

Lack of Leadership Seen To Thwart Manufacturing Renaissance

Deloitte

WASHINGTON — The public feels that American leadership is off-course in improving manufacturing competitiveness and that the national economy is weak and fragile, according to a new survey from Deloitte and The Manufacturing Institute.

The survey found that Americans have a jaundiced view of the nation's overall economic health, with 59 percent indicating that the economy has "not improved or gotten better" in recent years.

Specific to the manufacturing sector, only 16 percent of Americans feel it is likely to improve in the next 12 months. In contrast, 23 percent feel it will weaken.

"The perceived lack of competitiveness leadership across the board seems to be seeping beyond manufacturing, dragging down optimism about an economic turnaround," said Jennifer McNelly, president of The Manufacturing Institute.

The survey – the fourth annual "Public Viewpoint on Manufacturing" – sampled a nationally representative group of 1,000 Americans in September, finding that 84 percent "strongly agree" or "agree" that the United States needs a more strategic approach to developing its manufacturing base. A vast majority (82 percent) support further investment into America's manufacturing industry.

"Despite the public's overwhelming desire for American policymakers and business leaders to double down on manufacturing, it is crystal clear that they believe we are not seeing enough action," said Craig Giffi, vice chairman, Deloitte LLP and consumer and industrial products industry leader.

Giffi points out that only about 35 percent of respondents believe that federal and state leadership are helping create a competitive advantage for the United States versus other countries.

Moreover, The Manufacturing Institute's McNelly indicates that the public has a similar frustration when it comes to schools, with only 49 percent of Americans saying they "strongly agree" or "agree" that their local school systems are able to expose students to the appropriate skills required to pursue a job in manufacturing – and 79 percent say the education system needs reform.

A technological and resource advantage

Despite the public's gloomy mood, however, Deloitte's Giffi points out that Americans do have faith in the nation's technology expertise and resources to help

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

bolster the manufacturing industry.

“For example, 78 percent of respondents cited America’s technological prowess as one of the key contributors to the nation’s competitive advantage,” he said. “Further, 75 percent cited America’s research and development (R&D) capabilities as a key advantage.”

Giffi also points out that a vast majority of survey respondents identified America’s resources as key contributors to competitiveness, including natural resources (73 percent), energy availability (72 percent), and infrastructure (67 percent). Similarly, McNelly notes that they cited human resources as an advantage, specifically America’s skilled workforce (72 percent), productivity (69 percent), and work ethic (61 percent).

Americans want manufacturing ... for someone else

“Americans are obviously anxious about our manufacturing future,” said Giffi. “Yet this year’s survey found that Americans also maintain a remarkable belief in manufacturing despite year after year of economic turbulence. In keeping with previous years, 90 percent of respondents rated manufacturing as ‘important’ or ‘very important’ for their economic prosperity and America’s standard of living.”

What is more, when asked what type of facility they would establish if given an opportunity to create 1,000 new jobs in their community, Americans again placed manufacturing at the top of the list – ahead of all other industries including energy, technology, healthcare, and communications.

Over the long term, though, most Americans see the manufacturing sector as getting weaker (46 percent) or at best staying the same (32 percent). Equally concerning to Giffi are survey results that show only 64 percent of Americans believe the U.S. manufacturing industry can compete effectively in the global marketplace.

“It’s not surprising,” he said, “that only 43 percent of respondents believe a manufacturing career is as secure and stable as a career in other industries, and nearly all (80 percent) believe manufacturing jobs are the first to be outsourced to other countries.”

McNelly, for her part, points out that only 35 percent of Americans say they would encourage their children to pursue careers in manufacturing, despite the advanced skills that are required to work in today’s highly technical and advanced manufacturing facilities.

To download a copy of the “Public Viewpoint on Manufacturing” visit www.deloitte.com/us/publicperception [1].

About the Survey

Deloitte and The Manufacturing Institute commissioned the “Public Viewpoint on

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Manufacturing” survey, which was conducted online by an independent research company in September of 2012. The survey polled a nationally representative sample of 1,000 Americans across 50 states and has a margin of error for the entire sample of +/- three percentage points.

About The Manufacturing Institute

The Manufacturing Institute (the Institute) is the 501 (c) 3 affiliate of the National Association of Manufacturers. As a non-partisan organization, the Institute is committed to supporting manufacturing excellence, innovation and talent, delivering solutions to make American manufacturers globally competitive. The Institute is the authority for manufacturing on the attraction, qualification, and development of world-class talent. Visit www.themanufacturinginstitute.org [2].

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