

# Survey of Hiring Needs and Practices of Chicago Manufacturers

## Summary of Findings

January 1998

### Executive Summary

One of the most pressing challenges facing Chicago-area manufacturers is finding qualified and motivated workers. While hiring difficulties plague employers throughout the region, there is evidence that manufacturing plants located in the City of Chicago experience the greatest problems. To better understand this problem, the Chicago Manufacturing Center, the Chicago Urban League and the Great Cities Institute at the University of Illinois at Chicago surveyed manufacturers in the City of Chicago about their needs and practices in hiring skilled trade and technical workers as well as production workers and laborers.

The fall 1997 survey was administered by telephone to the persons responsible for hiring in 144 manufacturing plants selected from among the more than 1,650 plants in the City of Chicago with 25 or more employees. The survey yielded a total of 71 completed responses, for an unadjusted response rate of 49.3%.

The key findings from the survey are as follows.

#### *Hiring of Skilled Trade and Technical Workers*

- Nearly two-thirds of Chicago plants hired one or more skilled trade and technical worker in the past year.
- The median *starting* wage for skilled workers was \$12.00 per hour.
- More than half of plants experienced turnover of skilled workers, with an average of 3.6 workers leaving per plant.
- Only 8% of plants had any layoffs, and the average number of layoffs was very low.
- More than half of Chicago manufacturers reported having difficulty filling openings for skilled trade and technical positions; applicants' lack of basic technical skills and inadequate work habits and experience were listed as the most common problems.
- Referrals from current employees is the most often used and most effective recruitment method for finding applicants for skilled positions.
- The majority of workers hired for skilled trade and technical positions have had experience in the trade and at least some post-secondary technical education (either through apprenticeship or community college technical programs); a very small percentage (4%) are hired right out of high school.
- Community colleges and proprietary technical schools were used as a source of recruits by one-third of plants.
- More than half of plants have used "hiring from within" (promoting production workers to skilled positions) to fill openings for skilled workers.
- More than half of plants expected to hire at least one new skilled worker in the coming year.
- The skilled positions most in demand by Chicago manufacturers include: maintenance mechanics, CNC machinists, industrial electricians and electronic technicians, tool and die makers, skilled machine operators, printers and welders.



### *Hiring of Production Workers and Laborers*

- The number of production workers and laborers hired over the last 12 months exceeded the number of retirements, terminations and layoffs, indicating strong demand in this segment of the labor force.
- Nearly half of respondents used temporary or contract workers during peak production periods.
- The median starting wage for full-time production workers and laborers was \$6.50.
- Only 20% of respondents said they had difficulty filling production worker openings in the past year.
- Referrals from current employees is the most often used and most effective recruitment method for finding applicants for production and laborer positions.
- Respondents reported that the least useful source for qualified recruits was state employment agencies.
- Only 2% of recent production workers and laborers hired had participated in a government job training program.
- When hiring new production workers and laborers, most managers reported that they look for a fairly consistent set of qualities: reliable, drug-free and steady work history.
- Some manufacturers are willing to hire production workers or laborers with little prior work experience or a lack of stable work history or educational credentials.
- Few managers indicated that they sought specific technical skills among applicants for such jobs; most are prepared to train production workers and laborers, however.
- Almost half of plants administer drug tests in screening for production worker and laborer jobs; more than one third use tests of basic skills (English and math) as a screening device.
- Chicago manufacturers expect to hire a significant number of new full-time production workers and laborers during the coming year.