



2024 INDUSTRY INSIGHTS REPORT

Empowering leaders through workforce analysis

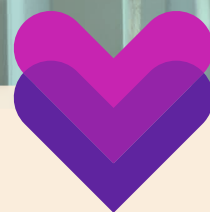
> Manufacturing Edition

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What's Trending in Manufacturing Work

By anticipating industry trends and aligning talent strategies with future demands, manufacturers are ensuring they have a skilled and adaptable workforce ready to meet the evolving needs of the industry.





Welcome

The American manufacturing industry stands as the [leading sector](#) for innovation in the U.S., accounting for 53% of all private-sector research and development. Working in manufacturing should be viewed as an opportunity to be involved in innovative and important work, yet younger generations — many of whom are [searching for a purpose-fueled career](#) — seemingly struggle to see this appeal.

Even as the sector undergoes significant transformation driven by artificial intelligence (AI), robotics, and automation, the majority of manufacturing organizations consistently report that the [inability to attract and retain](#) a quality workforce is their top business challenge, according to quarterly reporting by the National Association of Manufacturers (NAM).

A survey by the UKG Workforce Institute™ reinforces manufacturers' year-over-year struggle to fill [critical labor gaps](#). Although manufacturing employment is healthy and [job growth](#) — [bolstered by reshoring](#) — is well above pre-pandemic levels, that survey shows that production lines in 2024 are understaffed almost a third (31%) of the time.

Many organizations recognize they could be doing more to curb employee turnover, diversify candidate pools, engage future talent, and help employees develop new skills but they are slow to initiate. The opportunity to accelerate these efforts is crucial.

This report details a series of interconnected strategies and technologies manufacturers are using to strengthen the frontline-employee experience, close the skills gap, and remain competitive — because [prioritizing people](#) unlocks innovation, always.

Kylene Zenk

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IN THIS ISSUE

What's Trending

Creating a better employee experience	2
Nurturing a multigenerational talent pipeline	6
Diversifying talent pools	10

Leverage technology to complement human potential	12
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WHAT'S TRENDING

Creating a better employee experience

Investing in the workplace to attract, hire, and retain an engaged workforce fuels innovation.

Millennials, the pandemic, and now Gen Z have consecutively disrupted traditional workplace expectations and reshaped how work gets done. For manufacturers, adaptability is crucial to attract younger generations who prioritize work-life balance and purpose-driven careers. The traditional frontline experience will no longer suffice; instead, the employee experience must evolve to embrace modern demands and stay competitive.

Flexibility is more important than ever

More than 2 in 5 (42%) frontline employees in manufacturing and other trades consider flexibility as important or [more important than pay](#). A study by Deloitte and the Manufacturing Institute further confirms that flexible work arrangements are one of the most [impactful strategies to attract and retain](#) employees.

Most impactful strategies to attract and retain employees, per executives



Source: *The Manufacturing Institute*

Nearly 3 in 4 manufacturing leaders (73%) recognize that their employees want more flexibility than is currently offered, according to the UKG Workforce Institute. Despite this, due to the operational requirements for on-site work, many manufacturers balk at the idea of flexibility since “work from home” is typically not an option for frontline employees.

However, flexibility for the frontline is possible; it simply requires an alternative approach. For instance, research from staffing agency Randstad reveals that frontline employees are 2.5 times more likely to value [flexible work arrangements](#), such as flexible schedules (28%) or the ability to flex their hours (26%).

Other viable forms of flexibility that manufacturing organizations can adopt for frontline employees include shift swapping, split shifts, compressed workweeks, night shifts, flexible weekend hours, flexible work locations, rotating shifts, teams of floaters, and policies such as letting employees leave early before a holiday or making it easy to request time off.

Implementing flexible practices demonstrates to employees that their personal needs and wellbeing are valued, fostering a more loyal and committed team. Moreover, [analysis of flexible work trends](#) by the Manufacturing Institute links workplace flexibility to higher applicant rates, wider talent pools, reduced absenteeism, lower attrition, and better overall performance.



Nearly 50% of manufacturing employees cite flexibility as a reason they stay with their employer.¹



PUTTING IT INTO ACTION

There are many ways to offer flexibility to employees

As of March 2024, [Land O'Lakes](#) introduced a "flex work" program at 60 of its 140 sites, allowing frontline employees to self-schedule, choosing their own start times and shift lengths. This initiative has helped attract more job applicants.

PCL Construction, ranked #90 on the *Fortune* 100 Best Companies to Work For® 2024 list, offers [rotating weekend project schedules](#), enabling employees to flex their time and achieve greater work-life balance.

Additionally, [a series of examples](#) published by the Manufacturing Institute describes an unnamed manufacturer that successfully implemented flexible, part-time schedules in its rural locations. These options addressed a pronounced lack of child care, elder care, and accessible transportation in the area, meeting greater demand for flexible work arrangements.

When it comes to flexibility, trust is a must

Employers' ability to offer flexibility is deeply rooted in mutual trust. Leaders must trust that employees will balance personal needs and business responsibilities effectively, while employees need to trust that their leaders are [committed to providing flexibility](#) when and where it is possible.

Transparency, clear communication, and collaboration between employees and leaders build this trust, allowing for greater empowerment and flexibility while helping to maintain a stable, skilled workforce essential to the industry's success.

Help people feel a sense of pride in their work

Manufacturing offers a unique opportunity to innovate and make a global impact. From food production to technology and pharmaceuticals, this essential sector is integral to our society. Fostering a sense of pride among frontline employees can contribute to a more engaged and committed workforce.

Creating connections between work and impact

It's important that manufacturing employees understand how their individual contributions and the products their company manufactures create an impact on the world. Giving employees opportunities to connect directly with customers through plant tours reinforces the value and impact of their contributions, as does participation in product innovation days, where employees' ideas can be heard and considered, making them feel integral to their company's success.

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At [KYOCERA SLD Laser, Inc.](#), "demo days" allow employees to see, hold, and experience the products they've helped produce, including one such product that helps save lives in the hands of rescue teams and firefighters. By receiving feedback from end-users and seeing photos of the products in use, employees can tangibly understand the impact of their work.

Employees are 120% more likely to want to stay with their employer when they feel a sense of pride in their work.²

Encouraging pride by demonstrating strong corporate values and a commitment to ESG (environmental, social, and governance) practices also serves to strengthen retention. For example, paid time off to do volunteer work enables employees to give back to their local communities, fostering pride in their company for being socially responsible and helping to build relationships among employees.



Employee volunteerism is a medium-to-high priority for 56% of manufacturing organizations.³



PUTTING IT INTO ACTION

Electronics manufacturer Jabil empowers its employees around the world to engage in community outreach and [shared volunteer experiences](#) year-round. The company's "Your Day, Your Cause" initiative additionally provides employees with one paid day off of work per year to volunteer with a local cause of their choosing.

Elevate connection in the workplace

Social bonds are nearly as important as pay when deciding to stay at a company. In fact, almost all manufacturing employees (97%) say their colleagues — coworkers *and* managers — are [critical to their retention](#).

To foster belonging and connection, manufacturers should encourage values such as kindness, fairness, and respect in the workplace and provide opportunities for community building, such as [employee resource groups \(ERGs\)](#). Managers play a vital role, too. Traditionally focused on meeting production goals, frontline managers today must also address employee needs and expectations.



People are key to meeting production goals in the modern manufacturing workplace. [Tangible business outcomes](#) are linked to workplace practices that empower leaders to create a positive experience for their teams, such as recognizing and rewarding good work, sending frequent and transparent employee communications, addressing employee feedback, and coaching team members.



Employee experience and engagement on the frontline need a tune-up³



2 in 5

manufacturers identify employee recognition (41%) or employee communications (39%) as a “high priority.”



1 in 4

manufacturers identify employee engagement surveys (27%) or ERGs (23%) as a “high priority.”

WHAT'S TRENDING

Nurturing a multigenerational talent pipeline

Regional partnerships and upskilling prime the pump for healthy hiring and development.

Overcoming talent challenges starts with understanding changing workforce expectations and creating a leading employee experience for all employees — from the corporate office to the plant floor. It also requires building a robust talent pipeline to attract, upskill, and retain talent.

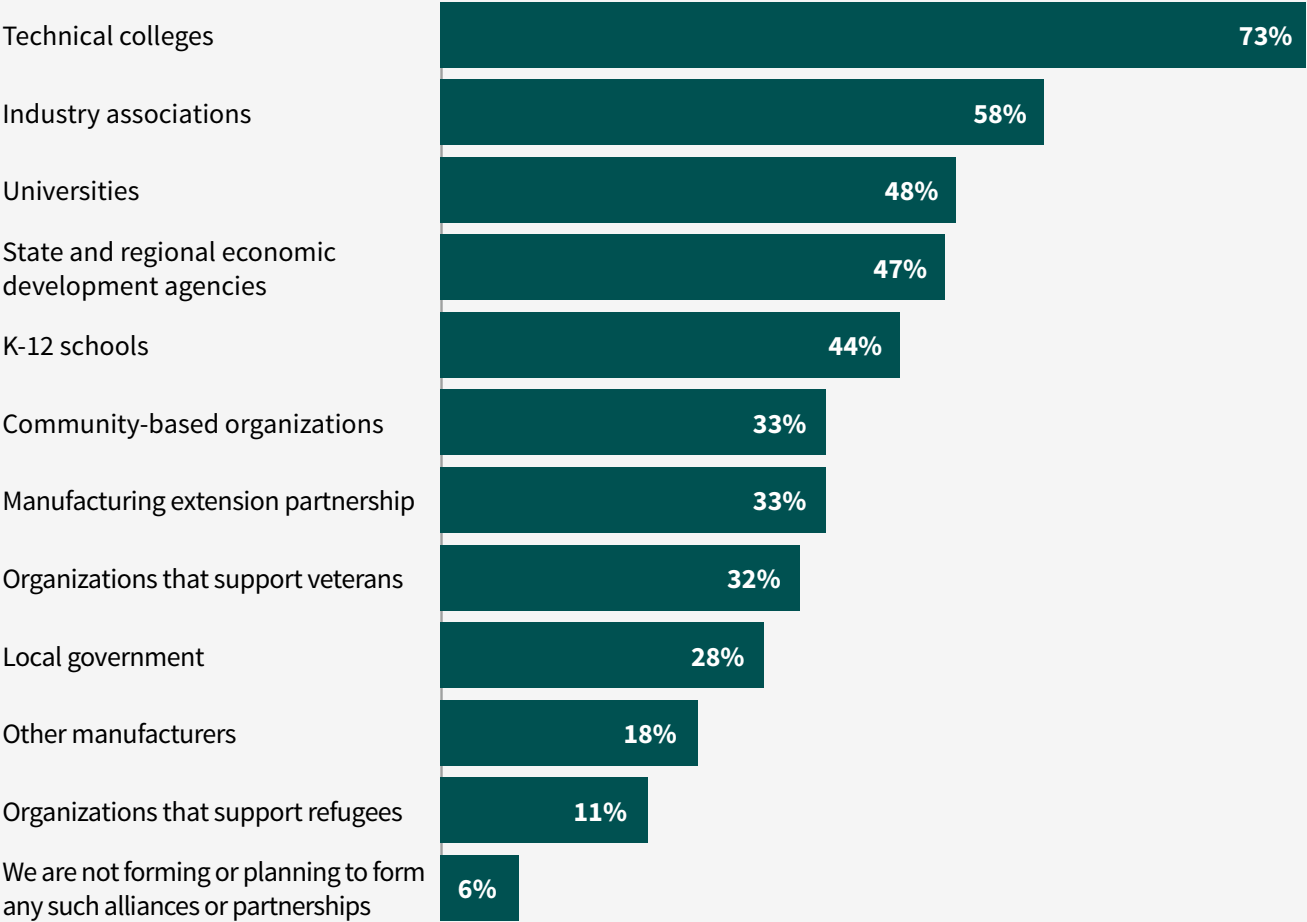
To accomplish this, Deloitte and the Manufacturing Institute recommend that manufacturers take a [collaborative ecosystem approach](#) by partnering with K-12 institutions, technical colleges, and universities, as well as a wide range of partners beyond education that share the common goal of advancing the manufacturing sector and accelerating smart manufacturing practices.



By adopting this approach to ease the talent crisis, manufacturing organizations can be successful in nurturing students’ interest in STEM (science, technology, engineering, and mathematics), increasing access to relevant skill-building opportunities for young talent regionally, and fostering ongoing technical training for employees throughout their careers.

Almost all manufacturers (94%) have [at least one partner](#) dedicated to improving job attraction and retention, though Deloitte and the Manufacturing Institute found that the average study participant is partnering with four or more organizations to form a talent ecosystem.

Partnerships that manufacturers are forming to improve attraction and retention of a qualified workforce



Source: The Manufacturing Institute

Creating excitement about careers in modern manufacturing

If the number of people preparing for high-skill manufacturing trades does not accelerate, [the talent gap could widen](#): Deloitte estimates that, of the 3.8 million manufacturing jobs expected to be created between 2024 and 2033, around half — 1.9 million jobs — will be difficult to fill if the present skills gap is not addressed. With as many as 2.8 million vacancies expected to result from retirements alone, manufacturers must do more to inspire next-generation talent and alter this trajectory.

Ongoing and emerging efforts are taking shape to overcome industry stereotypes, which most manufacturers — 61%, *according to forthcoming research from the UKG Workforce Institute* — believe impact their ability to recruit younger workers.

One program in particular, [Manufacturing Day](#), offers a massive opportunity for organizations to collaborate with K-12 schools in their regions to foster enthusiasm for modern manufacturing among middle and high school students. The event is organized by the Manufacturing Institute in October each year to encourage career outreach at hundreds of manufacturing locations across the country and tap into students' rising interest in STEM fields.



As of 2023, only 15% of manufacturing organizations across the country participated in a Manufacturing Day event.



PUTTING IT INTO ACTION

Actively engaging with local students and educators

For Honda Motor Co., Manufacturing Day is an opportunity to engage with emerging talent and build tight talent pipelines with the dozens of high schools and tech schools that visit the automaker's plants each year.

Manufacturing Day 2023 at Honda's Marysville, Ohio, campus treated engineering students to [an immersive experience](#): tours, talks, demos, and Q&A. Students had the chance to explore career pathways: to operate a mini robot welder, explore a human-machine interface, and feel the flaws in a "bad" bumper.

The goal of Honda's annual program is to nurture students' interest in the field of manufacturing and stay connected to help funnel new graduates into their workforce.

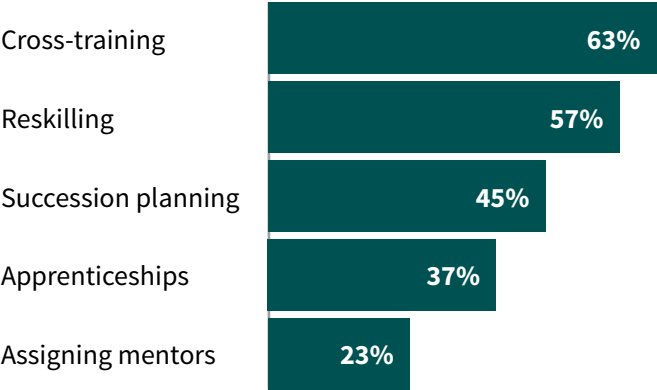
Skill-based development and advancement

As quality talent has become harder to find and emerging technologies redefine factory roles, manufacturers are increasingly focused on upskilling and reskilling, enabling current employees to apply new skills to their evolving positions or pursue new career pathways.

While manufacturers have always played a role in training employees, companies need to get more creative about filling vacancies by looking at where the industry is headed and developing talent management strategies to match demand.



What organizations are doing to fill labor gaps and build a skilled talent pipeline



Source: UKG Workforce Institute, 2024

“There’s no such thing as a ‘low-skilled job’ in manufacturing anymore. To really thrive, we’re going to need continuous learning and upskilling.”

– **Chad Moutray**, former chief economist, NAM⁴



Career development at [Stryker](#) exists at all levels of the organization. Talent programs include management and leadership training, peer-to-peer learning, mentoring, partnerships with outside experts, and “action learning” – an opportunity for employees to apply new insights to solve real-time business challenges. Further differentiating the company’s career development offerings is a global network of more than 300 certified coaches with whom employees can connect for additional individualized development.

WHAT'S TRENDING

Diversifying talent pools

Focusing on skills opens a more diverse talent pool for manufacturers.

In today's competitive job market, diversifying talent pools has become a crucial strategy for organizations to fill critical labor gaps. Prioritizing practical skills over job experience or formal education enables manufacturing companies to access a broader spectrum of talent that can be trained to fill frontline roles.

Hard-to-fill roles, hard-to-find skills

Finding talent with the right experience (56%) and the right skills (47%) are the most common recruitment challenges facing manufacturers, according to the UKG Workforce Institute. Manufacturers are especially challenged to fill [technical roles dealing with AI and automation](#) as well as engineers, machinists, welders, and installation workers. In many cases, manufacturers are taking matters into their own hands with on-the-job training programs for new hires.

Recruiting nontraditional employees

For many frontline roles, degrees and certifications are less important than transferable skills. Some people may have the aptitude for a role but lack related job experience or a conventional educational background. To reach a broader pool of potential employees and strengthen talent pipelines, manufacturers should consider modifying their experience or education requirements in job postings.

According to forthcoming research from the UKG Workforce Institute, 58% of manufacturers hired people with no industry experience to fill critical workforce gaps within the past 12 months, opting instead to provide on-the-job training. Additionally, manufacturers are diversifying candidate pools by hiring people with conviction histories (44%), refugees or immigrants (42%), and retirees (41%).



PUTTING IT INTO ACTION

In need of highly skilled welders for precision manufacturing work, General Electric recently expanded its [welding training program](#) where it can churn out as many as 48 fully qualified welders per year at its factory in Beavercreek, Ohio. Candidates who don't qualify for the specialized program may receive an hourly wage and attend classes free, courtesy of GE, at the nearby Hobart Institute of Welding Technology.



1 in 4 Americans have a criminal record.⁵ Second chance opportunities for employees with in-demand skills help manufacturers fill critical gaps while providing stable work for highly motivated individuals.



PUTTING IT INTO ACTION

A robust on-site training program in Fort Worth, Texas, allows Siemens AG to tap into a [wider pool of job applicants](#), including those who have never set foot on a factory floor. Having recruited a team of former high school principals and teachers to work alongside its manufacturing veterans running an onsite training program, Siemens has new hires spend a week in a classroom before moving on to a learning lab where they spend two weeks practicing their skills.

Narrowing the gender gap

According to the Manufacturing Institute, women make up nearly 30% of the manufacturing workforce. The 2022 [research](#) offers a bold proposal, suggesting that if the percentage of women employed in the sector reached 35%, then the addition of roughly 800,000 female employees would be enough to fill almost every open job in the manufacturing sector.

However, analysis from the UKG Workforce Institute is bleak: Shockingly few manufacturers — just 26% in 2024 — are proactively recruiting women. This represents a massive, ongoing area of opportunity for manufacturing organizations.

To address this gap, manufacturers can turn to industry associations such as [Women in Manufacturing](#), which provide valuable resources for recruiting and developing female talent. Investing in dedicated training opportunities for high-performing and high-potential female employees can help bridge the gap by advancing women into management roles and increasing representation at the leadership level. In these roles, women can serve as role models and mentors, helping build a more inclusive culture that is supportive of women in manufacturing.



Women are more impacted than their male counterparts (63% vs. 39%) when workplace flexibility is lacking, further widening manufacturing's visible gender gap.⁶



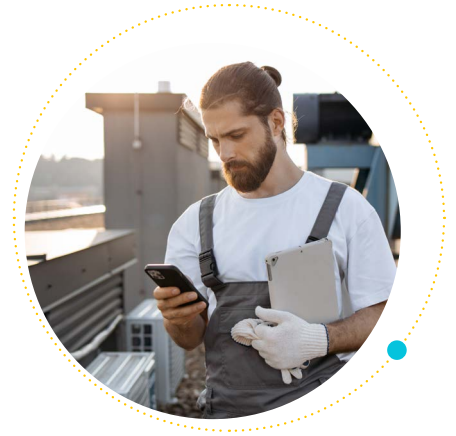
PUTTING IT INTO ACTION

Doubling down on diverse recruiting efforts in recent years, flavored coffee syrup maker [Torani](#) has boosted the number of women in its frontline workforce by 625%. The company has focused on hiring based on potential, upskilling workers, and offering flexible roles that empower greater work-life balance.

TECHNOLOGY IN FOCUS

Leverage technology to complement human potential

Keeping people at the center of automated production processes is crucial.



Instead of viewing AI and automation as replacements for human workers, these technologies should be seen as tools that empower employees. Training and development programs are essential to equip the workforce with the skills needed to operate and collaborate with new technologies, ensuring the workforce evolves alongside AI and digital advancements.

Embracing technology with a human-centered approach will lead to a more resilient and innovative manufacturing industry, enhancing operational efficiency and creating a more engaging and fulfilling work environment for employees.

People-focused technologies help manufacturers zero in on the moments that matter.

Providing consumer-grade technology

Leaders investing in modern solutions to serve the frontline employee, enhance training (think AI headsets for virtual training), and aid recruitment are creating a more engaged, agile, and mobile workforce.

Meeting employee expectations for flexibility

Visibility into all things scheduling in the palms of employees' hands is a game changer for frontline workers. Digital scheduling solutions and people-centric policies empower employees to view schedules, swap shifts, and foster a rewarding work-life balance that leaves them satisfied and motivated on the job.



PUTTING IT INTO ACTION

A cloud-based workforce management app creates a positive experience for employees of UKG customer [John B. Sanfilippo & Son](#). Hourly employees benefit from having self-service access to their timecard, accruals, and paycheck information and use the mobile app to request time off, anytime, anywhere.

Creating people-centric frontline leaders

Supporting frontline managers with digital decision-support tools gives them more time to spend with their teams, while proactive reminders about employee work anniversaries and birthdays empower managers to invite fun into the workplace, further improving the employee experience.

Building a culture of connection

Feeling connected in the workplace is critical to retention. Bringing people together starts with creating intentional spaces for communication and connection that are digital and easily accessible to frontline employees — places where they can form bonds with peers, receive mentorship, be recognized for good work, and quickly stay current on the latest company news, policies, and safety standards. Using this forum to monitor employee sentiment in real time enables managers to lean in and support frontline employees who need it, which is a key factor in building employee trust.

Improving employee productivity and performance

Giving frontline managers real-time visibility into operational and people data and analytics guides them on how to help employees perform at their very best.

Supporting employees financially

Pay is the No. 1 driver for employment. A powerful digital platform for financial wellness gives people access to their earned wages and the power to take charge of their finances through financial education content and budgeting tools.



PUTTING IT INTO ACTION

Flexible scheduling gives employees at UKG customer [Simpson Strong-Tie](#) greater work-life balance — an output of the organization's ongoing commitment to creating a workplace culture that puts people first.



PUTTING IT INTO ACTION

Analyzing global benchmark data integrated into employee surveys, UKG customer [ARCH Global Holdings](#) regularly compares its employee engagement and satisfaction ratings against industry averages. At locations scoring above industry benchmarks, the organization is studying which tactics were used by local leaders to optimize the employee experience.

Next Up: Get started creating distinct and equitable experiences for frontline employees in your organization. Download the [Frontline Worker Playbook](#) from UKG.



References:

- ¹ The Manufacturing Institute, *The Role of Culture and Employee Engagement* (September 26, 2023), found at <https://themanufacturinginstitute.org/research/the-role-of-culture-and-employee-engagement>.
- ² Great Place To Work data was obtained from benchmarks related to a study of over 4,000 typical companies, the yearly benchmarks of all Great Place To Work Certified companies from 2019 to 2024, and benchmarks from the *Fortune* 100 Best Companies to Work For in 2024.
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- ⁴ Megan Ruggles, *The 3 jobs manufacturers are struggling to fill in 2023*, Manufacturing Dive (January 27, 2023), found at <https://www.manufacturingdive.com/news/labor-shortage-manufacturing-outlook-2023-production-engineering-technicians/640552>.
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- ⁶ The Manufacturing Institute, *The Manufacturing Experience: Closing the Gender Gap* (October 19, 2023), found at <https://themanufacturinginstitute.org/research/the-manufacturing-experience-closing-the-gender-gap>.



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About

Established in 2007, the [UKG Workforce Institute](https://ukg.com/workforce-institute) is a global think tank of researchers, economists, and HR and business leaders dedicated to driving organizational performance through an emphasis on people. Through investigative research and executive analysis, our esteemed board members share proprietary studies, data-driven insights, and actionable strategies for succeeding in the changing world of work.



Our purpose is people