

HOW TO OVERCOME THE MANUFACTURING

Skills shortuge
A 5-Step Playbook for Hiring,
Training, and Retaining Talent

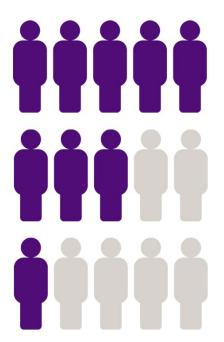
The American Workforce

is undergoing a profound demographic shift, often described with striking terms such as the Silver Tsunami, the Demographic Cliff, the Vanishing Workforce, the Great Shrinking, Peak 65, and the Great Attrition. Regardless of the label, the reality remains the same: our labor force is becoming both smaller and older, presenting significant challenges and opportunities for the future of work.



Signs of an Aging Labor Force

- The <u>U.S. Bureau of Labor Statistics (BLS)</u> reported that the median age rose from **40.3 in 2003** to **41.6 in 2023**. It's predicted to reach **42.4 in 2033**.
- 34% (more than one-third) of the adult workforce is 50 or older.
- Employment of workers aged 65 or older has grown by 117% over the last
 20 years according to the <u>Centers of Disease Control</u>.



Signs of a Contracting Labor Force

- According to the <u>BLS</u>, the noninstitutional civilian population aged 16 and older is projected to grow by only 16.4 million by 2033—nearly 5 million fewer than the increase seen during the 2013–2023 decade.
- The U.S. Chamber of Commerce reports that the labor force participation rate is 62.7%, which is **down from 63.3% in February 2020** and **67.3% in January 2001**, according to the BLS.
- The U.S. Chamber of Commerce also found that 27% of workers who lost their jobs during the pandemic reported that the need to be home to care for family members made the return to work difficult or impossible.



For employers across the manufacturing sector, which has seen increased demand in recent years, the transforming workforce has profound implications. A <u>Deloitte and The Manufacturing Institute Talent Study</u> found that the "net need for new employees in manufacturing could be around 3.8 million between 2024 and 2033." The same research found that half (1.9 million) of those jobs could go unfilled due to applicant gaps and skill shortages.

Though the predictions seem dire and the challenges of recruiting, reskilling, and retaining talent are substantial, manufacturing employers have plenty of reasons for optimism. More importantly, they have levers they can start pulling now to defy the talent gap predictions and build robust teams and talent pools. Where should they start?

PrideStaff proposes taking **5 steps**, which together form a playbook manufacturers can use now to counteract skills shortages and harness workforce changes for their own growth and momentum.

WANT TO LEARN MORE ABOUT THE CHANGING WORKFORCE?

Hear **Ron Hetrick**, Sr. Workforce Analyst for Lightcast, and experts from PrideStaff's team and network examine the changing demographics of the workforce.

Watch the recording to learn exactly how much the skilled labor force is changing now and in the coming years.

FOR CURATING AND KEEPING SKILLED WORKERS

Step 1:

Rethink and Revamp Your Hiring Approach

Tried-and-true models for hiring that served the manufacturing sector for decades are no longer delivering the talent pools employers need today. Those that rely narrowly on antiquated hiring processes, traditional job descriptions, and limited talent boards will continue to fall behind.

Employers who allow dated ideas to shape how candidates see the modern manufacturing environment will miss an important moment. Which moment? A window of opportunity to engage and capture a rising generation of workers, Gen Z. More so than prior generations, Gen Z is demonstrating significant interest and understanding of the value and opportunity offered by skilled labor careers. That's not an opportunity any manufacturing employer wants to miss.

The labor market is extremely competitive for manufactures. However, most still have opportunities and places where they can change their recruiting and hiring practices to better engage high potential candidates. Too often employers are letting the market define the the candidate journey, but they don't have to. This is a chance for employers to create a new, better path to employment.

GEN



THE GEN Z MANUFACTURING CONNECTION

Who is Gen Z?

Those born between 1997 and 2012.

Other nicknames?

Zoomers. iGeneration.

What drives them?

Values and purpose.

Interest in manufacturing jobs?

- 7% more likely than Millennials to consider working in the manufacturing industry
- 12% less likely to view the manufacturing industry as being in decline

Think Social, Act Social

To find more talent today, manufacturers need to change how and where they look. Social engagement is an important place to start. Millennials grew up in a digital world and Gen Z is the first digitally native generation. Their digital fluency opens up a broad world of digital engagement possibilities.

Employers that get good at creating and sharing strong social content, such as behind-the-scenes, how-to, and day-in-the-life videos, will find new ways to connect digitally engaged candidates. Giving candidates a look inside your manufacturing world and your company culture is a powerful way to build an interested and eager talent pool.

Think Like a Business, Not an Industry

Remember that you are not recruiting for the entire manufacturing sector. You are recruiting for your business, big or small. Your unique workplace and culture distinguish your organization from others and can make it more interesting to job seekers. Create job profiles, career paths, and recruitment outreach that speak to your business. Job seekers of all ages today are more interested in culture, growth opportunities, community, and values than ever. Let those qualities anchor your engagement.

Optimize the Candidate Experience

A clunky hiring process hobbles recruitment. Today's job seekers expect the same kind of ease they get from the apps that fill their phones: near-instant gratification. Businesses that resist text-based job alerts, easy mobile applications, and automated updates throughout the hiring process are rejecting large segments of job seekers. Employers who understand and embrace a simpler, quicker, more responsive recruitment process will see interest and applications rise.

Does that mean your business has to figure out how to create a one-swipe application process? No (not yet!). However, simpler, mobile-friendly applications and automated candidate updates are essential for keeping today's job seekers engaged and interested.

Step 2:

Upskill and Reskill Your Employees

Digital, robotic, and AI revolutions have profoundly impacted all workplaces. That includes manufacturing plants, floors, and lines, and the workers who propel them. To ensure employees and candidates can keep up with rapid advancements, manufacturing employers need to make skill development and advancement a core competency.

Start with Career Paths

Skill requirements will continue to evolve alongside advancing technologies. To keep pace in a transforming workplace, employers must plan for their employees to grow and adapt. This requires moving away from rigid job descriptions and fixed skill sets—and instead focusing on hiring people with an eye toward career progression and long-term development.

What does that look like? Rather than filling an open job with a perfect skill match for right now, identify candidates with curiosity, motivation, intelligence, and soft skills that allow for growth. The best hires aren't necessarily those with the most aligned skill profile. Employees with a balance of skill match and growth potential are best equipped to adapt, learn, and evolve with the business.

Career paths aligned to advancing skill sets also help employees envision their growth and future with the organization. That sense of belonging to the company's future increases the motivation to learn and contribute.

Embrace Continuous (or Near Continuous) Learning

Manufacturing environments can be rigid in their training schedules and programs. "One of the most important changes manufacturing employers can make is shake up and accelerate training," said Sean Akin, Vice President of Branch Operations for PrideStaff, who has spent more than a decade advising and supporting manufacturing employers. "Making the calendar the driving force behind training programs misses important opportunities to let ambition and talent have an impact."

Find ways to give eager employees opportunities to advance their skills, such as self-driven digital learning and cross-training programs. Access to skill development that employees schedule on their own terms can start to build the lifelong learning mindset needed in workplaces today.

Lead by Learning

A culture of learning starts at the top. Put business leaders and managers in skill development programs and spotlight their growth and commitment to advancing their capabilities. When employees and candidates see leadership committing to their own skill development, they will recognize it as a value and an asset that shapes the company and their own career prospects.

Step 3:

Retain Skilled, Effective Talent

With the growing investments employers need to make in transforming and advancing the skills of their workers, retention takes on even greater importance. Tapping into the practices and people that encourage workers to stay is a pillar of a future-ready workforce. So what works when it comes to keeping employees on the job? With the growing investments employers need to make in transforming and advancing the skills of its workers, retention takes on even greater importance.

With a diverse mix of generations and experience across the talent pool, there isn't a one-size-fits-all strategy for retention. Instead, it takes a balanced approach to address a multidimensional workforce that can include:

Workplace Flexibility. While a great deal of jobs have gone
fully or partially remote, the manufacturing space's on-site reality
has kept it far from the work-from-home movement. That hasn't
squelched the desire for workplace flexibility among
manufacturing talent pools.

For manufacturers, providing flexibility is still possible. It simply comes in different forms:

- Start/stop time flexibility
- Atypical work weeks (4-9s or 4-10s)
- Shift swapping
- Flexible or rotating shift design (such as Sunday shifts)
- Float teams
- Split shifts



WHAT DO JOB SEEKERS WANT TO KNOW?

Is there flexibility?

Can I learn and advance?

Can I contribute?

What values does the business care about?

How's the culture?

HOW TO MAKE GENERATIONAL DIFFERENCES WORK FOR YOUR WORKPLACE

Addressing the needs of your workforce, from retention to skill development, means understanding where they come from. Learn about the ways different generations engage in the workplace and become a better employer to all with PrideStaff's ebook:

How to Manage Generational Differences in the Workplace.

• **Growth and Leadership.** A McKinsey Study on Gen Z in the manufacturing workforce reports that the primary reason Gen Z workers plan to leave their jobs in manufacturing is lack of personal growth. Because they are not getting career development and advancement opportunities, 48% of Gen Z manufacturing workers say they "intend to leave within the next three to six months, compared with 41% of those working outside of manufacturing."

That critical career pathing that helps employers find skill gaps also plays an important role in retention. Helping employees understand their growth opportunities – while proactively getting them into training, mentoring, apprenticeships, job shadowing, leadership development, and other learning programs – will help staunch attrition, increase engagement, and build the kind of loyalty that boosts retention.

Manufacturing employers can also forget to tie training, upskilling, and reskilling to an individual's career path and growth plan. Once an employee has completed training, how do managers help them put their new skills to work in ways that benefit all parties? If the support stops at the end of training, you could be preparing a motivated employee to work for a competitor.



Step 4:

Engage Your Community to Fill Your Pipeline

Filling the talent pipeline is not a problem for the manufacturing industry alone. Businesses and schools across the community (or communities) where your business operates are working to address similar workforce and demographic challenges. By engaging community and educational partners, a business generates connections and supporters who will help drive talent into the recruiting pipeline.

Potential community engagement outreach opportunities:



Partner with high schools, technical schools, and vocational programs that align with manufacturing work, such as robotics, automation, programming, data analytics, industrial design, and more.



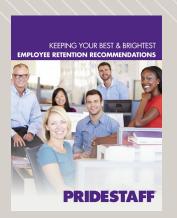
Attend regional career fairs, career days, and college fairs, which are opportunities for the community to get to know your organization, whether that is job seekers, students, or people considering career changes.



Support local resources that champion manufacturing and local employers such as associations, networking groups, and career centers.



Open your doors in creative ways, like open houses or tours, to help community members get to know the culture and the opportunities. Engrain your business in the community and it will become engrained in the minds of local job seekers.



RETENTION TIPS FROM PRIDESTAFF

Need more ways to keep top talent? **PrideStaff has you covered.**

Go to www.pridestaff.com/employee-retention-tips-you-need-to-know/ and download our report which offers over 30 additional ways your business can keep the talent it has.

Step 5:

Listen to Your Employees, Learn What Works

Experts, pundits, and reports can provide general insights about the workforce and the manufacturing talent pool. But what can they tell you about the unique culture, workplace, and community you've created? Not much. That's the employer's job.

Direct engagement with employees – gathering their thoughts, tapping their knowledge, hearing their stories, surveying their mindset – is one of the best ways to learn what truly works in all areas of workforce management, from engagement and recruitment to employment and retention. Teaching managers to invite questions and gather feedback from employees encourages engagement and insights that can yield better recruiting, hiring, and management approaches.

At PrideStaff, management and senior leaders regularly communicate with employees to gather sentiment and dig into NPS scores. This focus on employee feedback improves the employee experience, increases retention, and is one of the reasons PrideStaff is a <u>ClearlyRated</u> Diamond Award winner in both the client and talent categories.



WORKERS WHO ARE ENGAGED...

- ✓ Stay longer
- ✓ Participate in more training and development
- ✓ Refer more candidates
- ✓ Contribute to a positive work environment

How can manufacturers get better at employee listening? As with reskilling and development, listening needs to become embedded into the greater operations. For example, hosting regular focus groups where idea sharing is welcome, conducting anonymous surveys to keep information flowing, and making information sharing a two-way street all provide employment advantages for both parties.

For employers, increasing direct insights from employees will help them see which engagement and retention strategies are working, and which fall short. Are values and culture impacting loyalty and retention? Are benefits and pay on the minds of workers? Is this the right approach to flexibility?

For employees, feedback loops that are full circle are more than a chance to have one's voice heard. It's a chance to make an impact, share an innovation, support better safety, or change a broken process. Workplaces where employees share information can be more innovative, safer, and engaged, which also makes it more attractive to the job seekers the manufacturing industry needs.



The Playbook in Summary

While the workforce is always in flux, manufacturing has a unique set of challenges ahead to fill its ranks. In some cases, the same-old approaches have to change or go.

- 1 Hiring approaches have to be rethought and reworked
- 2 Upskilling has to go from occasional to continuous
- 3 Engagement has to energetically expand
- Retention has to flex
- 5 And listening (to employees) needs structure

In today's competitive market for manufacturing talent, a well-crafted, forward-thinking employment playbook can make all the difference in attracting and retaining top performers. While some companies may implement these strategies independently, many find greater success by partnering with industry experts like PrideStaff. With a strong track record of delivering results in manufacturing recruitment and staffing, PrideStaff has created this playbook to help organizations build high-performing, resilient teams across the country.

If you're ready to put this playbook into action with a trusted partner by your side, <u>connect with PrideStaff today</u>.

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OUR MISSION:

Consistently provide client experiences focused on what they value most.