

2nd Quarter 2021



HR

INDUSTRY INSIGHTS

MANUFACTURING

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U.S. Employment Statistics as of March 2021

Unemployment
Rate



6%

Manufacturing
Unemployment
Rate



5.2%

Manufacturing
Employment



12,284,000

Source: U.S. Bureau of Labor
Statistics

Manufacturing Talent Overview Post-coronavirus

During the COVID-19 pandemic, talent challenges have been top of mind for manufacturers. Despite high unemployment rates relative to previous years, employers have struggled to find and keep the employees they need.

As COVID-19 vaccines reach the general public and workplaces act upon their return-to-work plans, you may be wondering what to expect in the talent market going forward. Here's an overview of what the post-coronavirus talent market may look like in the manufacturing industry, and what this means for employers.

Current and Post-coronavirus Employment in Manufacturing

At 5.2%, manufacturing unemployment remains below the general unemployment rate of 6%, according to the U.S. Bureau of Labor Statistics' March 2021 data. But even with unemployment numbers higher than they were pre-pandemic, which hovered around 4%, one thing has remained constant—there is a shortage of qualified talent in manufacturing, and employers are struggling to find individuals with the requisite skill set.

The general health of the manufacturing industry appears to look promising. Total manufacturing employment is within the range of its all-time high, and the industry has continued to have an unemployment rate lower than national averages. While this speaks to good health for the general industry, this means that the talent market is likely to remain competitive for employers.

Ongoing Talent Challenges

Finding ways to safely connect with applicants and overcoming current or prospective employees' personal obstacles, such as transportation and caretaking responsibilities, are just a few examples of barriers that have been displayed during the pandemic.

These challenges have applied directly to manufacturers, while the industry also faces its own unique challenges. Manufacturers list adaptation to technology as one of their overall largest challenges. On the talent side, they cite challenges such as finding talent with specific skills and replacing an aging workforce.

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As manufacturing has evolved, many entry-level roles are no longer considered entry-level, and require a STEM education or an ability to learn and use new technologies. And as technology has spread into many aspects of manufacturing, both new and even existing employees are continually required to expand their skill sets.

The same talent strategies that may have worked before aren't guaranteed to meet the current talent challenges of today. Post-coronavirus, employers shouldn't expect to return to the same workplace that they left behind.

What Employers Can Do

Post-coronavirus, many of the same talent challenges will remain. Employers can take steps to understand the current employment market.

Here are three topics for employers to consider:

1. Review how your opportunities may resonate with talent new to the manufacturing industry who may not have advanced technical expertise. For example, promoting your on-the-job training or development opportunities may be enticing to displaced workers who have worked in a different industry.
2. Focus on upskilling employees to address current and future skills gaps. Upskilling is when employers provide employees the opportunity to learn new skills to better their current work performance, while also prepping them for the projected needs of the company. Employees with new skills can help advance the technical expertise of a workforce—and confident and valuable employees are more likely to stay.

3. Consider how your workplace can aid current or prospective employees in navigating their personal and caregiving responsibilities. Employees are interested in perks such as:

- Remote work opportunities
- Scheduling flexibilities
- Generous paid leave
- Competitive benefits

If you're unsure of where to start, a survey of current employees can help uncover what issues are top of mind for your workforce—and how you might be able to best support employees post-coronavirus.

Generation Z and Manufacturing

Generation Z—generally referred to as those born between 1995 and 2010—is quickly becoming one of the largest groups of the current workforce. Many manufacturers and other employers alike struggle to effectively recruit members of this generation.

The newest generation entering the workforce presents a huge opportunity for employers. Currently, Generation Z roughly represents 1 out of every 4 workers. Though millennials are currently the largest generation of the workforce, estimates show that by 2030, Generation Z could make up over half of the workforce.

Notably for manufacturers, this generation is typically very adept at using technology. Workplaces that introduce new technologies may find that Generation Z is often fast to understand new platforms and tools, but also often are eager to utilize their skills and knowledge in the workplace.

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What Generation Z Is Looking for at Work

Research finds that generally, Generation Z hopes to live out their values in the professional world—and contribute to organizations they feel aligned with. As they enter the professional world, components of Generation Z's ideal work environments include:

- Opportunities for professional development
- Flexible work arrangements
- Independence
- Expanded benefits
- Community involvement
- A contribution to broader goals that advance social and environmental causes
- An opportunity to utilize advanced technology

There should be some optimism for manufacturers. A survey from manufacturing systems provider Leading2Lean found that Generation Z is more interested in careers in manufacturing than their predecessors: millennials. In particular, few industries are as well-equipped as manufacturing to provide the technology opportunities that this generation desires.

What This Means for Employers

Generation Z brings a diverse set of backgrounds as they enter the workforce. Some may have a college degree, while others who have chosen an alternate route may be looking for careers with opportunities for advancement that don't require a degree. As an employer, consider how members of Generation Z with varying backgrounds and skill sets may fit into your talent strategy.

Here are a few tips for attracting and retaining members of Generation Z:

1. As feasible, allow employees of all levels to help contribute to projects and process improvements. Many employees—namely Generation Z—will be eager to innovate and find practical uses of technology.
2. Consider how your employment offering can be enticing to this generation, including factors such as competitive benefits, flexible schedules and work options, and opportunities for community involvement and career development.
3. Build your employer brand by highlighting aspects of the workplace into marketing and recruitment efforts that meet the needs of and excite Generation Z.

Summary

Effectively taking steps to recruit and retain Generation Z can be a win-win for employers and for this generation as they look for an employer that meets their unique needs. Employers can take steps to engage Generation Z in ways that allow them to develop their careers and utilize their skills.

The appropriate talent strategies will vary by the workplace, but manufacturers have much to offer and should consider how to be accommodating to Generation Z.

For more recruitment and retention resources, contact Pelnik Insurance today.