



The 2021 Future Manufacturing Workforce Study



In partnership with IndustryWeek and Endeavor Business Media



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Overview and Methodology

Overview

Two surveys were commissioned by UKG to:

1. Examine how manufacturing industry HR professionals are managing recruitment and retention of Gen Z-aged workers
2. Explore the attitudes and perceptions of Gen Z-aged consumers currently employed in the manufacturing sector

Methodology, data collection, and analysis by Endeavor Business Media on behalf of UKG.

Methodology conforms to accepted marketing research methods, practices and procedures.

Survey questionnaires were designed by EBM in collaboration with UKG.

Methodology

Using a 3rd Party B2B research panel provider, data collection was conducted between July 22 and August 17, 2021.

Data collection delivered:

- (N=305) HR Executives who worked for a company in the manufacturing industry
 - Margin of error = +/- 5.5% at a 95% confidence interval
- (N=882) Gen Z-aged individuals currently employed by a company in the manufacturing sector
 - Margin of error = +/- 3.2% at a 95% confidence interval

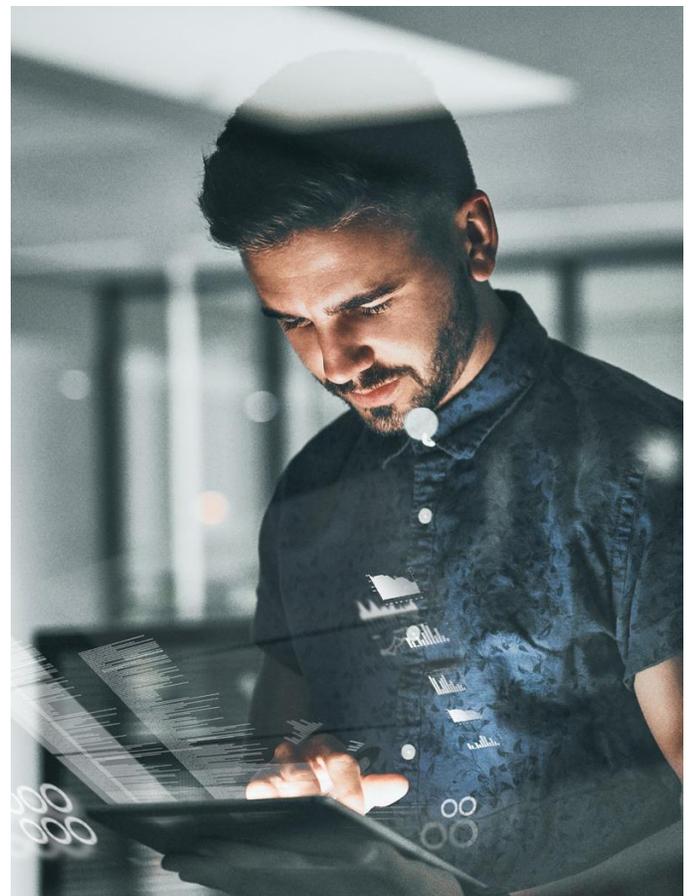
Insights and Observations, HR Executives

Perceptions of Business Productivity and Hiring Needs

- Covid-19 is still impacting the manufacturing sector according to these survey participants, with **25% of respondents** indicating their company's manufacturing production is currently between **75%-99% of pre-Covid capacity** and 60% reporting manufacturing production currently between **50%-74% of pre-Covid capacity**.
- In terms of filling job positions, overall, HR executives seemed generally upbeat about the ease vs. difficulty of hiring. Over seven-in-ten respondents rated ease of filling positions Top-2 Box (Very Easy + Somewhat Easy) across management, 76% temporary or contract workers, (74%) fulltime hourly employees (73%) and **part-time hourly employees (74%)**.
- When asked to self-assess how well their company was doing attracting and retaining Gen Z, HR manufacturing executives felt their company was performing relatively well, with **38% saying they were “Far ahead” or “Somewhat ahead”** compared to those in their industry, and another 28% self-assessing their company to be “On par” with others in their industry.

Perceptions of Gen Z Workforce Issues

- When it came to HR issues currently challenging their company, HR executives definitely have Gen Z on their mind, with 60% reporting attracting Gen Z was a current challenge, **57% saying successfully transferring knowledge and expertise from older employees to younger employees was a current challenge**, and 48% indicating retaining Gen Z was a challenge for their company.



Insights and Observations, HR Executives

Strategies for Attracting Gen Z

- When it came to strategies for attracting Gen Z employees, the key takeaway is that only one strategy was cited by more than one-half of HR manufacturing company execs: **Collaborating with local schools and colleges (53%)**.
- **Flexible job schedules** (50%), **apprenticeship programs** (46%) and hiring Gen Zs with non-traditional experience (44%) were the next most frequently reported strategies for attracting Gen Z.
- significantly, **providing competitive wages** (38%) and **providing competitive paid time off** (36%) were cited less frequently than might be expected for attracting Gen Z-aged talent.

Perceptions of Gen Z Workforce Issues

- According to these HR execs, most (89%) are seeing annual employee turnover for Gen Z employees of **20% or less**.
- Over **60% of HR execs agreed** (Top-2 Box = Strongly agree + Agree) losing Gen Z candidates to “gig work” was an issue.

60%

of HR Executives agreed that losing Gen Z candidates to “gig work” was an issue

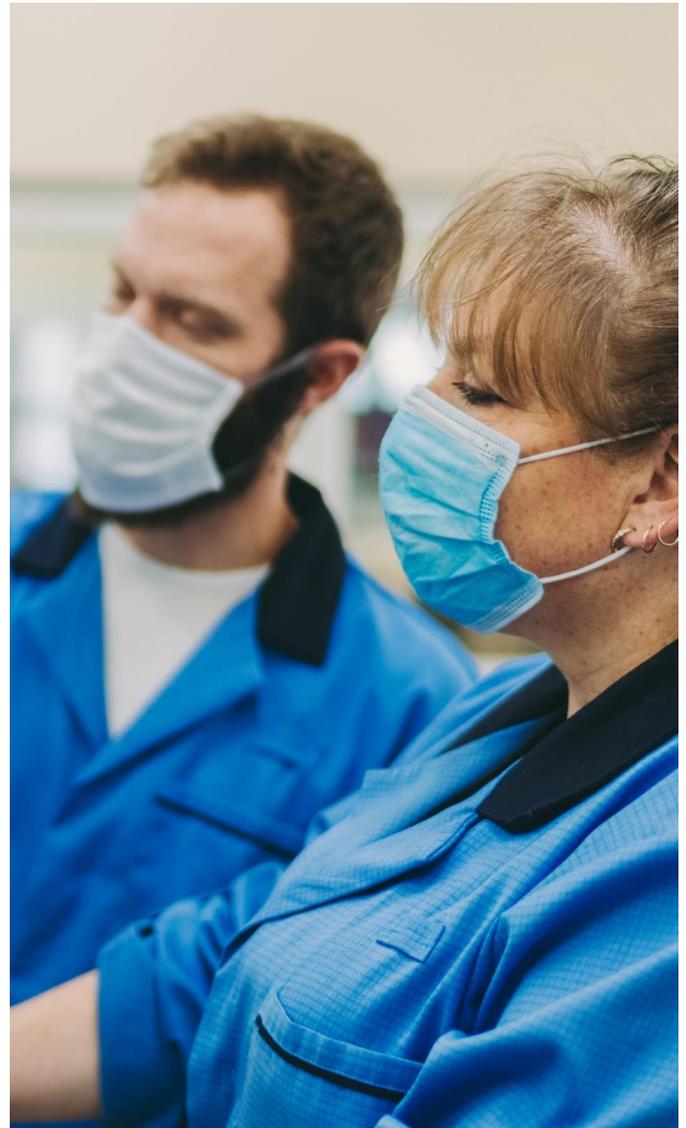
Insights and Observations, HR Executives

Strategies for Retaining Gen Z

When it came to strategies for retaining Gen Z employees, again, the key insight is no single retention initiative is being used by more than half of companies represented by HR execs participating in this study. 50% say their company actively builds employee development programs, **49% offer flexible job schedules**, and 42% offer mentorship programs.

HR Communications and Technology Usage

In terms of HR channels for communicating with the hourly workforce, digital transformation seems to be a driving factor, with **70% of HR execs reporting using email**, 64% citing text messaging **and 59% saying their company uses a mobile-based app or tool**. Significantly, only 25% indicated their company uses paper notices such as posters, flyers, notes, etc.



64%

of HR Executives cite using text messaging to communicate with their hourly workforce

Insights and Observations, Gen Z Employees

Gen Z Employees' Hiring and Onboarding Experience

- While almost one-half of Gen Z respondents used web-based information sources such as a company website (43%), and **LinkedIn (43%)**, more than one-third (36%) reported using a direct employee referral to help them get their current job in manufacturing.
- **So digital platforms are essential information sources for manufacturing industry** hiring of Gen Zs, but word-of-mouth still has a prominent role for Gen Zs in their job-seeking process.
- When it came to aspects of the onboarding experience, the most cited channel **(49%) was mobile-device accessible onboarding forms/HR documents**.
- Significantly, if this most cited channel was reported by less than one-half of Gen Z respondents as being part of their onboarding experience, the implication is that many manufacturing businesses are not yet committed to digital transformation when it comes to hiring and onboarding.
- Only 7% of Gen Z respondents said they “Received a welcome packet” during onboarding, which seems to confirm that manufacturing HR decisionmakers are abandoning traditional print-based materials, yet it’s not clear that adoption of digital-based onboarding elements are fully replacing the old way of onboarding.

49%

of Gen Z respondents were provided mobile-device accessible onboarding forms and HR documents

Insights and Observations, Gen Z Employees

Gen Z Employees' Hiring and Onboarding Experience

- Overall, Gen Z manufacturing sector employees reported positive job training experiences, with **92% rating the quality of their job training as being “Excellent”** (39%) or “Good” (53%).

Importance of Manufacturing Employment/Job Features and Aspects

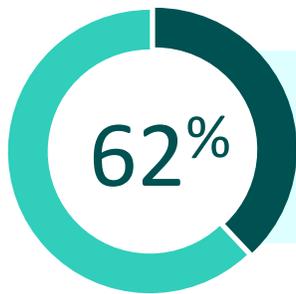
- Gen Z employees felt that the most important aspects (Top-box = Extremely Important) of working for a manufacturing company were **diversity and inclusion initiatives (31%)**, opportunities for advancement (28%), good relationships with my peers (26%), enough time off (26%) and a great boss (26%).
- The importance ratings for these job aspects suggest that Gen Z employees are especially looking for a combination of on-the-job gratification elements.
- Similarly, job satisfaction factors of importance echo the theme that Gen Z employees want a reciprocal positive relationship with their employer. Highest rated (Top-Box = Extremely Important) were **feeling like my company cares about me (26%)**, working on fulfilling projects (26%), consistent feedback on performance (26%), and recognition and respect (26%).
- **92% Overall Job Satisfaction** (Top-2 Box = Very Satisfied + Satisfied) reported by these Gen Z survey participants suggests that most Gen Zs are happy with their choice of employment in the manufacturing sector.



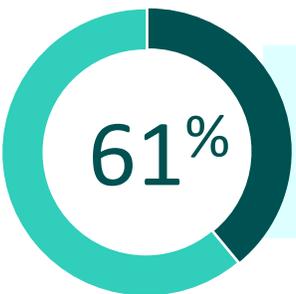
Insights and Observations, Gen Z Employees

Gen Z Attitudes Towards Manufacturing Industry

- Gen Z manufacturing employees are generally positive when it comes to their feelings about the manufacturing sector.
- When asked to rate their agreement with a series of attitudinal constructs (Top-2 Box = Strongly Agree + Agree), Gen Z respondents rated highest manufacturing is modern (62%), manufacturing has jobs that pay well (61%), I like the company I work for (61%), manufacturing industries provide stable jobs (61%) and I want to work in manufacturing as a career (61%).



Manufacturing is modern



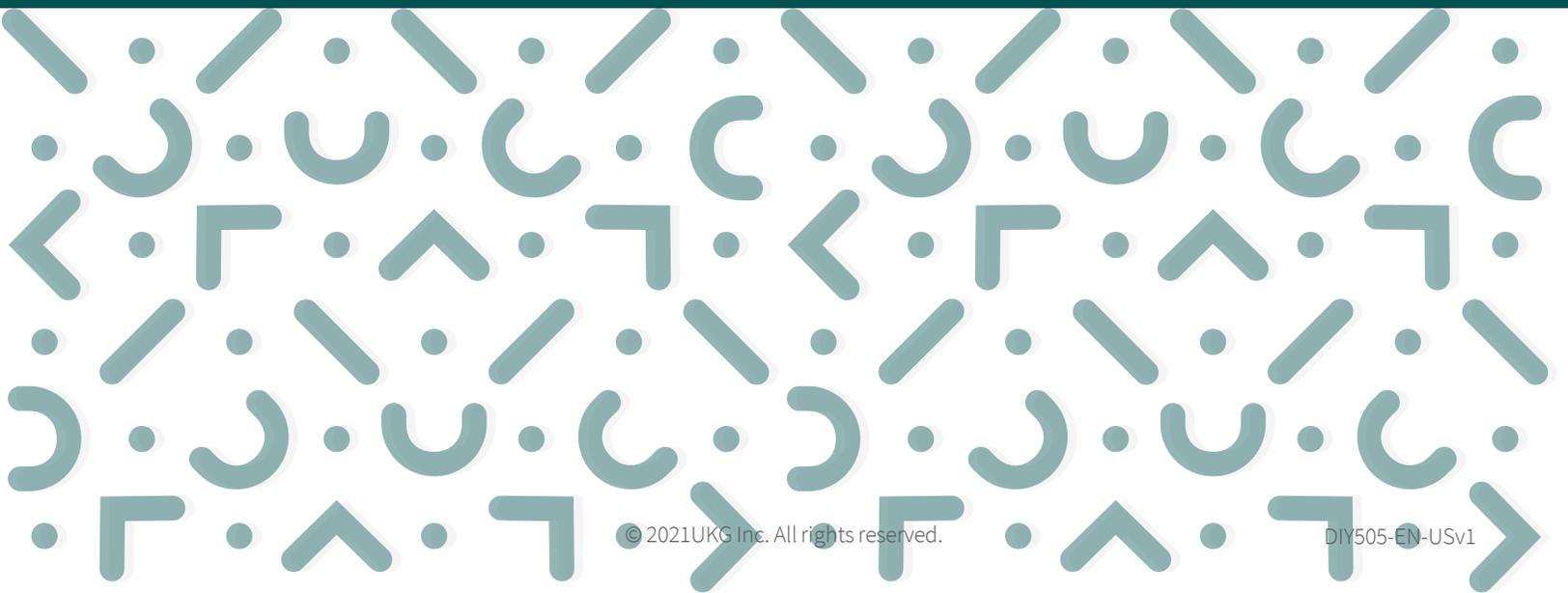
Manufacturing has jobs that pay well



I like the company I work for

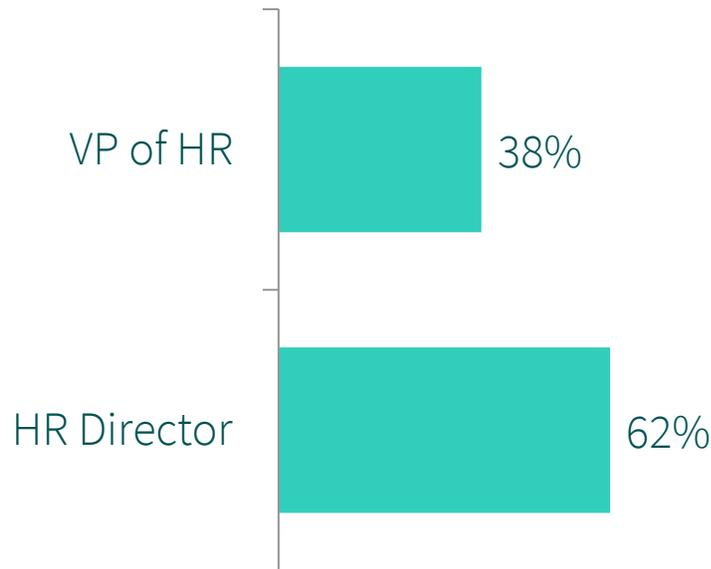


HR Executives Respondent Profiles



Respondent Profile – Job Title & Primary Job Role

HR respondents participating in this survey were all upper management, with 38% indicating they were VP of HR level and 62% identifying as HR Directors. Almost one-half (45%) said their primary role was recruiting, while 22% cited compensation & benefits and 15% reported diversity & inclusion as their primary HR role.



Question: Which of the following categories best describes your job role/title?

Base: All respondents (n=305).

Respondent Profile – Job Title & Primary Job Role

HR respondents participating in this survey were all upper management, with 38% indicating they were VP of HR level and 62% identifying as HR Directors. Almost one-half (45%) said their primary role was recruiting, while 22% cited compensation & benefits and 15% reported diversity & inclusion as their primary HR role.

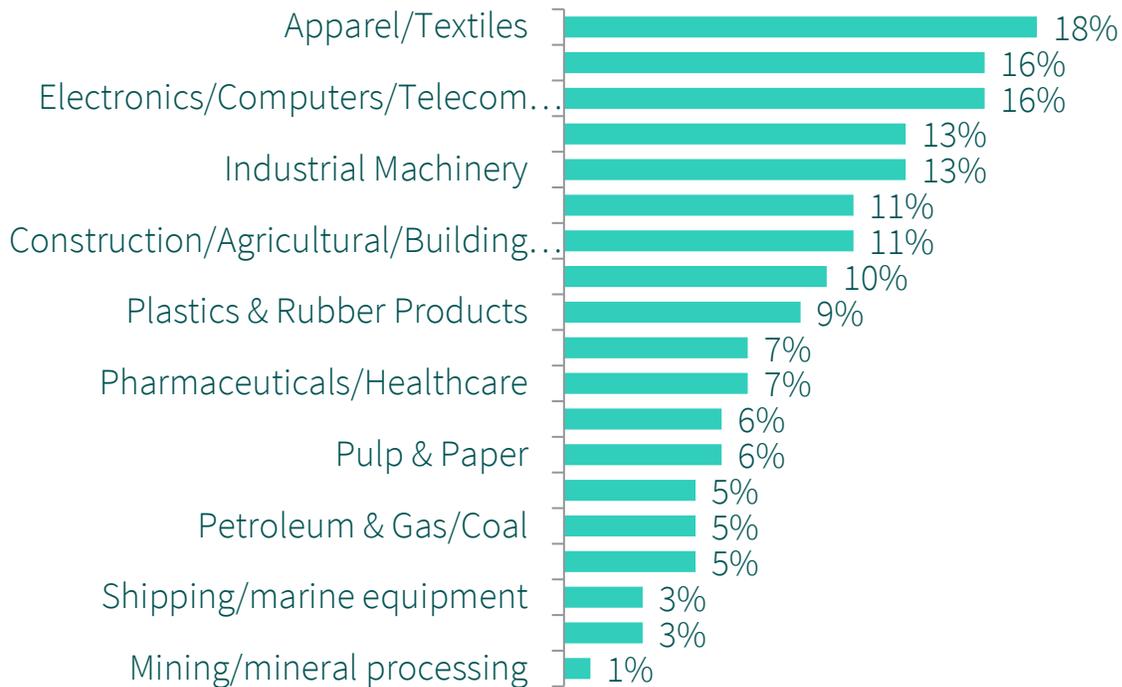


Question: Which of the following best describes your primary HR role in your company?

Base: All respondents (n=305).

Company Profile – Industry Sector

18% of HR executives reported their company manufactured apparel/textiles, while 16% cited either consumer goods/durables or electronics/computers/telecom equipment. 13% said their company was in the food & beverage or industrial machinery sector, respectively.

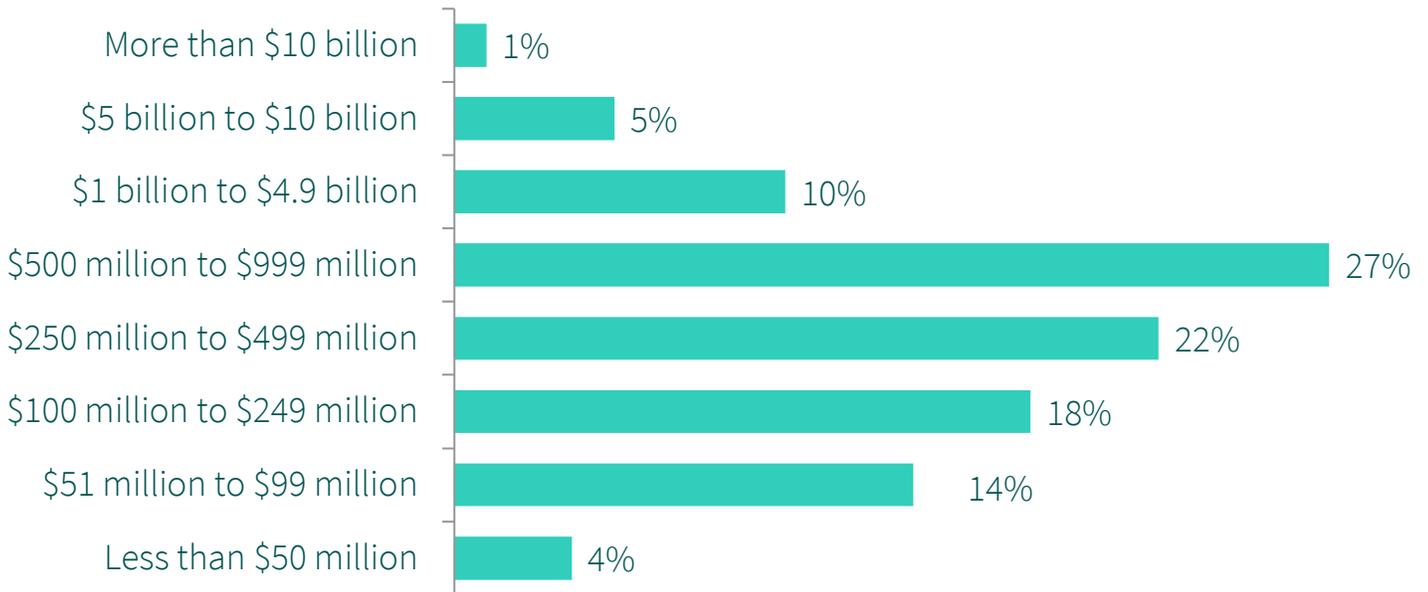


Question: Which of the following products does your company produce and/or manufacture?

Base: All respondents (n=305).

Company Profile – Annual Profile

16% of respondents indicated their company’s annual revenue was \$1 billion or more, while 27% said their company’s annual revenue was between \$500 million to \$999 million, and 40% reported annual revenues of \$100 million to \$499 million.

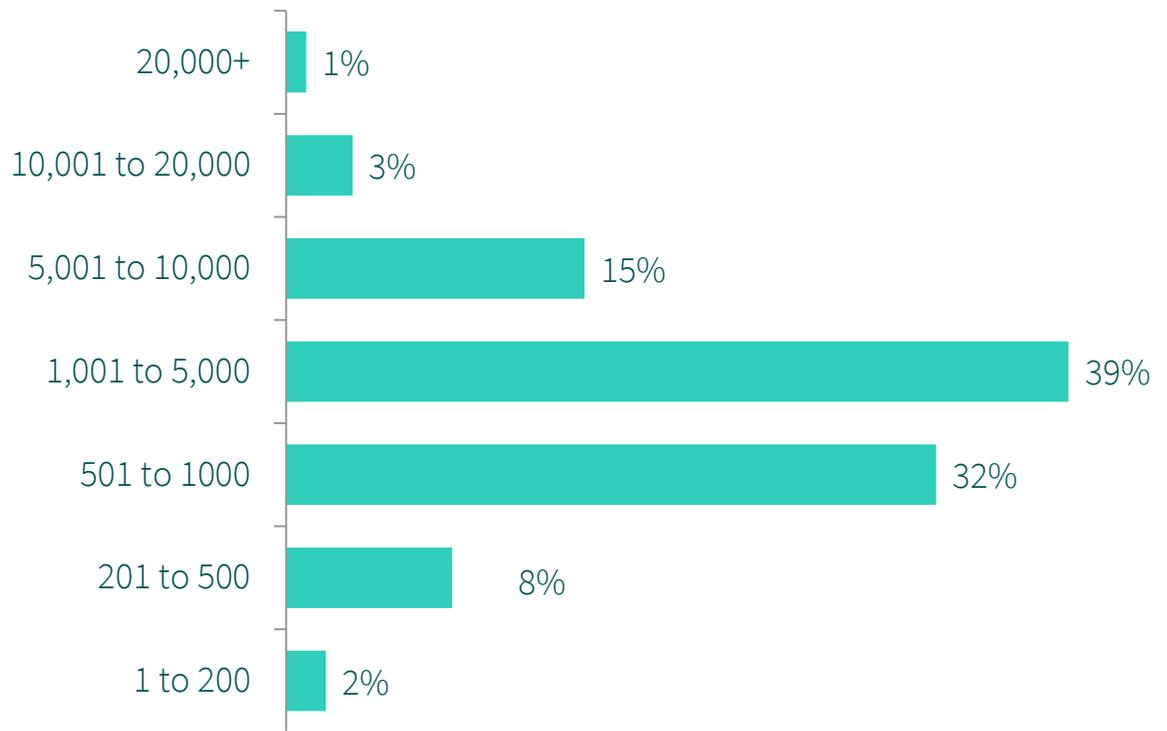


Question: Please estimate your company's annual revenue.

Base: All respondents (n=305).

Company Profile – Number of Employees

Almost four out of ten (39%) respondents reported their company employed between 1,001-5,000 personnel. 19% said their company employed over 5,000 personnel, and 42% indicated their company had 1,000 or fewer employees.

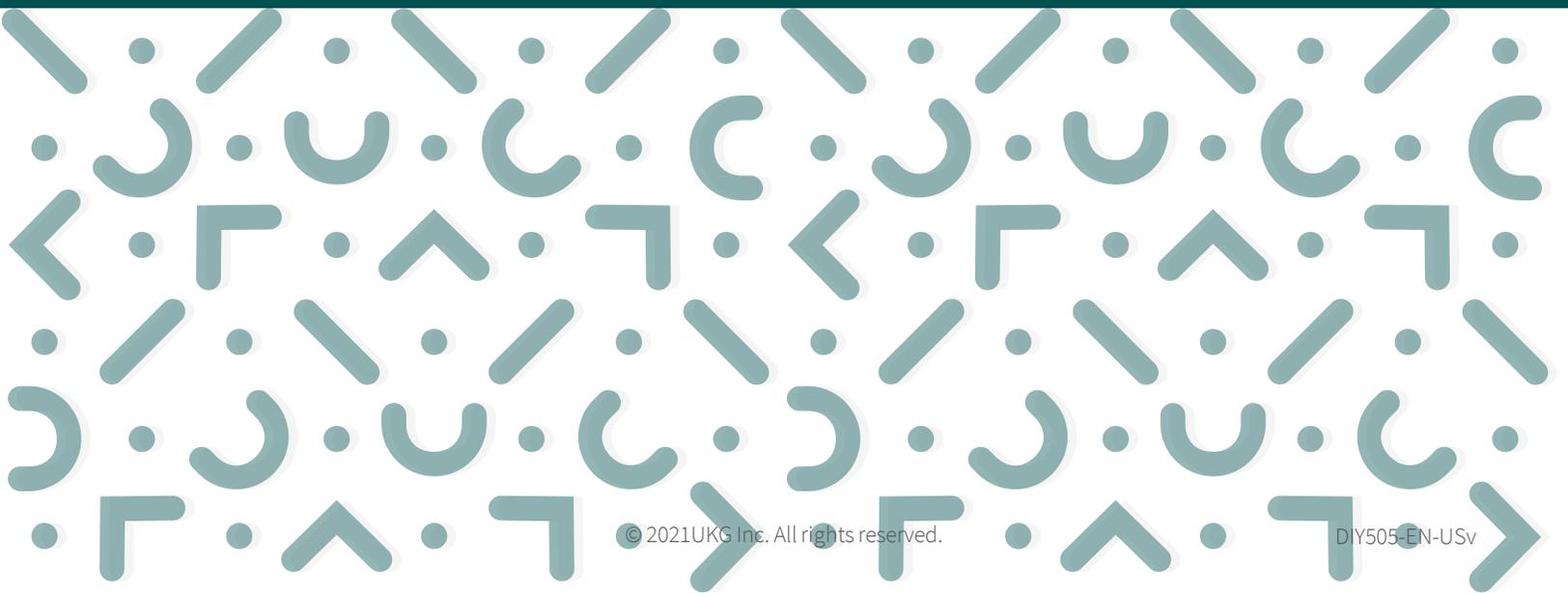


Question: *How many employees does your company have?*

Base: *All respondents (n=305).*

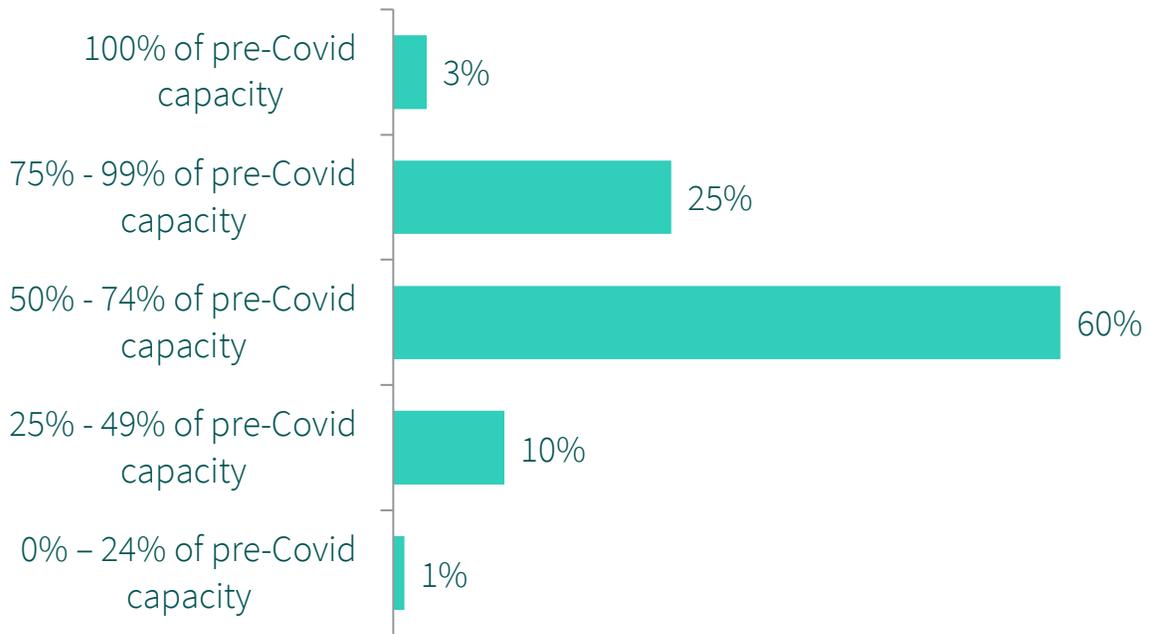


HR Executives Key Findings



Current Manufacturing Output Levels (COVID-19 Impact)

When respondents were asked to estimate their company’s manufacturing volume relative to pre-pandemic levels, **only 3% indicated they were at 100% of pre-Covid capacity**; 25% said they were at 75%-99% and 60% estimate their company’s output was at 50% - 74% of pre-Covid capacity.

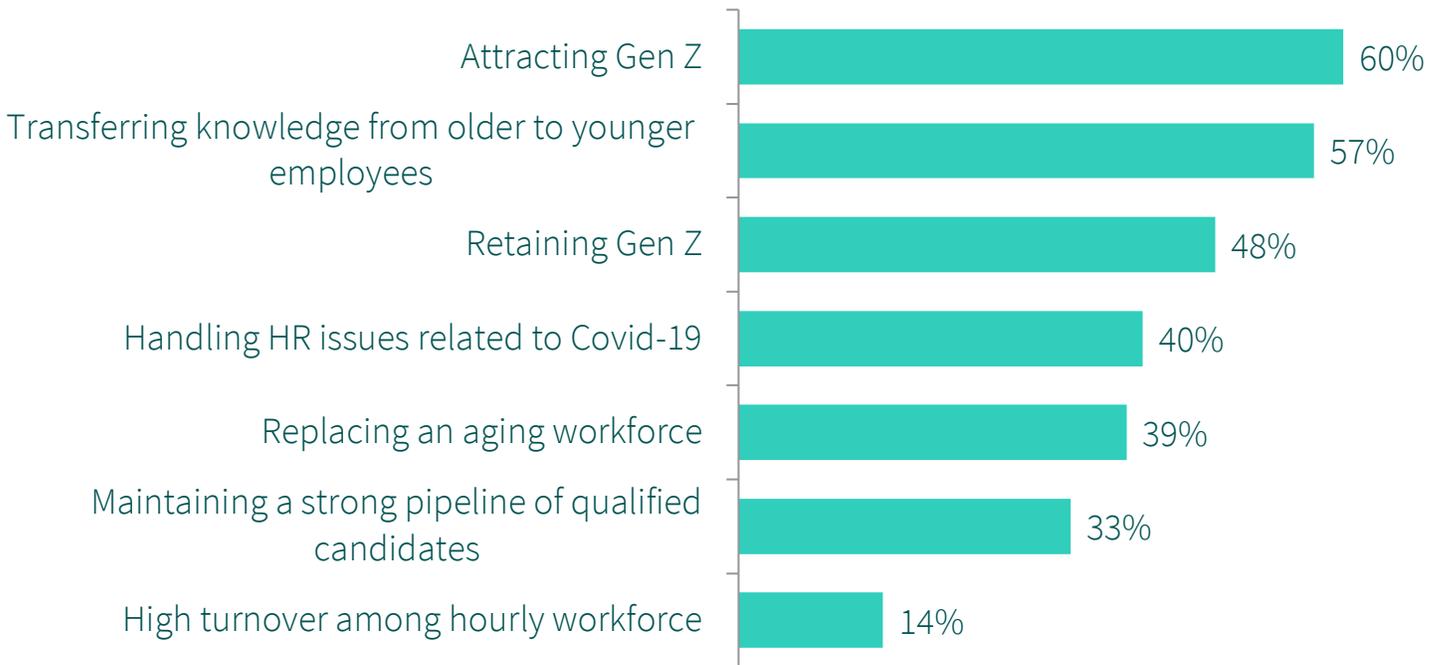


Question: *To what extent has the percent of your company’s manufacturing output or volume returned to pre-pandemic levels?*

Base: *All respondents (n=305).*

Current Challenges Facing Manufacturing HR Executives

60% of HR executives participating in this study indicated that attracting Gen Z was currently a challenge facing their company, while 57% reported knowledge transferal to be a current challenge and 48% cited retaining Gen Z.



Question: From a Human Resources perspective, which of the following challenges are currently facing your company?

Base: All respondents (n=305).

Ease/Difficulty of Hiring for Positions

Perceived ease/difficulty of filling positions was consistent across job descriptions, with over three-quarters (76%) of HR executives reporting it was either “Very easy” or “Somewhat easy” to fill management positions within the last 12 months; almost as many (74%) described hiring temporary or contract workers as “Very easy” or “Somewhat easy,” while fulltime hourly employees (73%) and part-time hourly employees (74%) compared closely as well.

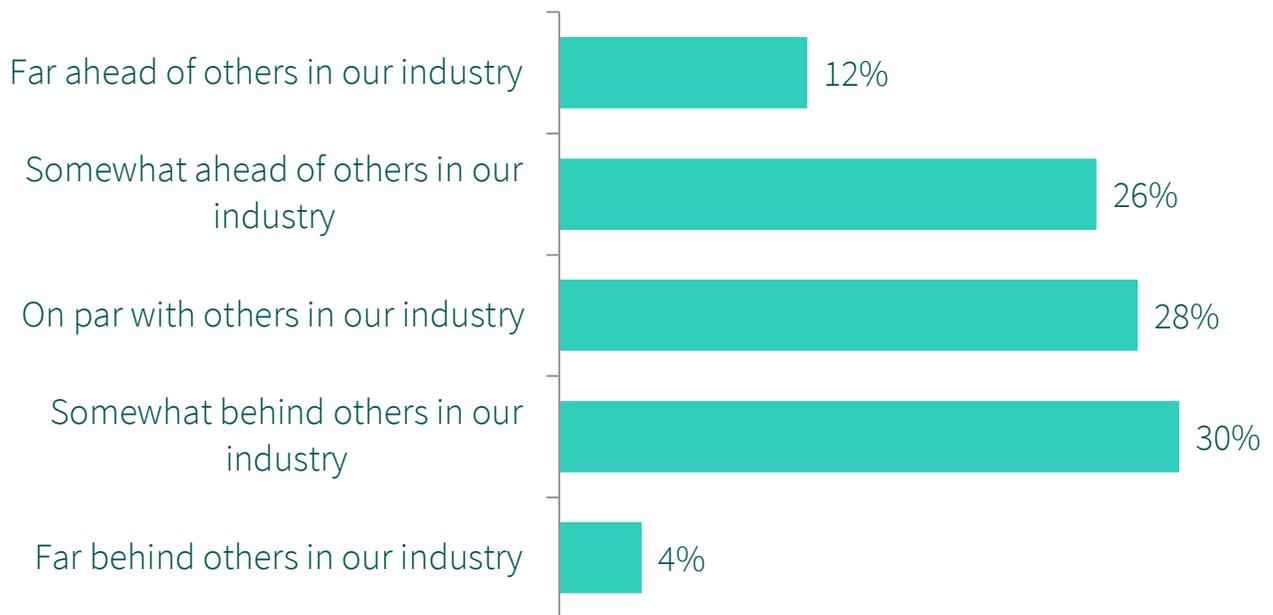


Question: Within the last 12 months, how easy or difficult has it been to fill the following job roles or positions within your company?

Base: All respondents (n=305).

Self-assessment of Company Success Attracting and Retaining Gen Z Employees

HR executives were evenly divided in their self-assessments regarding how well their company was doing in attracting and retaining Gen Z employees, with 38% saying they were “Far ahead” or “Somewhat ahead” of others in their industry, 28% reporting their company was “On par,” and 34% indicating their company was “Somewhat behind” or “Far behind” other industry peers.

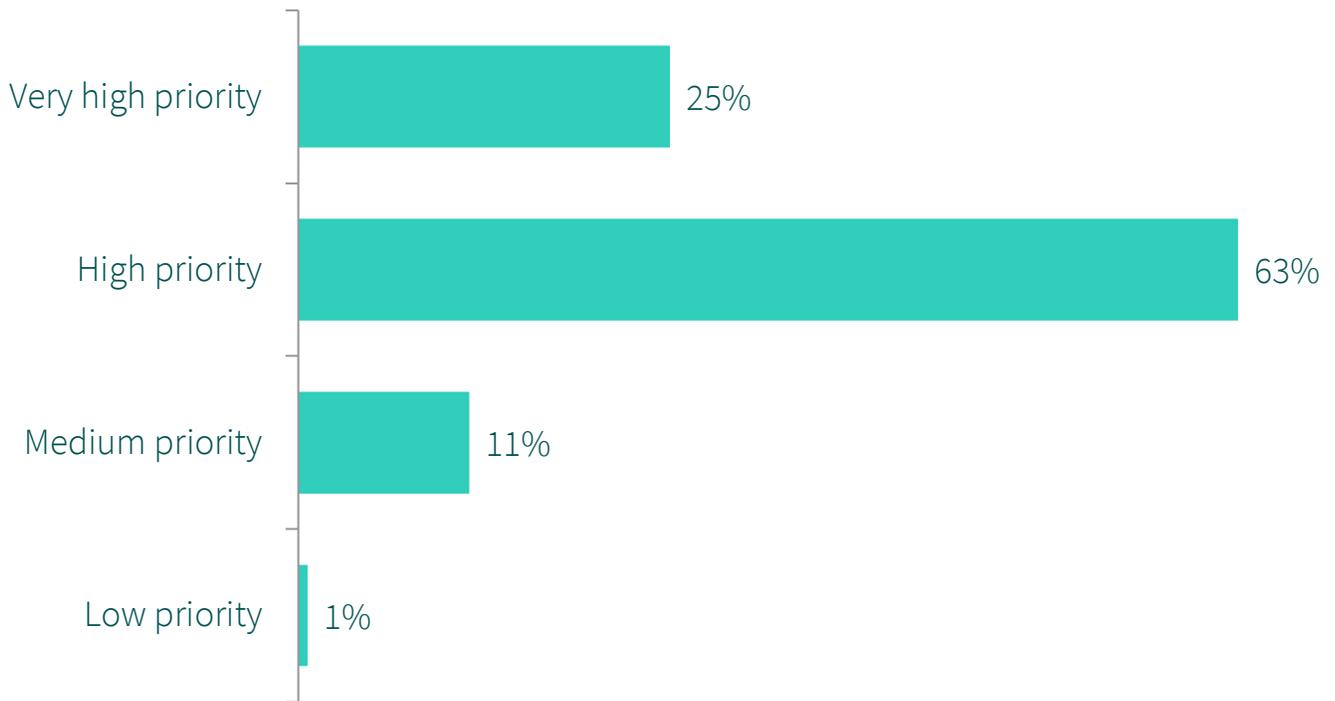


Question: How would you describe your company or organization’s success in attracting and retaining Gen Z employees compared to others in your industry?

Base: All respondents (n=305).

Level of Company Priority for Attracting and/or Retaining Gen Z

Almost nine-out-of-ten (88%) respondents rated attracting and retaining Gen Z employees as either a “Very high priority” (25%) or a “High priority” (63%) for their company.

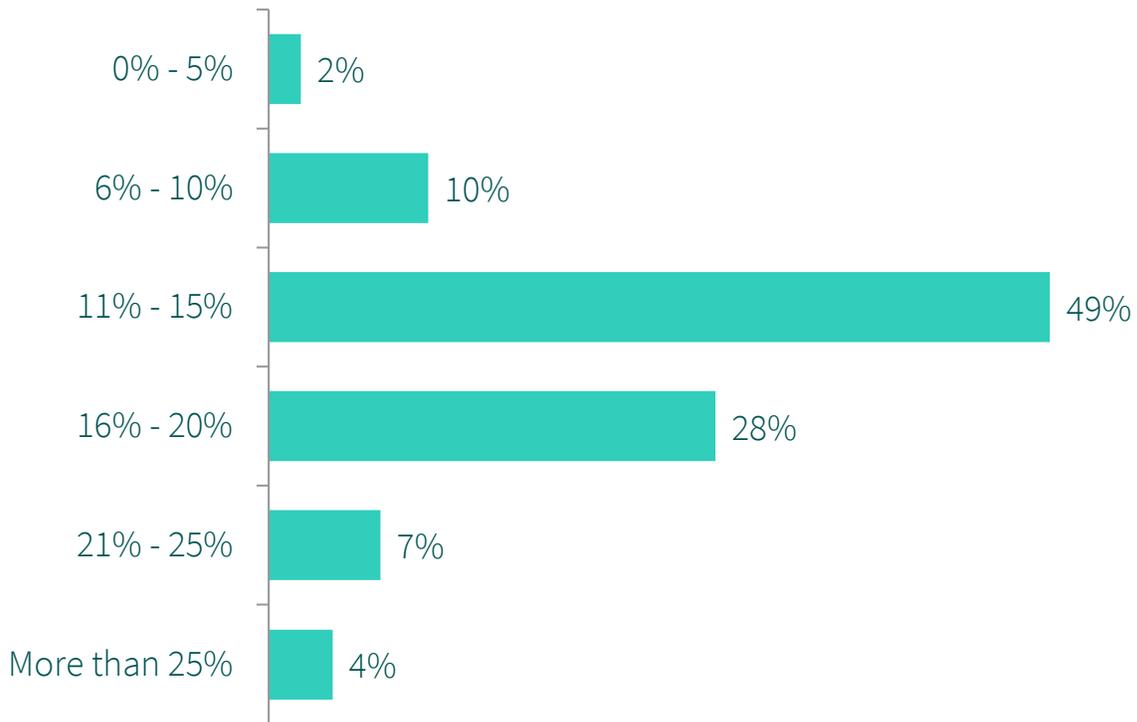


Question: How high a priority is attracting and retaining “Generation Z” employees for your company or organization?

Base: All respondents (n=305).

Gen Z Average Yearly Turnover

Just under one-half (49%) of respondents reported an average annual turnover rate of 11% - 15% for Gen Z employees. 28% said their Gen Z employee average turnover was 16% - 20%, while 11% indicated average turnover for Gen Zs was 21% or more.



Question: *What is your average turnover rate for Gen Z employees in a typical year?*

Base: *All respondents (n=305).*

HR Strategies for Attracting Gen Z

Over one-half (53%) of respondents said their company collaborates with local schools and colleges and 50% cited offering flexible job schedules to attract Gen Z-aged workers. 46% reported supporting apprenticeship programs while 44% indicated their company **recruited Gen Z individuals with non-traditional experience**.

53%

Collaborating with local schools and colleges to develop programs and/or coursework focused on teaching technical skills related to manufacturing work

50%

Offering flexible job schedules (i.e. alternative shift schedules, flexibility to swap shifts when needed)

46%

Supporting apprenticeship programs that offer job experience and professional development

44%

Recruiting Gen Z individuals with non-traditional experience and providing the necessary education or technical training

38%

Providing competitive wages for your local market [geographically speaking]

36%

Providing competitive paid time off for your local market [geographically speaking]

33%

Networking through an industry association to develop a Gen Z-focused talent pipeline

30%

Actively engaging with the local community to educate students and parents about career opportunities in modern manufacturing

11%

Participating locally in a "MFG Day" initiative at least once within the past 3 years

Question: Which of following is your organization using to attract Gen Z?

Base: All respondents (n=305).

HR Strategies for Retaining Gen Z

HR execs responding to this survey cited actively building employee development programs (50%) and offering flexible job schedules (49%) to help retain Gen Z employees. 42% said their company had mentorship programs, 38% reported providing competitive wages and 37% offered their employees cross-training to learn multiple skills.

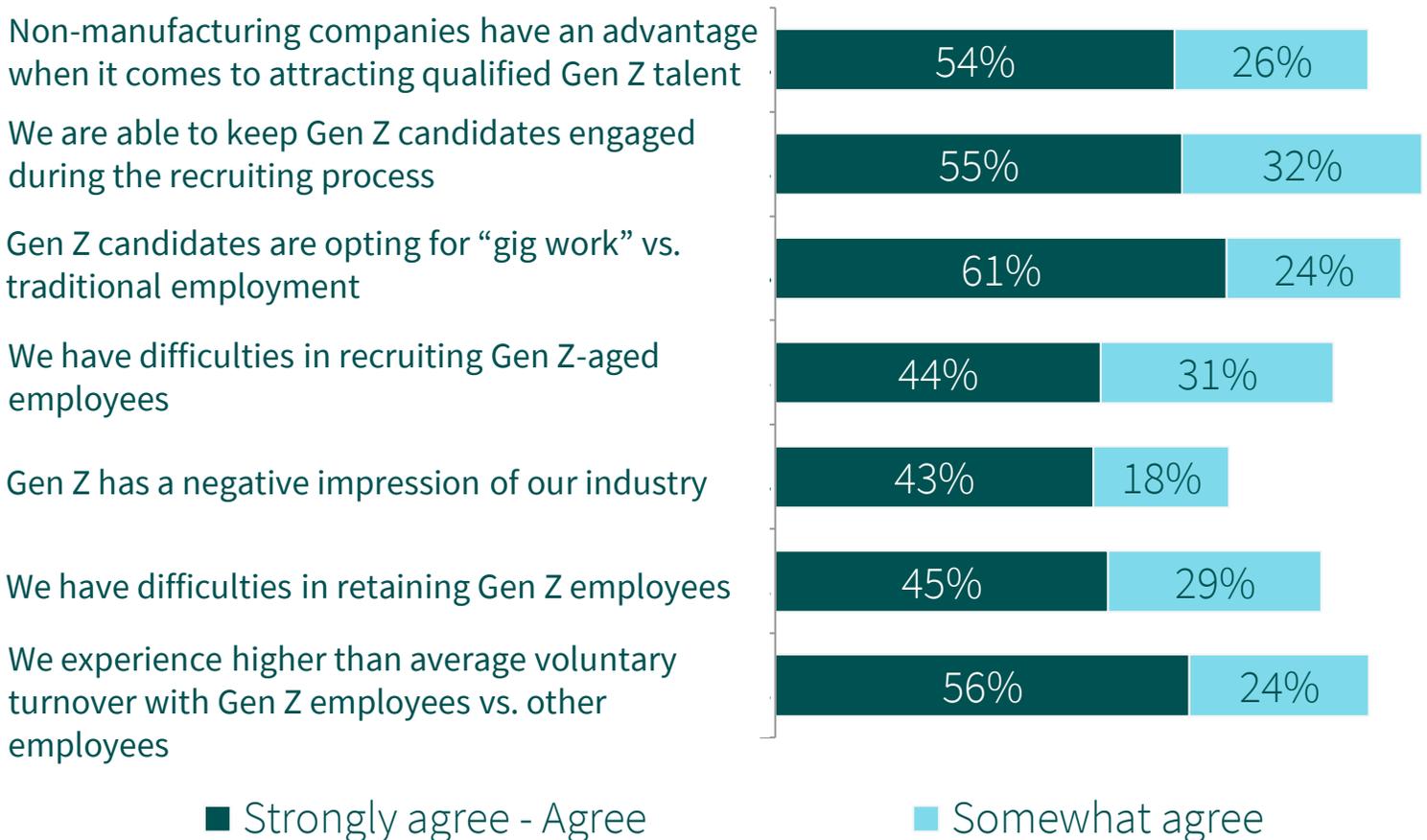
- 50%** Actively build employee development programs for current employees
- 49%** Offering flexible job schedules (i.e. alternative shift schedules, flexibility to swap shifts when needed)
- 42%** Offering mentorship programs to allow younger employees to expand their knowledge
- 38%** Providing competitive wages for your local market [geographically speaking]
- 37%** Providing competitive paid time off for your local market [geographically speaking]
- 37%** Cross training current employees so they learn multiple skills / perform a broader set of tasks (i.e. multiskilling)
- 34%** Providing employees with mobile technology that allows them to check their schedules or swap shift without being on-site
- 32%** Training current employees to take on a new/different role (i.e. reskilling or upskilling)
- 22%** Providing competitive paid time off for your local market [geographically speaking]

Question: Which of following is your organization using to retain Gen Z?

Base: All respondents (n=305).

HR Perceptions of Gen Z Employment Issues

When it came to perceptions of issues related to Gen Z employees, 54% of respondents “Strongly agree” or “Agree” that non-manufacturing companies have an advantage, while 55% felt they are able to keep Gen Z candidates engaged during the recruitment process. 61% “Strongly agree” or “Agree” that Gen Z candidates are opting for “gig work” and 44% cited having difficulties recruiting Gen Z-aged employees.

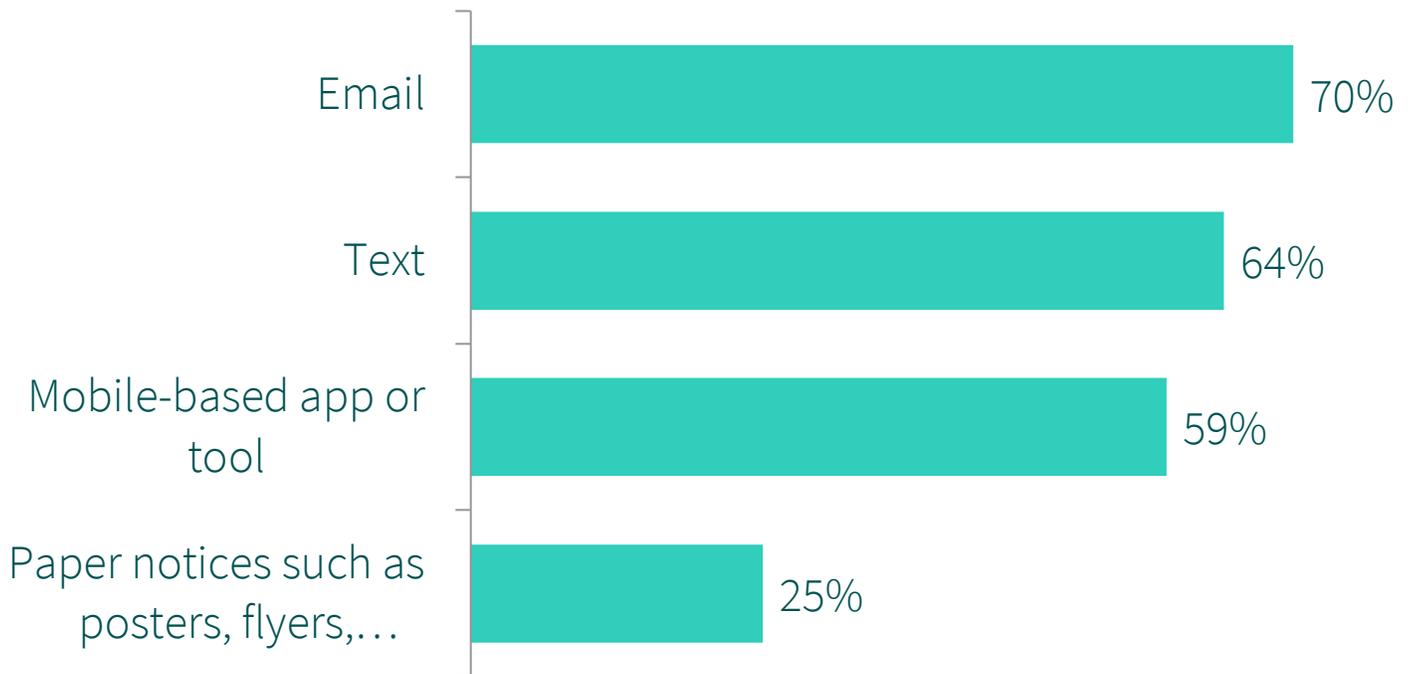


Question: To what extent do you agree or disagree with the following statements about your company’s ability to attract and retain Gen Z employees?

Base: All respondents (n=305).

HR Communication with the Hourly Workforce

Almost three-out-of-four (70%) respondents indicated they used email to communicate with their hourly workforce, while 64% reported using text and 59% said their company used a mobile-based app or tool for communicating with their hourly workforce.

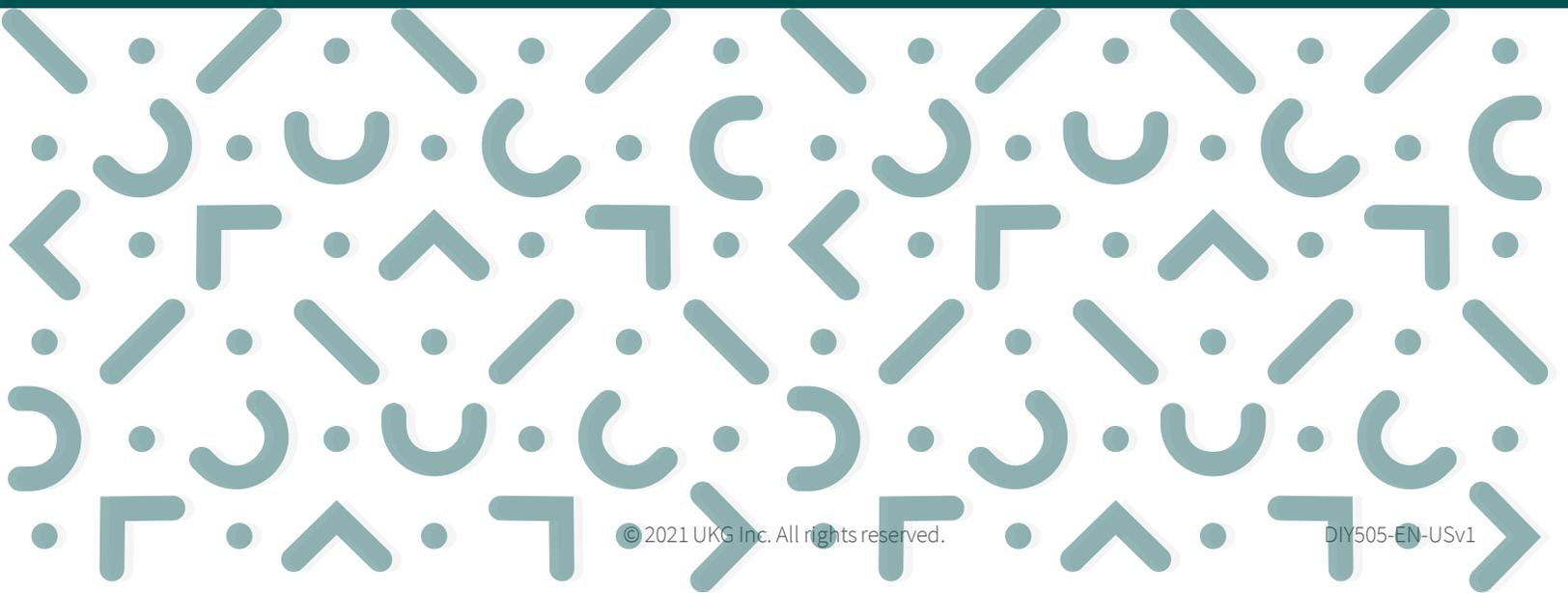


Question: *What methods do you use to communicate with your hourly workforce?*

Base: *All respondents (n=305).*

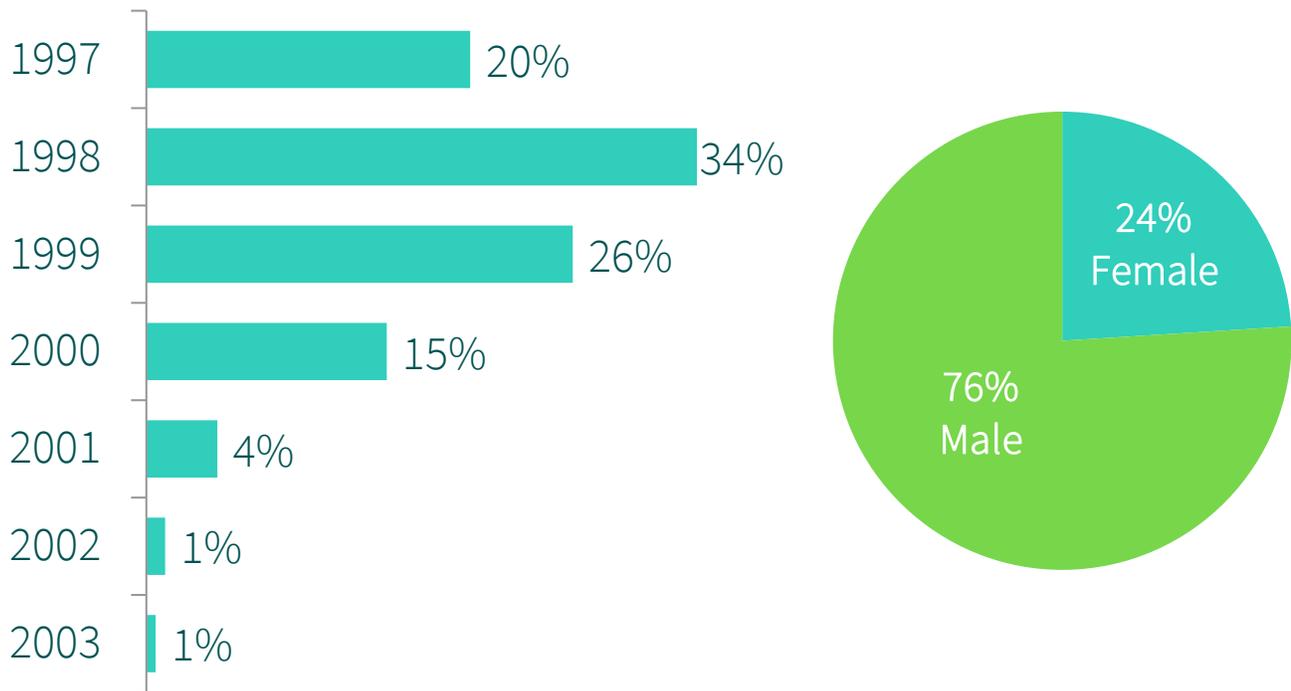


Generation Z Respondent Profiles



Respondent Profile – Age and Gender Identity

Of the Gen Z-aged respondents participating in this survey, 20% were 24-years old (born in 1997), while 34% were 23-years old (born in 1998) and 26% were 22 years of age (born in 1999). Just over three-quarters (76%) identified as male and 24% identified as female.



Question: *What year were you born?*

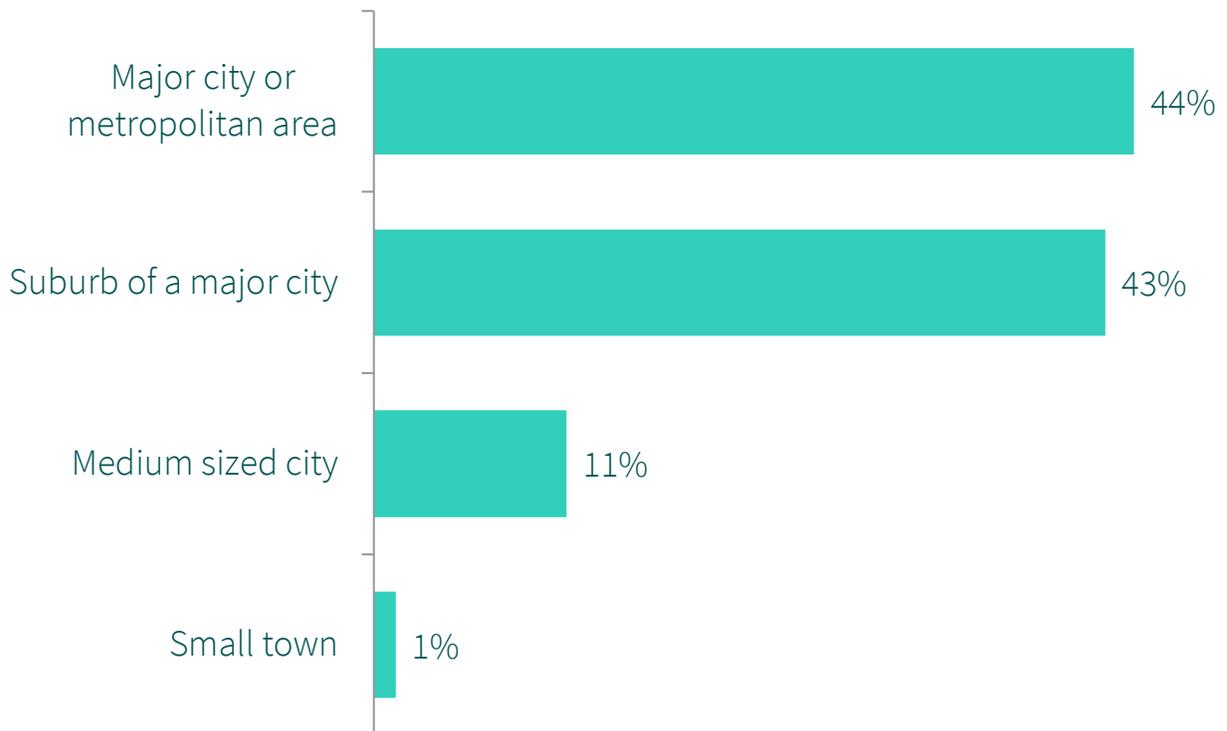
Base: All respondents (n=881).

Question: *What is your current gender identity?*

Base: All respondents (n=881).

Respondent Profile – Local & Geography

Almost nine-out-of-ten (87%) respondents reported living in either a major city or metropolitan area (44%) or a suburb of a major city (43%). In terms of U.S. state residence, distribution was mostly consistent with relative state populations, although some states were slightly over-represented within this sample.

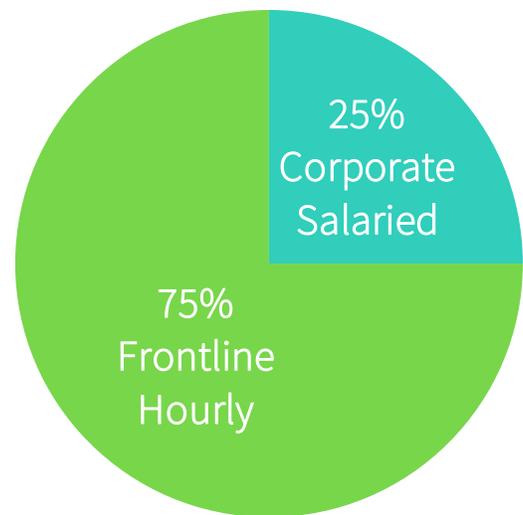
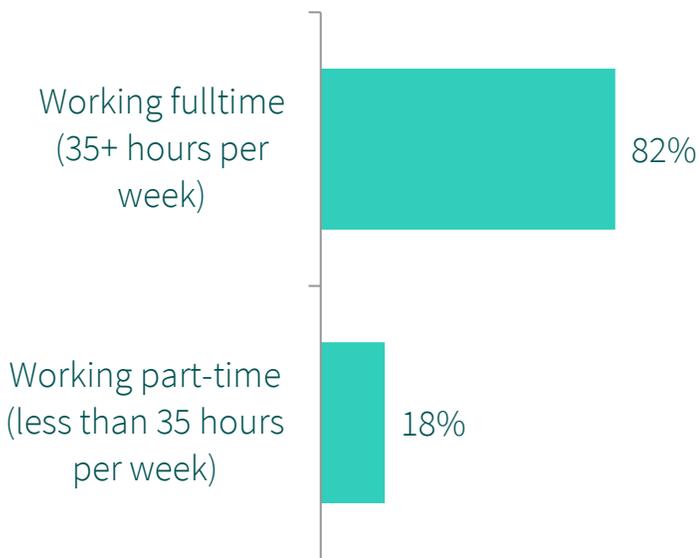


Question: Which of the following best describes the area where you live?

Base: All respondents (n=881).

Respondent Profile – Employee Status & Role

82% of Gen Z manufacturing employees indicated they were working fulltime, while 18% reported their status as part-time employment. Three-quarters (75%) identified as a frontline employee and one-quarter (25%) said they were an office-based employee.



Question: Which of the following best describes your current employment or working situation?

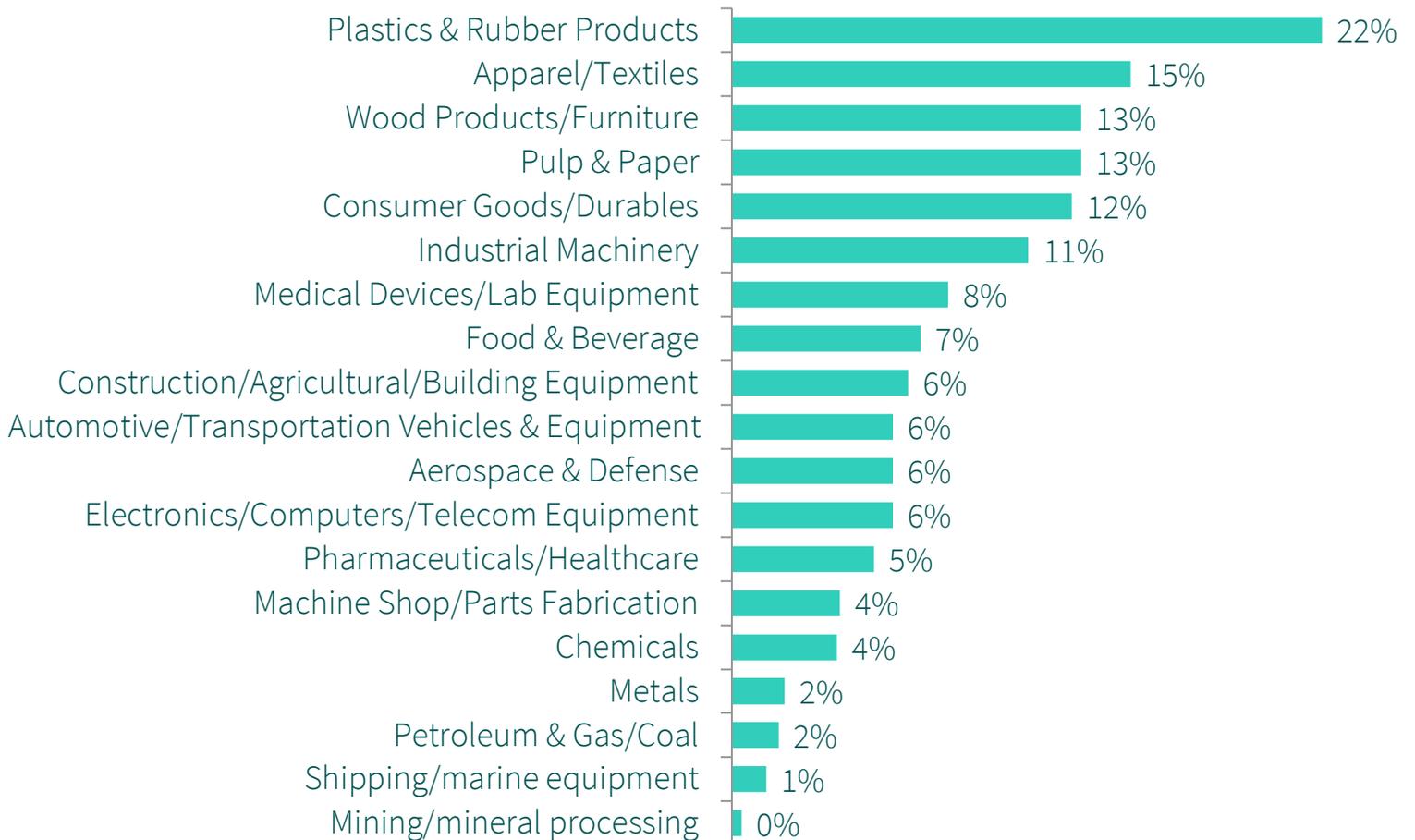
Base: All respondents (n=881).

Question: Which of the following best describes your primary job role in your company?

Base: All respondents (n=881).

Respondent Profile – Industry Sector

22% of Gen Z respondents reported their company manufactured plastics & rubber products, and 15% cited apparel/textiles. 13% indicated their company either manufactured wood products/furniture or pulp & paper, respectively.

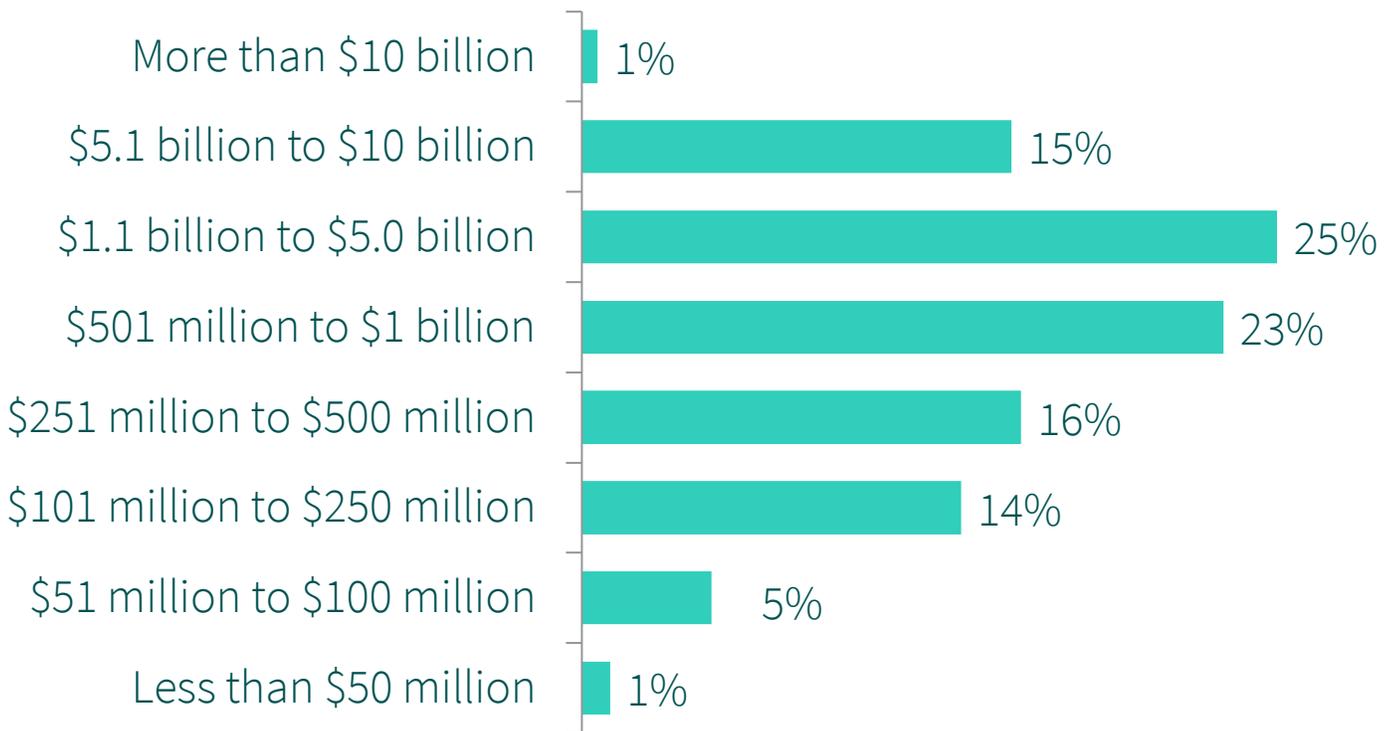


Question: Which of the following products does your company manufacture?

Base: All respondents (n=881).

Respondent Profile – Annual Revenue

41% of respondents indicated their company’s annual revenue was \$1.1 billion or more, while 23% said their company’s annual revenue was between \$501 million to \$1 billion, and 30% reported annual revenues of \$101 million to \$500 million.

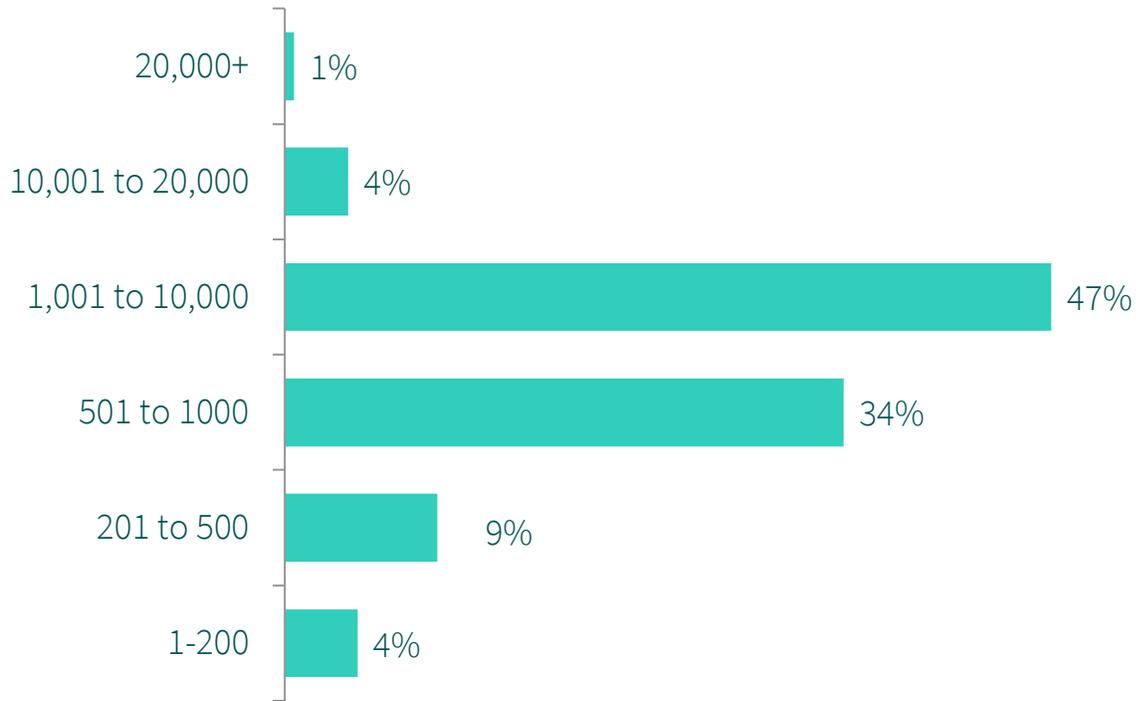


Question: Please estimate your company’s annual revenue.

Base: All respondents (n=880).

Respondent Profile – Number of Employees

Almost one half (47%) of respondents reported their company employed between 1,001 to 10,000 personnel. 34% said their company employed between 501 to 1,000 personnel, and 13% indicated their company had 500 or fewer employees.



Question: *To the best of your knowledge, approximately how many employees does your company have?*

Base: *All respondents (n=880).*

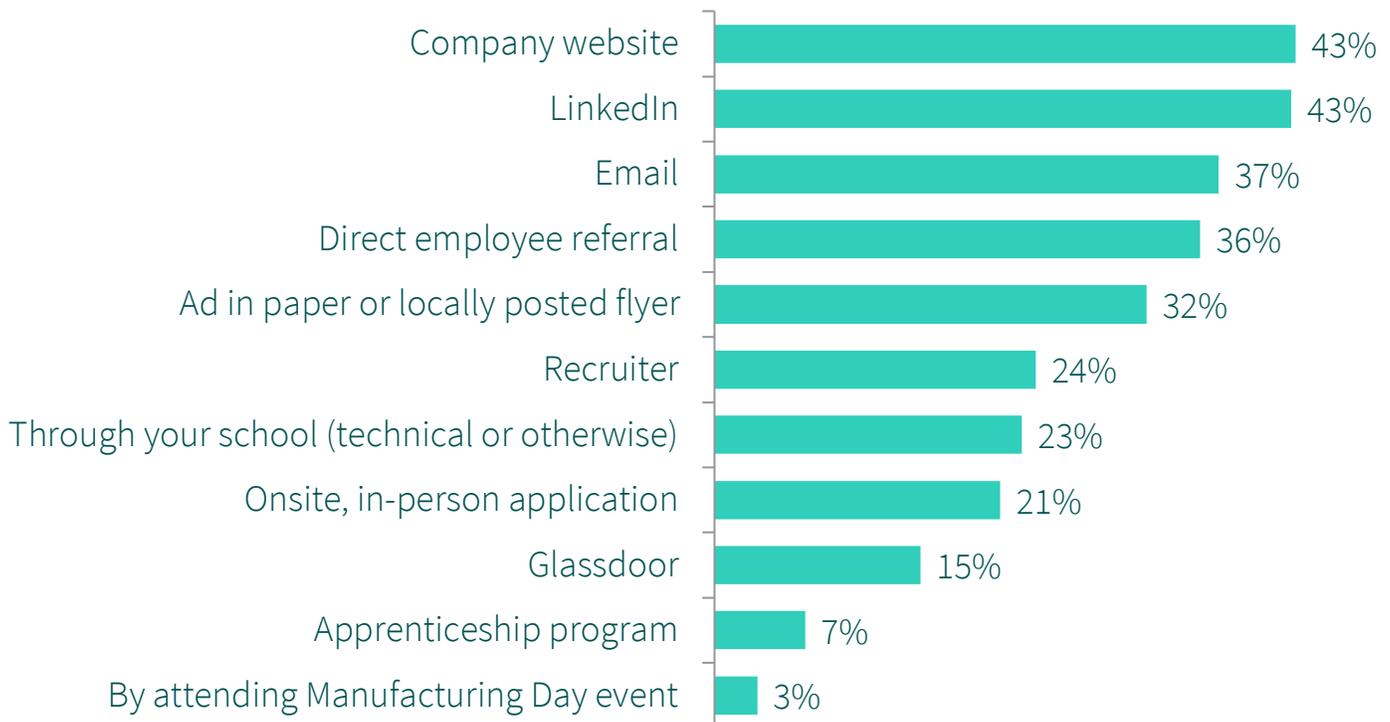


Generation Z Key Findings



Information Sources Accessed During Job Search

Information sources Gen Z respondents most frequently reported using to help them secure their current job in manufacturing included: Company website (43%), LinkedIn (43%), email (37%), and direct employee referral (36%).

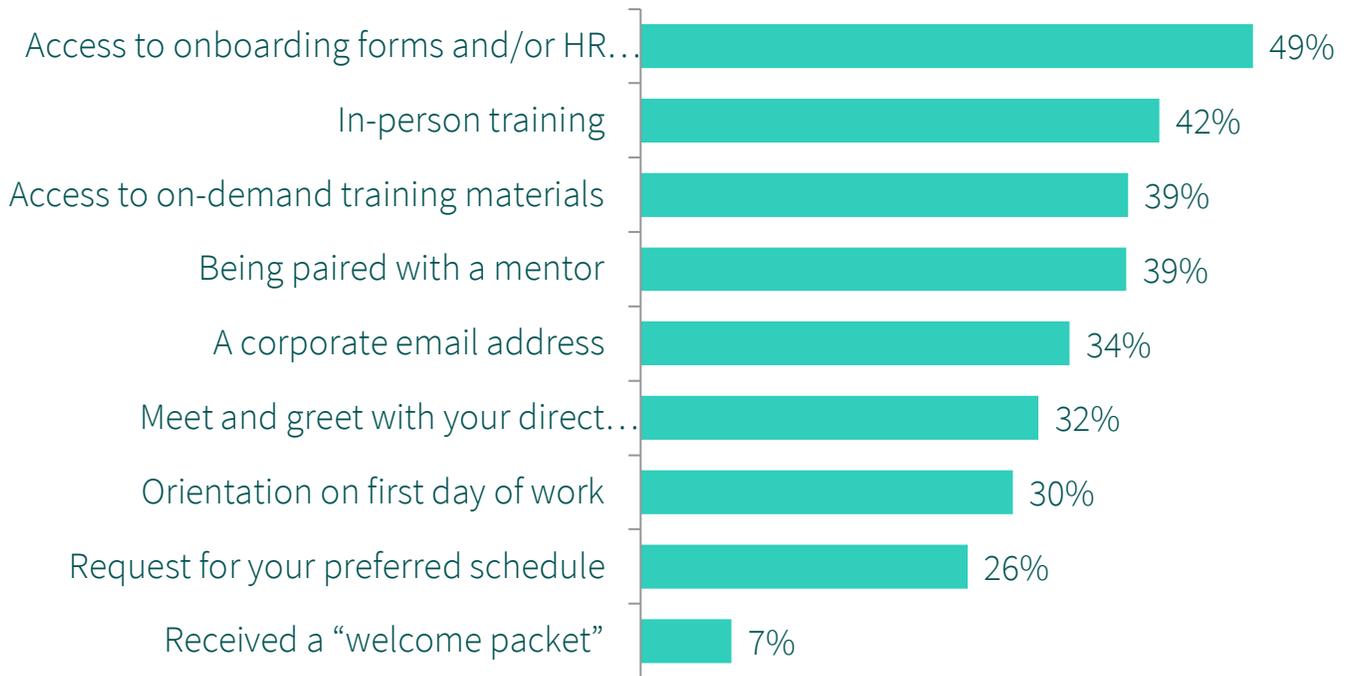


Question: Which of the following sources did you use to help get your current job in manufacturing?

Base: All respondents (n=882).

Features of Onboarding Experience

According to these Gen Z manufacturing employees, 49% reported being able to access onboarding forms/HR documents through a mobile device, while 42% cited in-person training and 39% said they were given access to on-demand training materials and/or being paired with a mentor.

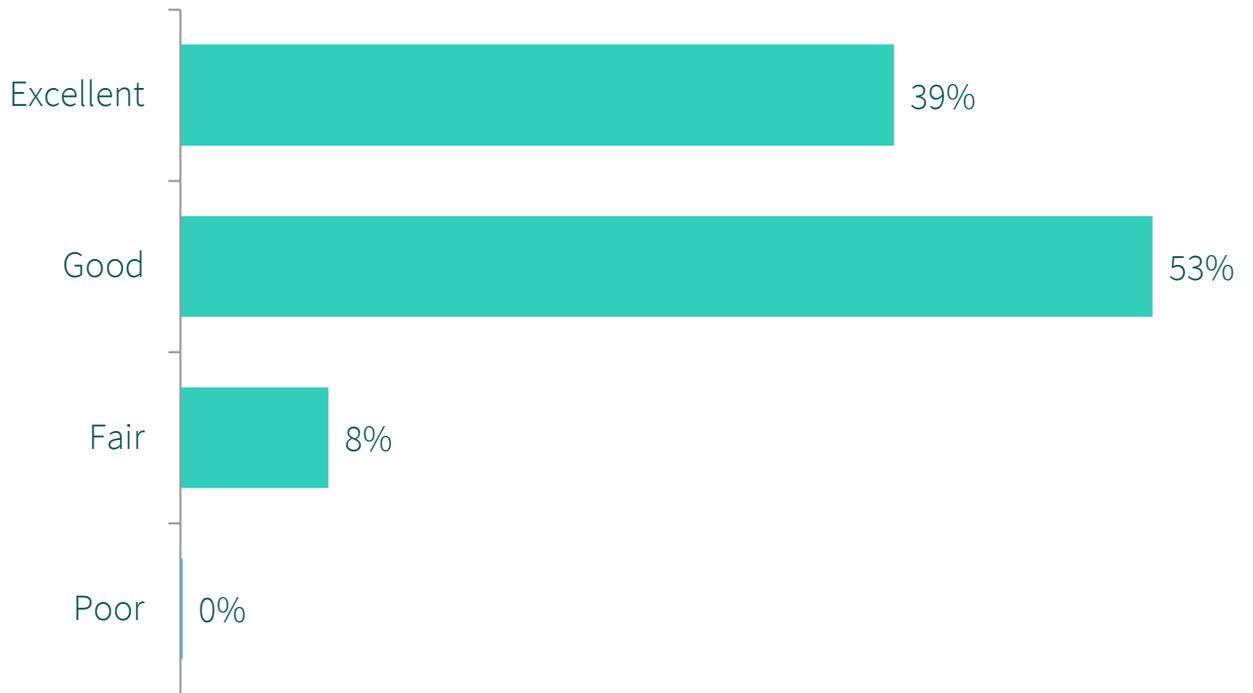


Question: Which of the following did you receive when you began your job with your current employer?

Base: All respondents (n=882).

Rating Quality of Job Training

When it came to rating the quality of job training provided by their current employer, 39% rated their training as “Excellent,” while 53% said their job training was “Good.” Only 8% of Gen Z respondents felt their job training was only “Fair.”

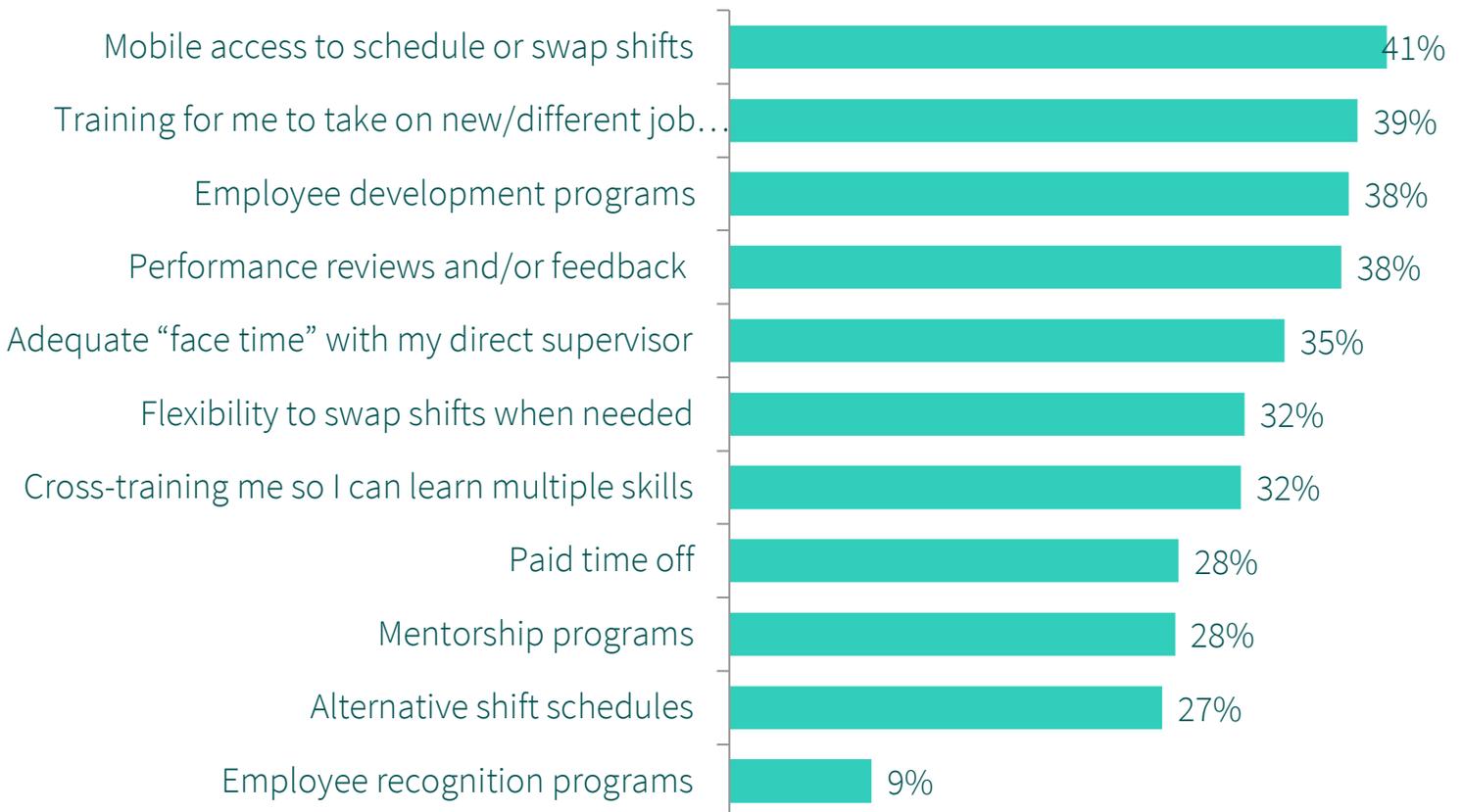


Question: How would you rate the quality of the training for your job that you have received from your current employer?

Base: All respondents (n=880).

Employer Resources Offered to Gen Z

When Gen Z manufacturing employees were asked about employer-provided resources, initiatives and benefits, 41% reported the availability of mobile apps/technologies and almost as many indicated reskilling or upskilling training (39%), employee development programs (38%) or performance reviews (38%).

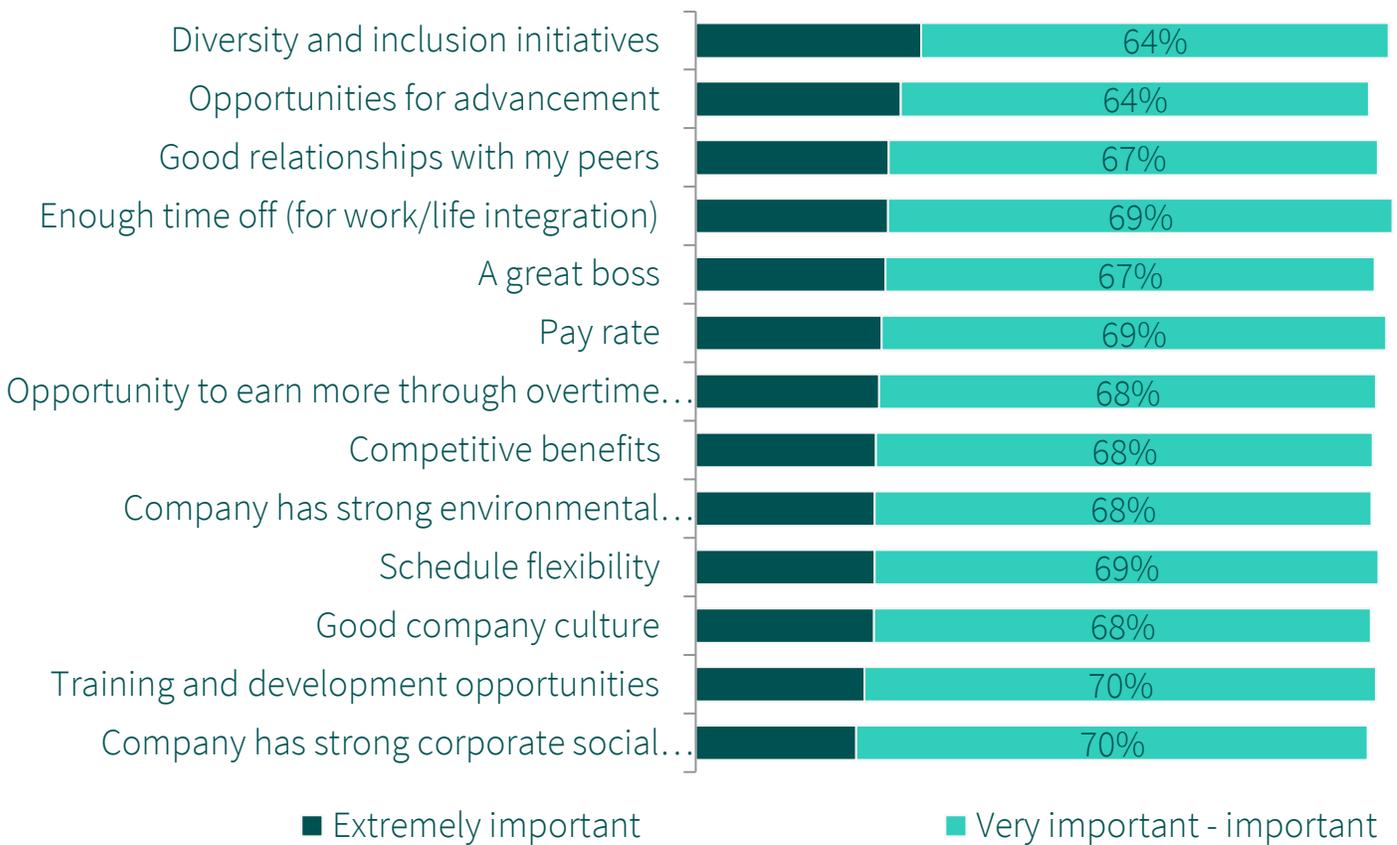


Question: Which of the following does your employer offer you?

Base: All respondents (n=882).

Importance of Manufacturing Job Aspects

When it came to rating the importance of features/aspects related to working for a manufacturing company, diversity and inclusion initiatives was extremely important for 31% of Gen Z respondents, while opportunities for advancement was Top-Box 28%. Respondents said pay rate was Top-Box (25%), but pay rate was the highest rated (74%) using Top-2 Box aggregate.



Question: Please rate the importance of the following aspects of a job with a manufacturing company.

Base: All respondents (n=882).

Gen Z Job Satisfaction: Factors of Importance

Gen Z manufacturing employees rated (Top-Box) feeling like my company cares about me (26%), working on fulfilling projects (26%), consistent feedback on performance (26%), recognition and respect (26%) and clear goals and development plan (26%) with equal regard when it came to factors most important to their job satisfaction.

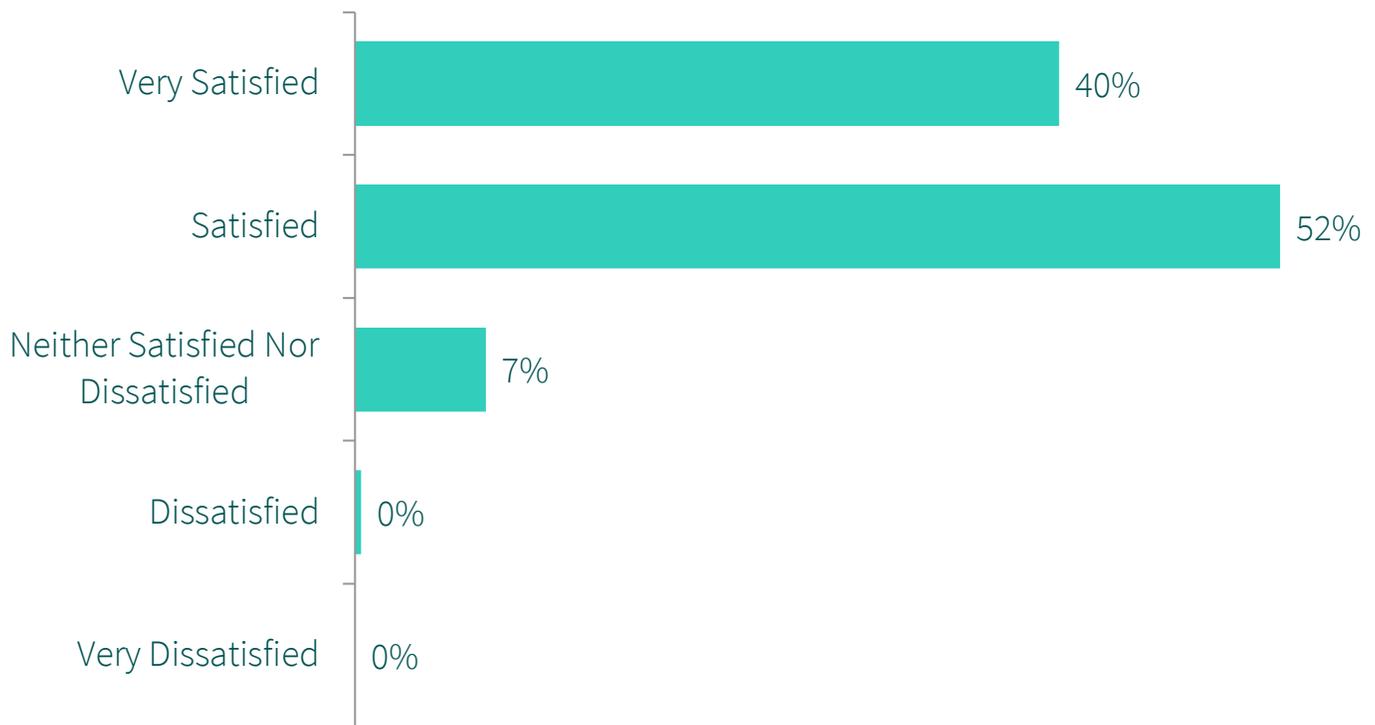


Question: *How important are the following when it comes to your job satisfaction?*

Base: All respondents (n=882).

Overall Satisfaction with Current Job in Manufacturing

92% of Gen Z respondents were Top-2 box satisfied (Very Satisfied + Satisfied) with their current job in manufacturing.

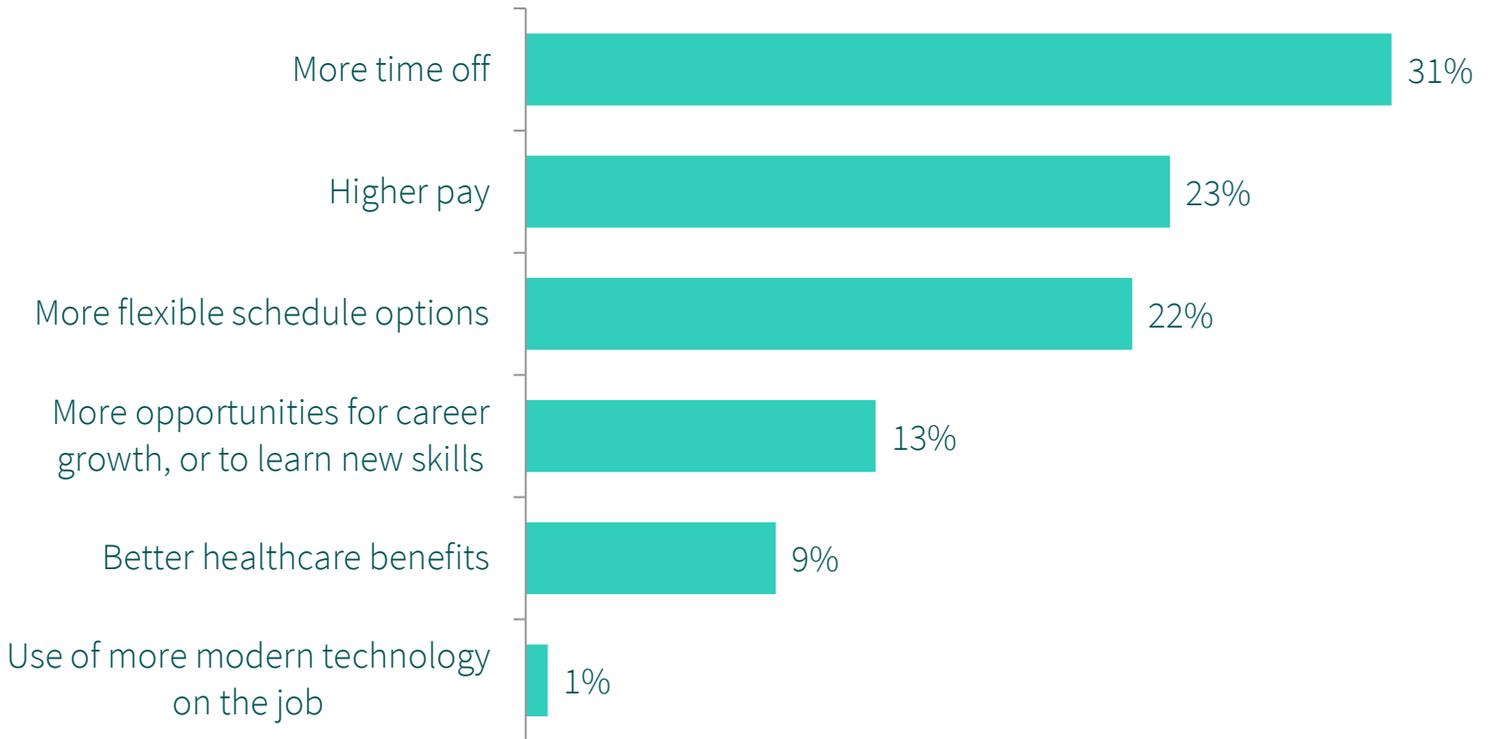


Question: Overall, how satisfied are you with your current job in manufacturing?

Base: All respondents (n=880).

Job Change Motivators

More time off (31%) was the most reported motivator that would get a Gen Z to change jobs. By contrast, higher pay was only cited by 23% of respondents.

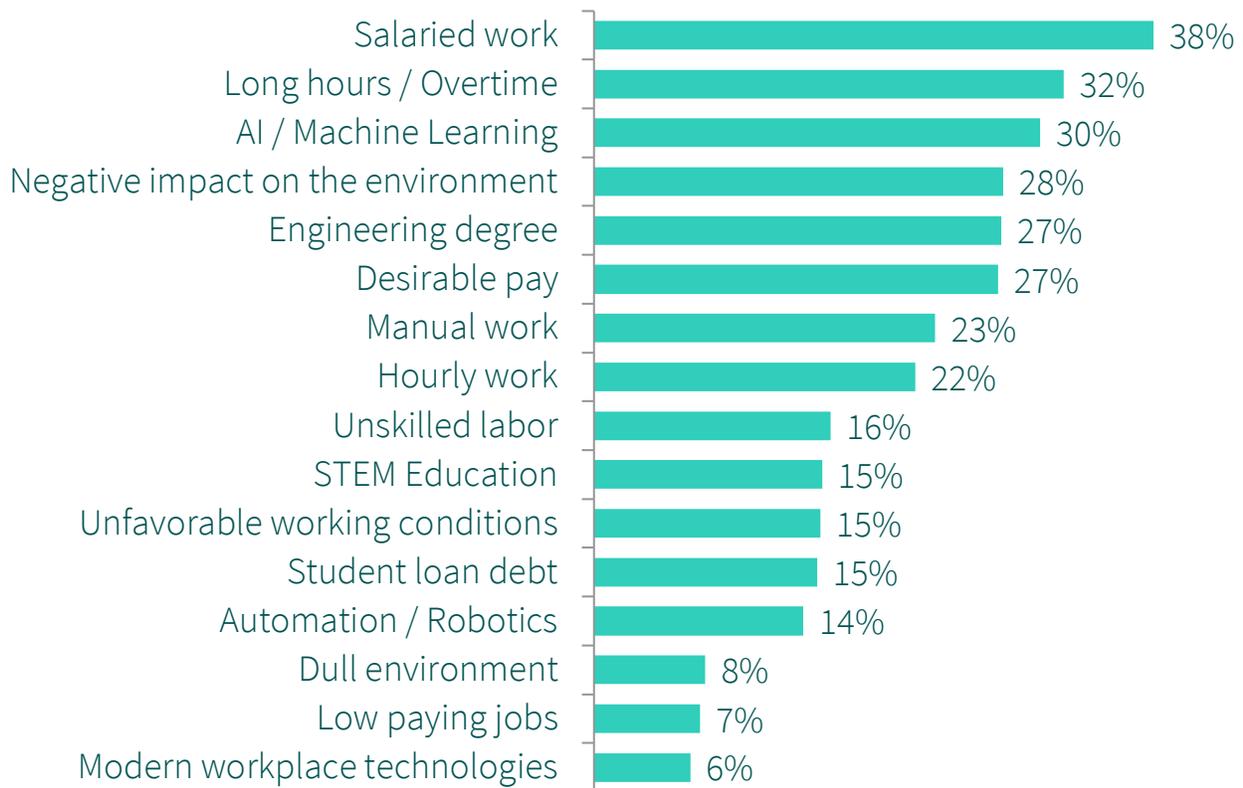


Which of the following would be most likely to get you to change jobs?

Base: All respondents (n=882).

Gen Z Perceptions of Manufacturing Sector Employment

When it came to citing descriptors that could be associated with working in manufacturing, Gen Z respondents referenced salaried work (38%), long hours/overtime (32%), and artificial intelligence/machine learning (30%). Respondents also mentioned negative impact on environment (28%), engineering degree (27%) and desirable pay (27%).



Question: Which of the following do you associate with working in manufacturing?

Base: All respondents (n=882).

Gen Z Attitudes Towards Manufacturing Jobs

Six-in-ten respondents agreed Top-2 box (Strongly Agree - Somewhat Agree) manufacturing is modern (88%), manufacturing has jobs that pay well (88%), they liked their current company (87%), there are many manufacturing jobs where they live (85%), manufacturing provides stable jobs (90%) and I want to work in manufacturing as a career (87%).

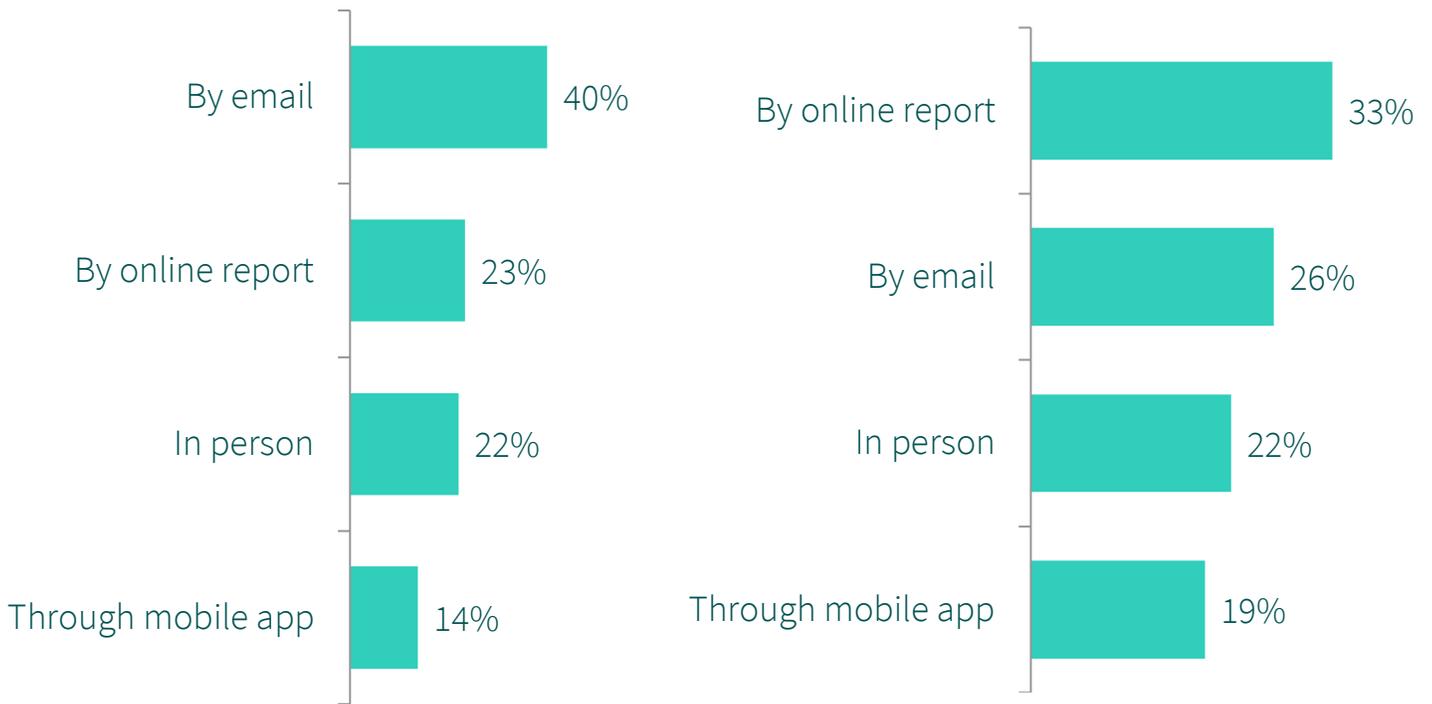


Question: To what extent do you agree or disagree with the following statements?

Base: All respondents (n=882).

Gen Z Job Communication Channel Preferences

Most Gen Z respondents (40%) said they preferred to receive feedback on their job performance by email, while 23% cited preference for communication via online report and 22% reported preference for in-person performance feedback.



Question: How do you prefer to receive feedback on your job performance?

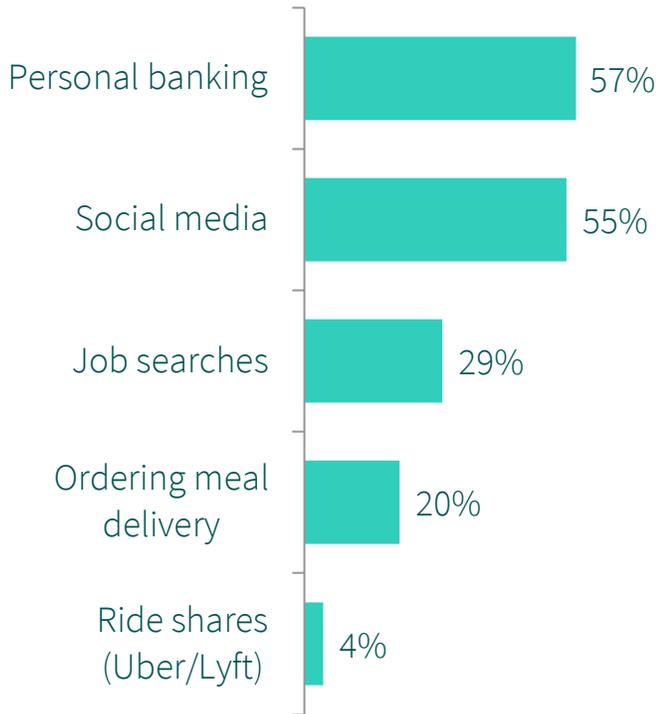
Base: All respondents (n=880).

Question: How do you prefer to communicate with your fellow employees when you are on the job?

Base: All respondents (n=880).

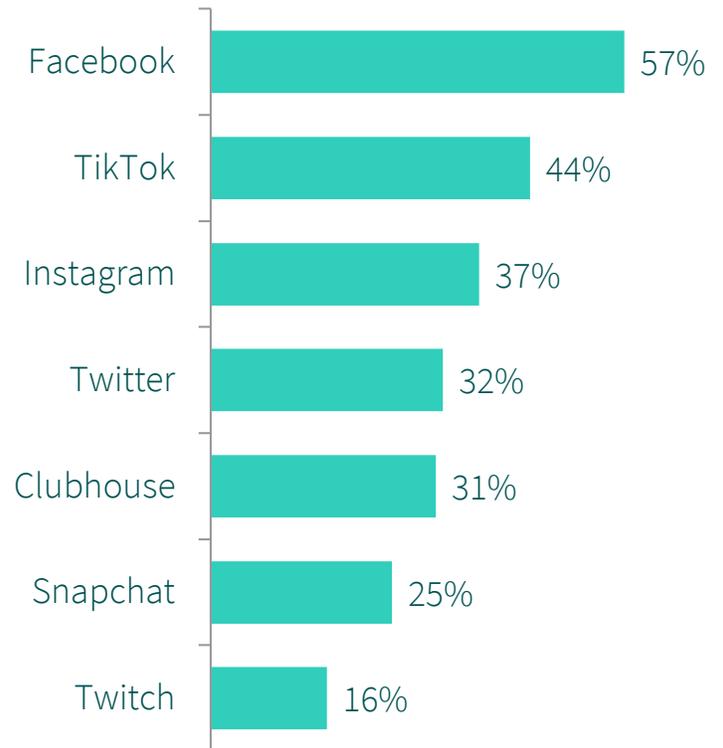
Gen Z Technology Use

These Gen Z survey respondents reported using technology for personal banking (57%), social media (55%) and job searches (29%). 57% of respondents said they used Facebook at least one a week, while 44% used TikTok and 37% used Instagram.



Question: In what ways do you use technology in your personal life?

Base: All respondents (n=880).



Question: What phone applications do you use at least once a week?

Base: All respondents (n=880).



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