



1st Quarter 2021

# INDUSTRY INSIGHTS

## MANUFACTURING

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### U.S. Employment Statistics as of Dec. 2020

Unemployment  
Rate

6.7%

Manufacturing  
Unemployment  
Rate

4.3%

Manufacturing  
Employment

12,309,000

Source: U.S. Bureau of Labor  
Statistics

### Recruiting in Manufacturing During COVID-19

As it has for most industries, the coronavirus (COVID-19) pandemic has created talent challenges for manufacturers. The pandemic's initial impact led to many organizations making tough choices about reducing the number of employees to keep up with financial realities. Now, manufacturers face difficulties such as recruiting talent with the necessary technical skills, and finding talent for open positions as manufacturing unemployment rates begin to trend toward pre-pandemic levels.

In response to these challenges, employers in manufacturing can take steps to address talent shortages by understanding the current employment market, and considering new and expanded recruiting initiatives.

### Current Employment Market

Since unemployment related to the COVID-19 pandemic peaked in April 2020, the U.S. unemployment rate had steadily decreased through November 2020. According to the U.S. Bureau of Labor Statistics, in December 2020, the unemployment rate rose for the first time in months. While 140,000 total jobs were lost between November and December 2020, the manufacturing sector added 38,000 jobs over the month.

In contrast to other industries and U.S. averages, less talent has been displaced in manufacturing as a result of the economic impacts of the coronavirus pandemic. Manufacturing has remained essential and has been critical during the pandemic, as the industry has produced high levels of medical supplies and other necessities. However, employers in the industry have struggled to recruit the number of employees they are looking for—and find specific skillsets for the evolving manufacturing environment, which uses more technology than ever before.

### Current Recruiting Challenges

Talent challenges in manufacturing aren't new. Before the COVID-19 pandemic, low unemployment rates, aging employees and skill gaps had left many employers struggling to keep up with the evolving needs of their businesses.

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In 2021, recruiting remains difficult for a variety of reasons. These current top recruiting challenges for manufacturers include:

- Finding talent with a STEM education or specific trade skills for positions that use an increased level of technology and innovation
- Competing with other industries for talent in competitive labor markets
- Differentiating an employer brand from others in the industry as manufacturing unemployment rates trend toward pre-pandemic levels
- Efficiently using resources to recruit, hire and onboard new employees at high levels to replace the roles of retiring employees

Each organization faces its own unique challenges, but employers can take steps to boost their recruiting efforts through a variety of recruiting strategies and initiatives.

### Recruiting Strategies to Consider

The following are strategies that manufacturing employers are using to expand their recruiting reach during the COVID-19 pandemic:

1. Review job requirements, and focus on what is necessary to complete a job successfully. Job postings with a long list of requirements, including degrees, certifications or years of experience as a requirement can prevent many well-qualified applicants from applying. By focusing on the necessary skills for a job, you can help grow your candidate pool.
2. Develop or expand apprenticeship opportunities. By leveraging apprenticeships, you can engage prospective talents that want to learn more about a particular trade in your workplace, and you might be able to find individuals that can develop in-demand skills.
3. Consider creating or expanding partnerships with local trade schools. Partnerships with trade schools can often be a mutually beneficial effort. If able to do so safely and in compliance with local health mitigation efforts, consider opening up your facility for tours.
4. Create or expand internship opportunities to help connect with students in STEM or other relevant fields for your organization.
5. Offer flexible work opportunities to help recruit talent with caregiving or other responsibilities. Flexible scheduling for production roles or remote work opportunities for administrative roles won't always be feasible—but flexibility is a top desire of many in the employment market.
6. Consider how your talent sourcing strategies can better reach underrepresented populations in the manufacturing industry, including women and veterans.
7. Review your employer brand, and ensure that your brand covers topics that prospective employees care about, including:
  - Safety
  - Benefits
  - Workplace flexibility, if applicable
  - Uses of technology within the workplace
  - Career development opportunities

As you determine what components of your employer brand are the most important to your

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desired talent, ensure that this branding is effectively communicated and replicated fully through your online presence.

Every manufacturer faces unique challenges—but consider how these initiatives can help your organization with recruiting. By leveraging your strengths and expanding your ties to your community, you can expand the reach of your recruiting efforts.

### Addressing Skill Gaps by Developing Talent Internally

It's no secret that it's challenging to attract and retain talent with in-demand skills in manufacturing. While recruiting can often help acquire talent with specific skill sets, employers can also address skills gaps by developing internal talent. While current employees may not have the necessary skills, knowledge and abilities to meet an organization's needs for more advanced roles, many employees can develop these competencies with the right initiatives in place.

According to a Deloitte study, 47% of current manufacturing jobs will be gone in the next decade. This doesn't mean that overall employment will go down—but rather, that many future jobs will have higher needs of STEM education and skills as automation and technology continue to develop. While "learning on the job" will be part of an employee development experience, it's crucial for employers to be proactive. By taking deliberate steps, you can help employees develop the skills they need to succeed in their current—and future roles.

### Talent Development Strategies

Developing talent won't be an overnight effort, but there are a variety of proactive steps that employers can take to focus on employee upskilling and career

development. The following are strategies used by employers to develop internal talent:

1. Create a mentorship program allowing more experienced employees to pass along their skills to newer employees. This can allow new employees to become comfortable in their work environment and allow them to expand their skills at an expedited rate.
2. As feasible, increase collaboration between production and administrative departments. By increasing this line of sight, many employees may be able to expand their organizational knowledge, which may help them prepare to move into future roles.
3. Offer microlearning opportunities, which are short term, and allow employees to learn about new skills in a workshop, training event or a short-term project.
4. Allow employees to contribute in ways outside of their everyday responsibilities—whether it be working on a new project or bringing forth process improvement ideas.
5. Create learning opportunities using a learning management system (LMS). By allowing employees to learn using an LMS, you can save on the labor costs associated with facilitated training and allow employees to build their skill set continually.
6. Encourage employees to expand their skills at a trade school, or even incentivize them to do so. Consider whether educational reimbursement is feasible within your organization.

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7. Create employee development plans. With a tangible career path, many employees will be motivated to pursue these opportunities—and take the initiative in learning the necessary skills, abilities and knowledge for these roles.

While successful talent development strategies can help an employer meet the needs of evolving skill sets, there can also be other benefits. Employees who feel like they are being developed will often be more engaged, which can reduce attrition. In addition, if your workplace offers growing career opportunities and internal advancement, it can even impact your employer brand and, in turn, your recruiting efforts.

The best talent development strategies to consider will vary by the workplace. However, employers should consider what proactive steps they can take to develop talent internally and meet their organization's future needs. For more talent development resources, contact Insure NW today.