

ResourceMFG Survey Reveals **HOW TO SUCCEED IN THE BATTLE FOR TALENT**

HISTORICALLY TIGHT LABOR MARKET

All of us in Manufacturing know how difficult it is to secure the workforce you need to keep up with production demands. While true during any year, this year is proving to be especially challenging due to the historically tight labor market.

CONSIDER THESE FACTS:



THERE ARE
600,000
MORE JOB
OPENINGS than
job seekers.



77%
OF MANUFACTURERS
PLAN TO INCREASE
HIRING, making
the labor market
even tighter.



72%
OF MANUFACTURERS
PLAN TO INCREASE
WAGES OR BENEFITS,
to better compete
for staff.



VOLUNTARY
QUITS HIT A
17-YEAR
HIGH IN MAY, as
workers seek
better jobs.

KEY FINDINGS FROM SURVEY OF NEARLY 10,000 HOURLY MANUFACTURING EMPLOYEES AND JOB SEEKERS

Fortunately, the results from ResourceMFG's fourth annual Manufacturing Employee Opinion Survey are out just in time to help plan and guide your 2019 budget preparations. The key findings include:



WAGE EXPECTATIONS

- **Pay rate is the single highest job priority** for manufacturing workers, and it is a driving factor behind which jobs they accept and which they stay on.
- **Don't put off until tomorrow what you should do today.** The vast majority of hourly earners (89%) working to make ends meet would rather make \$0.50 per hour more today with no pay increase after 90 days. For example, they would rather start at \$14 an hour today with no increase in 90 days than start at \$13.50 with a \$1.00 increase to \$14.50 after 90 days. Of course, pay rates vary from market to market.
- **Workers are willing to earn wage increases** as shown in the survey, where 49% said pay increases should be based upon attendance, performance and quality, as opposed to an annual or bi-annual basis.
- **The most common reasons workers left their last job** were for a position that paid more or offered better growth opportunities (34%). Of those, 31% said the new hourly pay was more than \$2 per hour higher than their previous pay rate.



SHIFT PREFERENCES & DIFFERENTIALS

- **Reliable, five-day-a-week, 1st shift schedule** is what most workers (68%) prefer.
- **70% of workers said an hourly incentive** would motivate them to work a shift other than 1st shift.
- **The minimum shift differential workers require** is \$1.17 an hour to move to a 2nd or 3rd shift job.
- **Creative shift scheduling**, in addition to differential pay, may help staff-up for after-hours manufacturing. For example, 38% prefer to work four 10-hour shifts a week.



MANAGING TARDINESS AND ABSENTEEISM

While every hour of productivity counts, especially during peak season, stringent HR policies could be pushing good workers out the door. During historically low unemployment, the odds of replacing an existing worker with a stellar attendance record is low due to the fact that the highest performing workers tend to be already employed.

- **Most common causes of absenteeism are health-related**, 39% due to illness and 18% due to doctor's appointments (18%), and many have no paid time off or sick time.
- **Flexible tardiness and absenteeism policies** that account for tenure, performance, and the number of straight days a person has worked (which during peak season can be impressive) will help avoid the cost and disruption of replacing good talent with potentially not-so-good talent due to the labor shortage.



IMPROVE WORKER RETENTION: SKILL DEVELOPMENT A WIN-WIN

Despite all the talk of automation threatening the jobs of manufacturing workers, our survey showed high employee confidence in the sector's outlook. It also revealed manufacturing workers have an extremely strong desire to learn new skills to further excel within the industry.

- **94% of workers are willing to invest their own time to learn a new skill**, of which 71% are willing to invest up to 5 hours per week and the remainder up to 10 or more hours.
- **The primary motivation for learning new skills** was not because they fear their jobs will be eliminated or to find a job outside of manufacturing. It was to **earn higher pay** (43%), to be **promoted** (24%) or to **prepare for new jobs** opening in manufacturing.
- **Over 13,000 hourly workers to date have enrolled in skills training** through our organization's Better WorkLife Academy, which provides free online training and certifications to our associates in partnership with leading online learning provider Penn Foster.
- **77% of workers are interested in taking positions that are facing shortages**, if they had the skills needed. Specifically, machine techs (36%), welders/fabricators (24%) and CNC machinists (20%).
- **Early results indicate higher retention** among workers who are enrolled in skills training, which makes participating in programs like the BetterWorkLife Academy a win-win. Employers enjoy a more highly skilled and tenured workforce, and employees get to improve their employable skills and career opportunities.

ResourceMFG IS HERE TO HELP!

For more details on our 2018 survey results, or to learn more about the Better WorkLife Academy's available skills training for ResourceMFG associates working at your facility, please contact Alex Vazquez, Division Vice President of ResourceMFG, via email at alex.vazquez@resourcemfg.com. ResourceMFG leverages its manufacturing expertise and industry-leading skill testing and assessment tools to deliver the most qualified talent. We also support our customers in their ongoing efforts to provide a safe and productive work environment, where top talent is retained and engaged.

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ABOUT THE SURVEY - Number of Participants: 9,890. Time Period: July 9, 2018, to August 17, 2018. 4th year conducting the survey. Participant data: All at least 6 months of manufacturing experience. All major markets across the country are represented. Both employed associates and experienced job seekers.

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