important	Very important	N/A
Word of mouth	3%	5%	27%	59%	6%
Temporary or Staffing Agency	31%	19%	17%	23%	9%
Advertising on-line	6%	6%	21%	58%	8%
Advertising in local newspaper	24%	13%	31%	21%	11%
Recruitment from vocational/secondary hs	48%	10%	21%	10%	10%
Recruitment from community colleges	51%	12%	17%	8%	12%
Recruitment from local four-year colleges	43%	18%	15%	16%	8%
Recruit from proprietary schools	47%	13%	22%	7%	12%
Recruit from non profit training programs	56%	10%	17%	3%	14%
Job Fairs	52%	17%	13%	8%	10%
Local Workforce Career Centers	49%	14%	17%	8%	12%

answered question 70

- About 49 % of the respondents reporting using staffing or temporary agencies.
- In total about 120 full time jobs were temporary

Lack of work experience and basic skills were seen as the most critical challenges in recruiting new employees

Challenges in Recruiting New Employees



However, none of these challenges were considered serious by a majority of respondents

Major Challenges in Efforts to Recruit New Workers

	Not a Problem	Somewhat of a Problem	A Serious Problem
Lack of relevant training programs	35%	43%	22%
Lack of work experience	26%	51%	23%
Lack of industry certification	65%	25%	10%
Lack of English language skills	48%	36%	16%
Lack of required education credentials for positions	60%	30%	11%
Communication issues	43%	39%	18%
Lack of basic employability skills/work ethic	33%	43%	24%
Lack of HS diploma	72%	21%	6%



There was limited familiarity with the public workforce system

Most companies had limited involvement
with post secondary institutions



There is limited use of local training providers

- 20 respondents reported working with local vocational schools. Whittier Tech, Lowell tech, Greater Lawrence Technical HS, Shawsheen Valley Regional Vocational HS, Alvirne HS, Manchester School of Technology, Nashoba Tech HS, Milford HS and Nashua HS were mentioned.
- 5 employers reported working with the MEP
- Only three reported using an adult education or ESOL provider
- No one reported using a private proprietary schools

Future Expectations



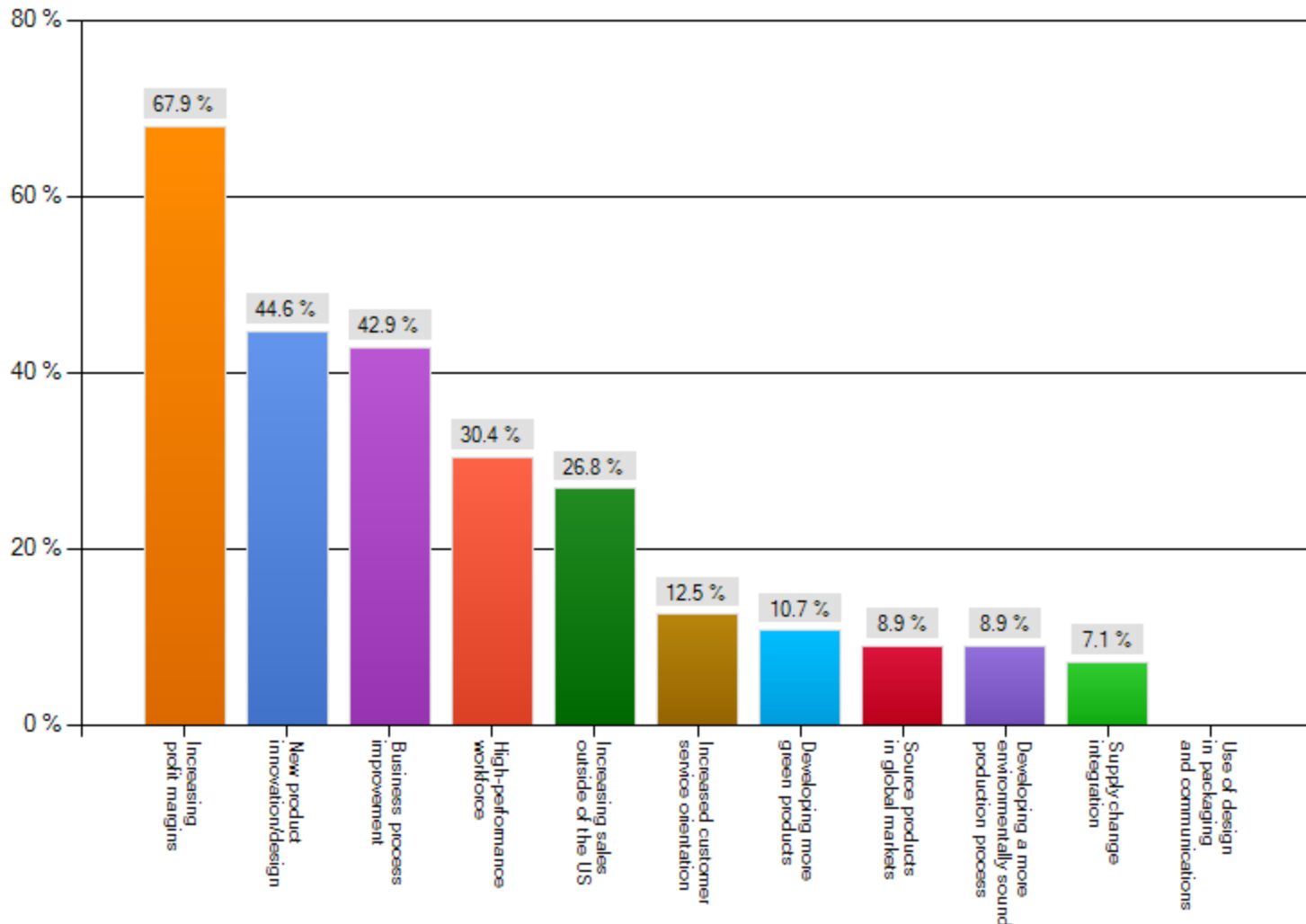
Employers were surprisingly optimistic about employment growth



There is considerable interest in designing new products and/or redesigning existing products

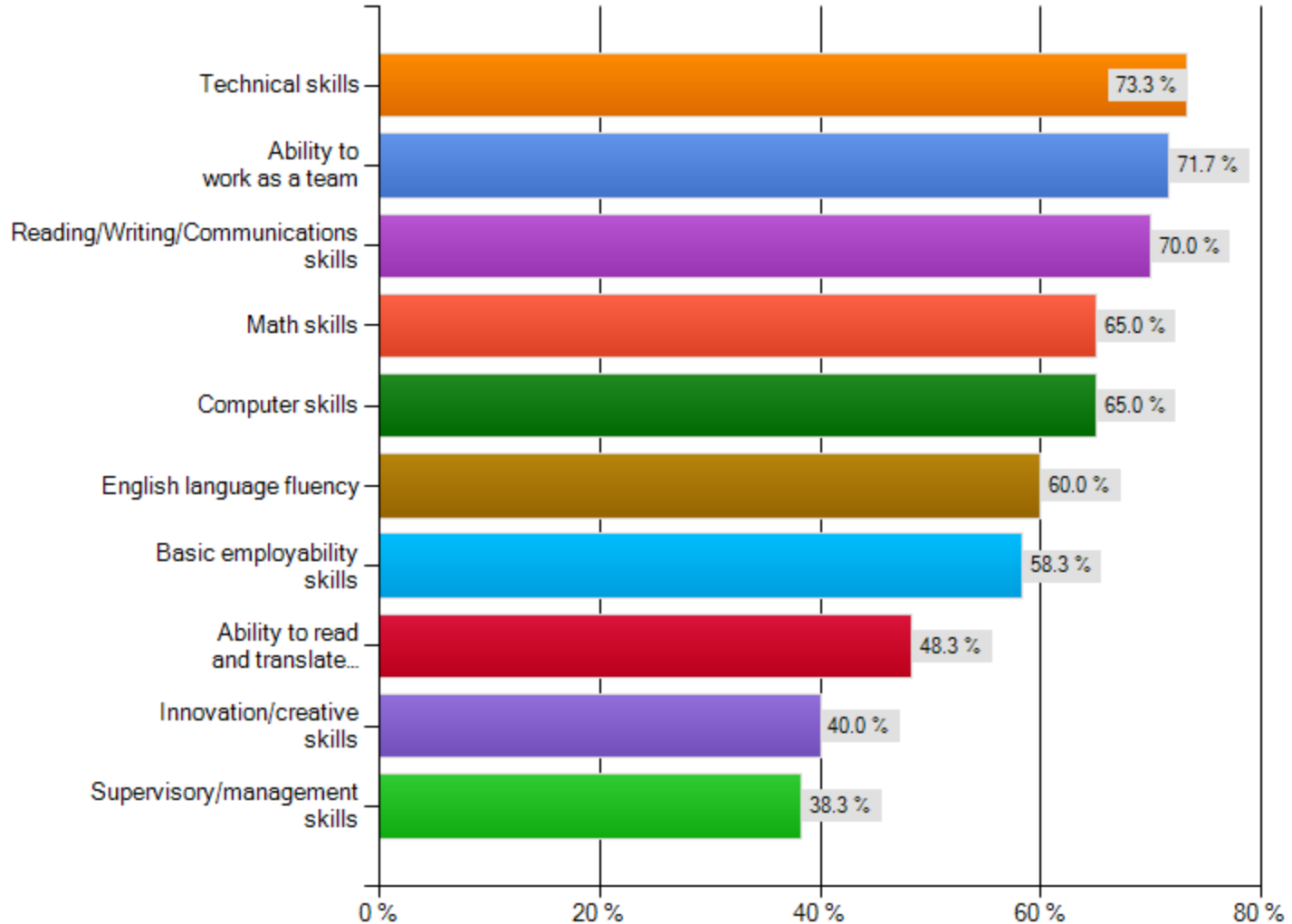
There is concern about their profit margin and interest in business process improvements. A high performance workforce was not seen as critical to future success by most respondents

Most Important Factors Affecting Business Success Over the Next Three Years



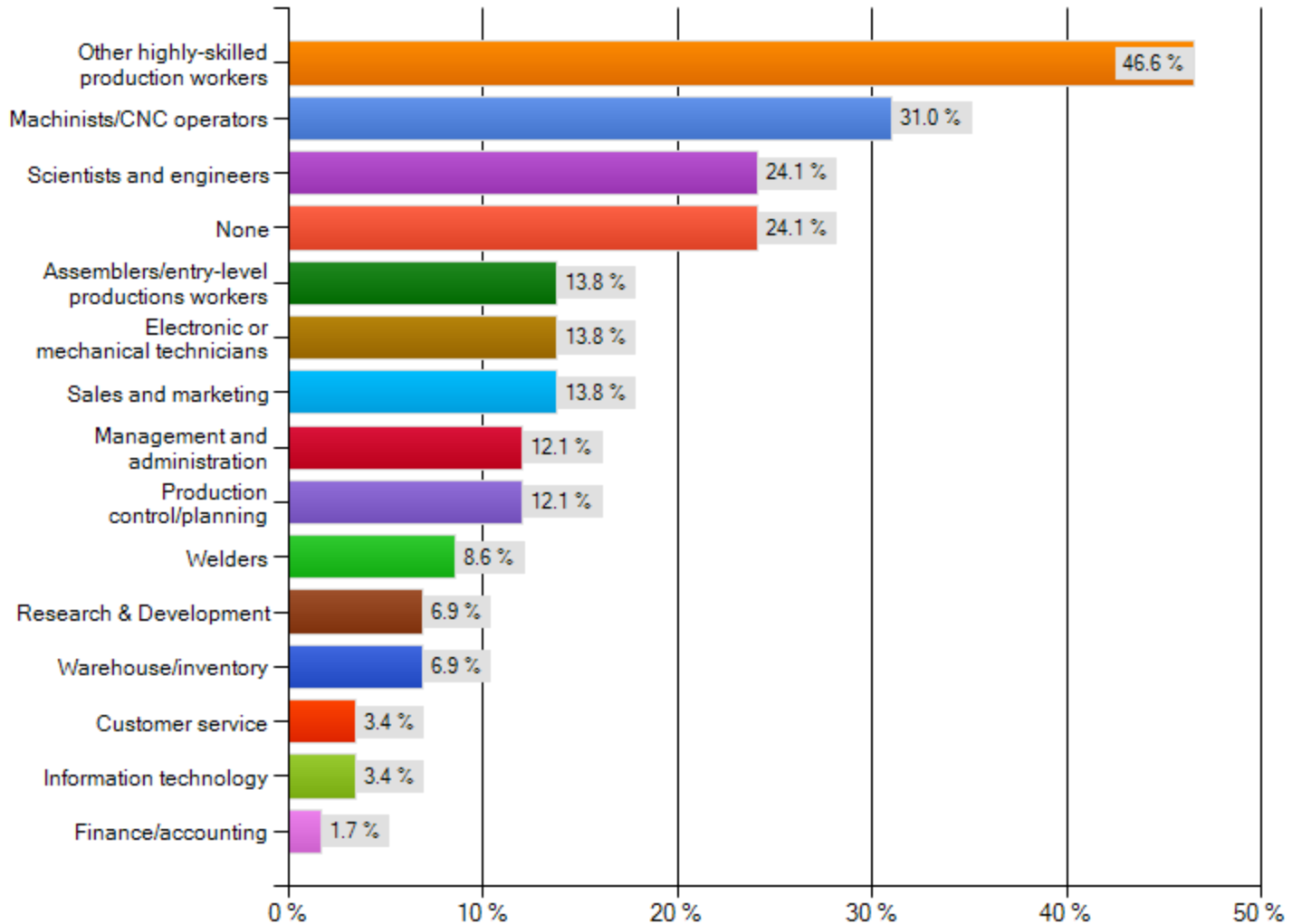
Technical skills, working as a team and basic literacy skills will be the skills most in demand in the next 3 years

Skills Needed by Workforce Over Next Three Years



A surprisingly high number of employers are anticipating shortages in skilled production workers and machinists

Types of Employees Expected to Be In Short Supply in Next Three Years



Remaining Competitive: Key Challenges

Most critical human resource challenges

- A relatively large number of respondents reported that their most significant challenge were finding individuals with basic work ethics
- The cost of healthcare for employees was the most serious concern for a number of employers.
- The aging of their skilled workforce and the pipeline for skilled workers was noted by a number of companies

Most important public sector response to workforce needs

- Increasing knowledge about the importance of manufacturing and the need for skilled manufacturing workers
- Promoting innovation
- Better screening of potential job applicants
- Improved technical training at HS and community colleges
- Better soft skills and basic skills preparation