

# Manufacturing: Four Current Challenges for Employers

Manufacturing employers are currently working to overcome hurdles associated with significant changes occurring in the industry.

Lingering effects of COVID-19 on the employer–employee relationship, a generational shift in the labor force accompanied by changing work perceptions, increased automation in the workplace, and global economic uncertainties are contributing to these challenges.

However, manufacturers can adopt an employee-first culture to help employees feel supported and valued. This employee-first culture may lead to increased engagement, higher job satisfaction, and improved productivity for a product-first environment.

## Attracting New Workers

Labor shortages continue to burden the manufacturing industry. According to a Deloitte survey, there's a common perception that jobs in retail or services offer better benefits and salaries compared to manufacturing.<sup>1</sup>

Different generational perceptions of manufacturing jobs have hindered employers' success in attracting new talent.<sup>2</sup> Today's workers have different expectations including workplace flexibility, financial stability, future career growth, and customizable benefits.<sup>3</sup>

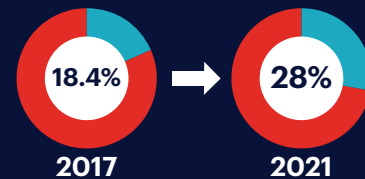
## Repairing Employee Trust

Years of offshoring<sup>8</sup> operations and mass layoffs from COVID-19<sup>9</sup> have hurt trust in the manufacturing industry.

Additionally, employees who weren't laid off from offshoring or COVID-19 still dealt with hardships related to a lack of safety protocols when many other industries turned to remote work.<sup>10</sup> Repairing employee trust is important in the current disrupted work environment, due to unpredictable changes such as the COVID-19 pandemic and the related uncertainties.<sup>11</sup>

## Retaining Existing Talent

The annual quit rates from the U.S. Bureau of Labor Statistics show an increase in manufacturing losses from<sup>4</sup>



A lack of employee engagement in roles or connection with the company and dissatisfaction with compensation and benefits options are among the main reasons for manufacturing employees leaving their job.<sup>5</sup>

## Adopting Digital Transformation

The manufacturing industry is undergoing operational changes in the evolution of Industry 4.0 with the adoption of new technologies.<sup>6</sup> As the nature of manufacturing work changes and employees adapt, companies should support staff through the upskilling process.<sup>7</sup>

Creating an employee-first culture backed by improved benefit offerings may be an additional solution to encourage employees through these changes.

## Address These Challenges With On-Demand Pay



Focusing on an employee-first culture backed by attractive benefits is a great way to show employees how much they're valued and reward their hard work. An on-demand pay benefit may help in recruiting and reducing employee turnover.<sup>12</sup>

In addition to being a great way to support employees, an employee-first culture may also help create a product-first environment.

Learn how DailyPay can help.

Book a Demo

All information herein is for educational purposes only and should not be relied upon for any other use. The information herein does not constitute the rendering of financial, business, accounting, securities, tax or legal advice or other professional advice by DailyPay. No fiduciary obligation or duty exists, or is created, between you and DailyPay. DailyPay does not warrant the completeness or accuracy of any information provided to you.

<sup>1</sup> [https://www.themanufacturinginstitute.org/wp-content/uploads/2022/03/DI\\_ERI-The-workforce-experience-in-manufacturing-Does-manufacturing-need-to-recast-its-image\\_final-copy-1.pdf](https://www.themanufacturinginstitute.org/wp-content/uploads/2022/03/DI_ERI-The-workforce-experience-in-manufacturing-Does-manufacturing-need-to-recast-its-image_final-copy-1.pdf)  
<sup>2</sup> <https://parsable.com/blog/future-of-work/gen-z-wants-to-manufacturing-jobs-but-misconceptions-persist/>  
<sup>3</sup> <https://www.amwinc.com/resources-insights/articles/the-bottom-line-of-benefits-for-a-5-generation-workforce>  
<sup>4</sup> <https://www.bls.gov/news.release/jobs.t18.htm>  
<sup>5</sup> <https://www.randstad.ca/employers/workplace-insights/talent-management/5-reasons-manufacturing-workers-quit-their-jobs/>  
<sup>6</sup> <https://www.ibm.com/topics/industry-4-0>

<sup>7</sup> <https://www2.deloitte.com/us/en/insights/industry/manufacturing/manufacturing-industry-diversity.html>  
<sup>8</sup> <https://www.forbes.com/sites/forbesbusinesscouncil/2020/09/09/why-offshoring-in-manufacturing-could-be-the-wave-of-the-future/?h3=3d32e5cc31fc>  
<sup>9</sup> <https://www.sme.org/technologies/articles/2020/may/manufacturing-jobs-april/>  
<sup>10</sup> <https://www.reuters.com/article/us-health-coronavirus-workplace-safety/special-report-us-regulators-ignored-workers-covid-19-safety-complaints-amid-deadly-outbreak-idUSKBN298FQ>  
<sup>11</sup> <https://www.sciencedirect.com/science/article/pii/S014829632100179X>  
<sup>12</sup> <https://www.fisherphillips.com/news-insights/learned-wage-access-tips-for-employers-seeking-to-attract-retain-talent.html>