



# Oregon Manufacturing Workforce Strategy

An industry-led plan to build competitive companies, fill the skilled-worker shortage and provide high-wage jobs for Oregonians

A private–public partnership to grow manufacturing in Oregon

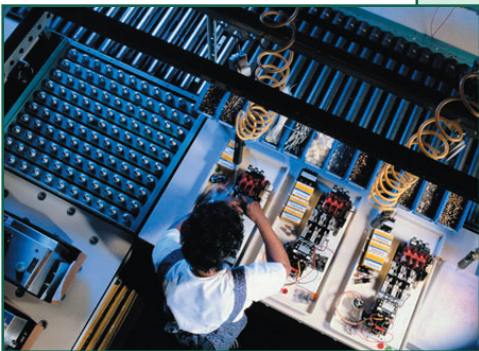
## A strategic four-year plan to:

- Link regionally-based “centers” of manufacturing activity across the state to share ideas and best practices.
- Expand the reach of high-performance manufacturing practices and techniques to create more competitive companies.
- Fill the skilled worker shortage by investing in training of current workers and attracting new workers to high-demand occupations.
- Raise awareness about the value of Oregon’s manufacturing industry and its high-wage career opportunities.

# Why manufacturing matters to Oregonians and the economy



## Systems challenges—Systems solutions



**Oregon manufacturing includes more than 6,000 companies and 200,000 workers.**

### Challenges:

- Effective strategies and best practices are not shared.
- Autonomous community colleges/universities are challenged to work as a system.
- Many manufacturers do not know about public resources available or how to access them.
- There is a persistent lack of awareness about career opportunities.
- 53,000 skilled workers will be needed over the next ten years to fill new jobs and replace retiring baby boomers.

### Solutions:

- Collect and share ideas and best practices.
- Provide effective strategies for addressing workplace and workforce issues.
- Connect high school, community college and university-based training and R&D activity.
- Promote regional and state resources available to manufacturers.

## Workplace challenges—Workplace solutions

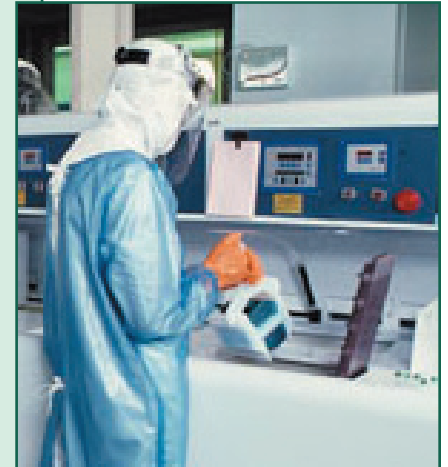
### Challenges:

- Only 16% of manufacturers report they are at “maximum efficiency” or “very close.”<sup>1</sup>
- Over 1,500 firms with 10–499 workers report a “ways to go” in implementing high-performance strategies.<sup>1</sup>
- 30% of firms are “unfamiliar” with high-performance strategies.<sup>1</sup>
- Oregon cannot address this problem one company at a time—most manufacturers have fewer than 50 workers.
- Change involves a culture shift in firms so they view training as a long-term investment.

<sup>1</sup> Source: Riley Research for OMEP

### Solutions:

- Gain exposure to high-performance manufacturing techniques without large expense.
- Share effective high-performance or lean strategies.
- Aggregate workforce and training needs.
- Realize bottom-line company outcomes: Increased competitiveness, increased productivity, improved profit margin and enhanced customer satisfaction.
- Support worker outcomes: increased skills, earned credentials and enhanced compensation and opportunities for promotion.



The average annual wage in the manufacturing sector is \$53,350—46% higher than the average state wage.

## Workforce challenges—Workforce solutions

### Challenges:

- 43% of Oregon manufacturers report a shortage of skilled workers NOW.
- Companies are dissatisfied with the work readiness skills of graduates.
- There is a lack of career technical education and apprenticeships.
- Manufacturing is not a career of choice for young talent.
- Current workers struggle to keep pace with technology.

### Solutions:

- Raise the value of a high school diploma and increase work readiness criteria; institute work readiness certificate for adults.
- Emphasize science, math and technology-related programs in K-16 curricula.
- Expand career technical training, skill-based education and work-based learning opportunities in manufacturing-related fields.
- Invest in the capacity of community colleges, universities and the apprenticeship system to train for high-demand occupations.
- Increase private and public investments in current worker training.



Occupations such as machining and welding are consistently in high demand.

# Communications challenges—Communications solutions



**56% of companies that invest in workforce training achieve higher profits.**

## Challenges:

- There is a lack of awareness of the importance of manufacturing to the state and regional economy.
- Most manufacturers still do not embrace the value of adopting high-performance work practices.
- Potential new workers are not attracted to manufacturing because of old stereotypes and a negative image.

## Solutions:

- Promote the importance of manufacturing to key decision makers, elected officials, civic leaders and the general public.
- Explain the value of adopting high-performance work practices to Oregon manufacturers.
- Promote opportunities for high-skill, high-wage careers to potential workers, students and counselors.
- Establish a statewide “identity” or “brand” for Oregon manufacturing efforts.

# Outcomes



**Manufacturing makes up 15% of Oregon’s total economic output.**

The Northwest High-Performance Enterprise Consortium will bring together public- and private-sector organizations from throughout Oregon. This will include a statewide steering committee representing all segments of manufacturing, as well as industry-led work groups. We’ll coordinate activities, open communications and share best practices across industries and institutions.

As we implement workplace, workforce, systems and communications solutions, we envision an Oregon where workforce education and training systems will produce more workers with the skills manufacturers need. Raising awareness of high-skill, high-wage career opportunities will recruit more talent to fill manufacturing jobs.

These skilled workers will implement high-performance and lean manufacturing practices to give Oregon manufacturers a competitive edge. The success of Oregon manufacturers will generate higher profits, worker incomes and state revenues. Finally, a strong manufacturing sector will allow Oregon to continue investing in responsive workforce training and workplace performance programs. The result is a self-sustaining cycle of prosperity.

## Northwest High Performance Enterprise Consortium: Oregon Manufacturing Workforce Strategy

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