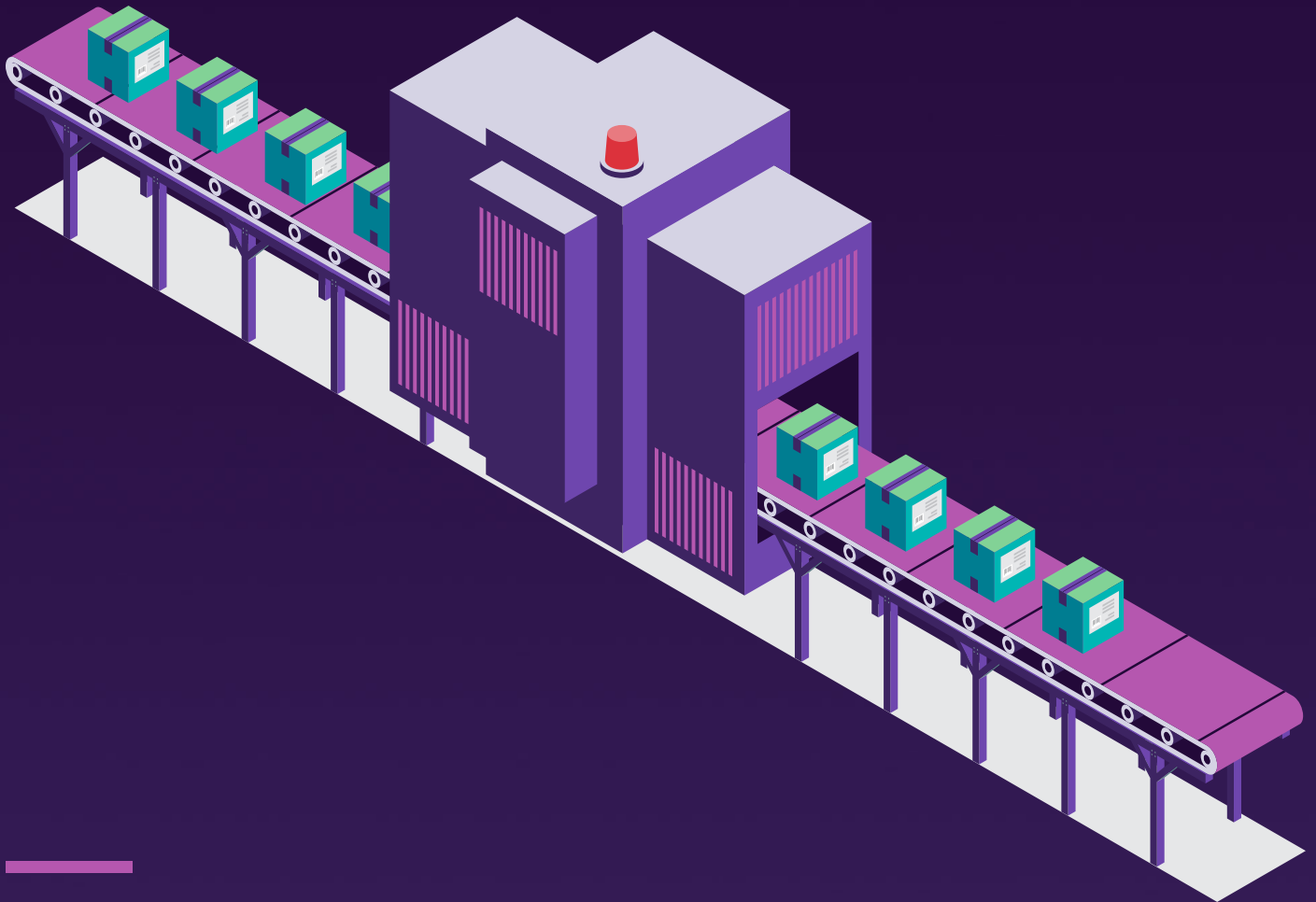


MONSTER



Light industrial
and manufacturing
hiring: big challenges,
big changes

Introduction

One of the things the world learned last year is what it means to be an essential worker. Beyond the obvious – the healthcare workers, the first responders – there was a sudden realization that the world relies on manufacturing, production, supply chains, and logistics to keep us up and running.

Of course, anyone working in these industries – or helping to find workers in these sectors – has known this for decades. It took a pandemic for the rest of the world to pay attention, and for light industrial occupations to have their “moment.”

Yet despite being the unsung heroes of the pandemic, candidates are hardly rushing to take up jobs in these essential industries. Why? It's a question talent acquisition professionals and staffing firms have been trying to answer for some time. Even before COVID-19, employers struggled with a light industrial labor shortage. Now, it's more challenging than ever.

From forklift operators to equipment assemblers, production workers to material movers, light industrial and manufacturing jobs are abundant, but there just aren't enough candidates to meet the demand. How do you fill these incredibly necessary roles? That's what we're attempting to find out. Just consider this statement from the most recent Institute of Supply Management's Report on Business: “Worker absenteeism, short-term shutdowns due to part shortages, and difficulties in filling open positions, continue to be issues that limit manufacturing-growth potential.”

So where does that leave light industrial and manufacturing employers in the months and years ahead? What will it take to close the

skills gap and expand talent pools? What can employers and staffing companies do to attract and retain members of the emerging workforce, and rebrand the industry as not just a temp job to cover the bills, but as a long-term opportunity for growth and success?

“There's been a lot of change in these days of unprecedented demand, but there's a gap in the available workforce,” says Tim Robbins, VP of staffing and recruiting, Monster. “Companies need to really be thinking creatively about how to develop talent pools that go beyond traditional methods.”

“

There's a gap in the available workforce and companies need to be thinking creatively about how to develop talent pools that go beyond traditional methods.



Tim Robbins
VP of staffing & recruiting
Monster

In this ebook, industry experts, employers and staffing professionals in the light industrial and manufacturing industries share their insights on the following:

- The skills gap and talent shortage convergence
- How to close the light industrial hiring gap
- How COVID changed everything
- Turning to new solutions
- Engaging the future workforce

The skills gap and talent shortage convergence

Pre-COVID, there was already a talent scarcity issue in the U.S. in light industrial and manufacturing, says Traci Fiette, CEO of professional & commercial staffing, Randstad. “There was an evolution from technical/vocational schools to college preparatory programs,” she says. “Then, we start adding in skilled trades like forklift operators and welders, who have to become specialists in an already generalist world that was shrinking.”

Here are just a few of the industry sentiments that reflect these hiring pain points:

- The National Association of Manufacturers blames skills gap on a [half-million unfilled manufacturing jobs](#), and Deloitte predicts that the number will increase to 2.4 million manufacturing jobs by the end of the decade, with the potential to lose \$454 billion in production.
- More than 8 in 10 construction firms said they are struggling to fill both salaried and hourly craft positions, while 72% predicted labor shortages would be their biggest hurdle this year, as per a 2020 survey by the [Associated General Contractors of America](#).
- Supply-chain executives shared their worries in a recent [Wall Street Journal](#) story, citing the lack of available workers as “the biggest strain on the sector,” impacting everything from the production facilities trucking to the distribution centers.

For NSC, a staffing agency dedicated to connecting companies and government agencies with highly skilled workers in

Industry snapshot

500,000+

Number of unfilled manufacturing jobs due to growing skills gap¹

2.4 Million

Number of unfilled jobs that will rise by the end of the decade²

\$454 Billion

Potential loss in production by 2030 due to unfilled jobs²

Sources: 1) National Association of Manufacturers; 2) Deloitte

manufacturing, light industrial, and other industries, clients are coming to them after not being able to fill positions on their own for three months or more.

“Vacant positions impact many business areas like productivity, growth, customer service, and innovation,” says Afton Lucente, VP of marketing, NSC. “Our focus is attracting new talent to the trades through educational efforts around the country with trade schools, highlighting the benefits of Gen Z choosing the vocational route versus traditional schooling.”

That can be easier said than done in today’s climate, in which most young people are pushed toward college tracks rather than into skilled trade programs.

“One of our big challenges is finding technicians and field service folks that go out



and repair and service trucks in the field,” says Kelly Brown, director of global talent management, Hyster-Yale Group, Inc., which designs, engineers, manufactures, sells and services a line of lift trucks and aftermarket parts.

“

Our focus is attracting new talent to the trades through educational efforts around the country with trade schools, highlighting the benefits of Gen Z choosing the vocational route versus traditional schooling.



Afton Lucent
VP of marketing
NSC Staffing

Because the technology has advanced so quickly, the skills they need and the trainings they must offer is so much different than in the past. For instance, Brown explains that their forklifts are now equipped with very powerful technology built in, requiring candidates with software engineering skills.

“The competitiveness for people with that skill set is very challenging since it’s a very finite group of people,” she says. What’s more, is that Hyster-Yale is then competing against very large well-known household name brands in the tech sector.

Attracting talent, therefore, requires comprehensive solutions. “We absolutely have to be creative in our approach and where we want to make our investments for not only attracting and hiring but also from a retention standpoint,” says Brown.

How to close the light industrial hiring gap

Offer training

Industry giants like Amazon have been offering on-the-job training and upskilling programs for some time now. For example, [Amazon's Technical Academy](#) takes people from their customer fulfillment and logistics roles and trains them to become software development engineers. Since 2017, the program has placed 98% of graduates into roles that have salary and compensation packages with increases averaging 93%. This is just one component of Amazon's overall \$700 million commitment to provide 100,000 Amazon employees with in-demand job skills by 2025.

But training can be an expensive undertaking for companies that don't have the vast resources of an Amazon. Still, it's something that many are finding is not only a necessity, but that it's worth the investment. "The disappearance of vocational schools and having only one track out of high school to go to college has been a detriment to this country," says Simone Reynolds, chief human resources officer at Cavco, which operates 20 manufacturing plants across North America, specializing in manufactured homes, modular homes, commercial buildings, park model RVs, and vacation cabins.

"Who's going to build, do the plumbing, and run electrical lines in the next 20 years? A lot of older employees who have those skills came up through apprenticeships and those have all disappeared," says Reynolds. She says that today, new candidates lack even the most basic requirements for the job. "They don't know how to read a tape measure, or



How Amazon upskills its workers

[Amazon's Technical Academy](#) takes people from customer fulfillment and logistics roles and trains them to become software development engineers.

Since 2017, the program has placed **98%** of graduates into roles that have salary and compensation packages with increases averaging **93%**.

This is part of Amazon's overall **\$700 million** commitment to provide **100,000** Amazon employees with in-demand job skills by 2025.

use a saw or hammer. These are things we have to teach."

And teaching is exactly what Cavco has decided it must do. "We've partnered up our training initiative with our culture to build careers," says Reynolds. Cavco's "Master of the Craft" program takes hires through a variety of coursework in all the trades to allow the business more flexibility in staffing, whereby they can move people around as

Are you paying your workers enough?

Some light industrial jobs are paying almost 20% more today than they did two years ago. Here's a look at eight jobs with increased salaries:

Occupation	2019	2021	Rate of increased pay
Welder	\$37,000	\$40,000	8%
Light truck delivery driver	\$33,000	\$36,000	9%
Machine operator	\$30,000	\$33,000	10%
Production worker	\$29,000	\$32,000	10%
Warehouse worker	\$28,000	\$32,000	14%
Forklift operator	\$29,000	\$33,000	14%
Packager	\$26,000	\$31,000	19%

Source: Burning Glass median salary data from 1/1/19-6/1/19 and 1/1/21-6/1/21

needed. "It's also providing a way for our employees to earn more, to grow, to get certifications, and get a raise," says Reynolds. "We create those success stories and victories for our employees, and make sure we're celebrating those."

Bump up pay and benefits

When times are desperate, many employers are finding that it really comes down to showing candidates the money. Employers are doing everything from sign-on bonuses, to retention bonuses, to offering slightly higher wages than the company down the road to snag the few people who are seeking work. For those living in a paycheck-to-paycheck reality, sometimes it literally comes down to which employer is offering one dollar more per hour, says Fiatte.

Employers can also lure temp-to-perm workers with the promise of a great benefits package once the permanent position is offered. Worth noting: There's been ongoing

[congressional debate about how to classify gig workers and independent contractors](#), and if those types of workers should be entitled to benefits, so that's something that light industrial HR professionals and staffing companies need to keep a close watch on.

“

The disappearance of vocational schools and having only one track out of high school to go to college has been a detriment to this country. Who's going to build, do the plumbing, and run electrical lines in the next 20 years?"



Simone Reynolds
chief human resources officer
Cavco



Reimagine light industrial for the next generation

Ask random people about what light industrial industry jobs are like and you'll likely hear things like:

- Working long hours in a warehouse
- Manual labor for low pay
- Hands-on, "dirty" jobs
- A back-up plan for those who don't go to college

In short, light industrial careers need a rebrand. The reality is that today's light industrial jobs can serve as a springboard into tomorrow's most promising careers. Plus, light industrial and manufacturing workers have proven just how essential they are:

- They keep the world's supply chains running
- They build the infrastructure and products we use every day
- They harness the most cutting-edge technology on the job

Light industrial employers that celebrate and amplify the value and contributions that their workforces bring to society at large will be more successful at recruiting and retaining talent.

Rebrand light industrial through your career site

The majority of candidates do their research, either by checking out employee reviews or visiting career sites. Here are three ways to rebrand manufacturing and light industrial opportunities using employer branding:

Show them what you have to offer

Share images of workers engaged in (and enjoying) their jobs — and highlight your training programs and career path opportunities.

Make sure your career site is optimized

The majority of workers search for jobs on their phones, so make sure your job ads and career sites are designed for mobile and SEO-optimized, so Google can find you.

Conduct a brand audit

Why should someone work for your company? Know your strengths, and you can create a strong employer brand. Not sure how to execute a brand audit? Monster Strategic Talent Solutions can help.

Need help with your employer brand?

TALK TO A MONSTER STS
BRAND SPECIALIST

How COVID changed everything



The pandemic wreaked havoc on certain industries, but in manufacturing and light industrial, it's really been a mixed bag. For some employers, they couldn't get enough people to work as they ramped up production of certain products or there was an increased demand in supply chains. But in other areas, production needs slowed down.

As of May 2021, employment in manufacturing was still 515,000 lower than in February 2020, although it's continuing to rise month after month, as per the BLS. However, within transportation and warehousing, employment in couriers and messengers is up by 126,000 since February 2020.

"The pandemic was a little bit of a friend to manufacturing," says Fiette, as people had more things shipped to them than ever before. "Logistics needs went through the roof. But talent scarcity became an issue because the demand increased, and those were not safe, work-from-home jobs." Fiette says she's never personally worked harder than she did trying to fill roles during COVID.

Because other jobs disappeared, however, there were some candidates from sectors like

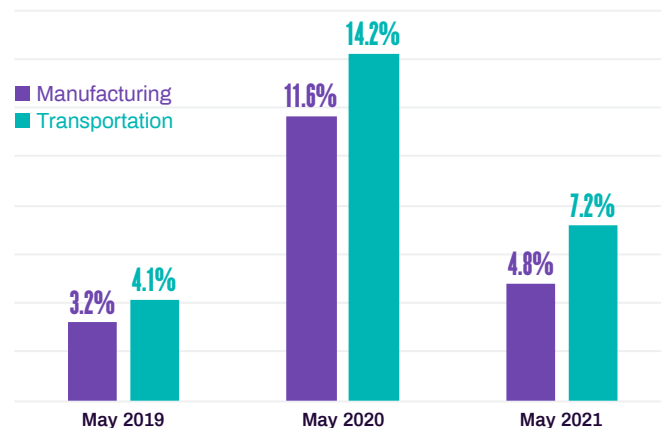
hospitality who were entering into lower-level industrial jobs for the first time. Though this helped initially, as people got sick, staffing companies scrambled to cover shifts. "The demand and supply went up, but that supply would get sick. So we had a wave of short-term assignments," says Fiette.

To attract people to these roles, employers found themselves having to offer premium COVID pay. "During COVID, wages were increasing faster than we'd ever seen," says Brendan Naper, area manager for Arizona commercial offices at Nesco Resource, a national staffing and employment agency.

But it's understandable. Especially in those early days, distribution and manufacturing facilities were not equipped with PPE or set up for social distancing, so it took higher wage offers for people to be willing to put their health at risk.

The return to work

Unemployment numbers are finally getting closer to pre-COVID levels.



Source: U.S. Bureau of Labor Statistics



Unemployment benefits create a disincentive to work

Fast forward to 2021, and employers are grappling with a whole new pandemic-related challenge: The American Rescue Plan Act. “We’ve done the math. With the extra unemployment and child tax credits, employers have to pay people around \$17-18 an hour in order for them to make more than if they stayed home,” says Fiatte.

Cavco’s Reynolds also acknowledges some recent struggles related to the benefits. “We find that we have plenty of applications, but people don’t show up for the interviews. That has increased in likelihood since all the stimulus going out. We wonder if it’s a case of people applying just to fulfill unemployment requirements,” she says.

While Robbins acknowledges that benefits have likely influenced some people to sit out of the job market for now, he notes that there are other complex factors in play as well. “Childcare is a big issue. Some schools haven’t reopened. Many people are forced to make really hard decisions,” he says.

In the meantime, employers and staffing companies are trying to convince talent to apply for jobs now before there’s a mad rush. “I do believe there will be a ‘holy cow’ moment among this demographic of worker that realizes, ‘Oh my God, the benefits are ending. I’d better find a job.’ At that point, we’re going to have an extra set of supply,” says Fiatte.

Until then, as long as participation rates and the number of applications remain low, it will translate to the cost of hiring going up for employers, says Robbins.

“

With the extra unemployment and child tax credits, employers have to pay people around \$17-18 an hour in order for them to make more than if they stayed home,



Traci Fiatte
CEO, professional & commercial staffing
Randstad

Turning to new solutions



Many employers use staffing solutions rather than direct hiring for warehouse, logistics, and other types of light industrial positions. As Fiatte points out, it's because oftentimes the need to fill short-term postings requires a greater reliance on temporary workers. This was especially true during the pandemic. "Our clients who normally wouldn't be using contingent labor suddenly needed to because full-time employees would get sick," she says.

COVID aside, temporary shift work was already commonplace in the industry. In fact, 80% of temp jobs are in warehousing and transportation, according to Staffing Industry Analysts (SIA). For workers who may be considering taking on entry-level positions in factories for the first time, temp jobs can be a good way to get a feel for a type of work that is new to them.

On the employer side, the benefit of using a staffing company is that it can assist with scaling up hiring in a hurry, as NSC recently did for a large logistics client. "NSC attracted untapped talent in the market, reduced employment-related risks and costs, and provided hands-on support for the client's

complex workforce challenges," says Lucente. In four months, NSC was able to bring on 80 contingent employees and manage the day-to-day activities of the workforce across three shifts, seven days a week. "This freed up client resources and the teams worked together in lockstep to meet their customer's KPIs and deliver on-time and on-budget," says Lucente.

Digital staffing and hiring tools

In general, light industrial and manufacturing employers tend to be a bit behind other industries when it comes to modern-day hiring strategies. Many are still using paper applications and in-person kiosks to meet candidates. But today's job seekers are seeking opportunities online and on their mobile devices.



80% of temp jobs are in warehousing and transportation.



Staffing Industry Analysts

Employers that are able to go digital and remove cumbersome forms from the application process can be more attractive. In some cases, it might be worth considering digital staffing platforms (that work similar to Uber) to allow workers to select the shift work they want based on their availability. Pairing the right tech stack along with your human touch outreach can help expand beyond the same set of candidates.



Cavco's Reynolds says her company partnered with Monster to compete in the digital jobs arena. "It's enabling us with new tools like text recruitment. It's a big piece of the strategy we've laid out, but we can't do it on our own," she says.

Reaching new talent pools

With labor in short supply, many companies are also considering talent from previously untapped sources including marginalized workforces, transitioning parolees, formerly homeless people, those in recovery, and more. "Some companies that might have never considered it five years ago are now more open to see some of those candidates," says Kelli Perkins, area vice president, Nesco Resource.

Where are all the women in manufacturing?

According to [Census data](#), women make up only one-third of the manufacturing workforce in the United States, despite making up half of the working population. Part of the hesitation could be that in the past, many roles were "men's work," required heavy lifting or manual labor. Today, however, with so many manufacturing roles requiring highly specialized STEM skills – and the fact that women can meet physical requirements,

too – there's no reason why the future of the industry shouldn't be female.

Employers can improve their gender equity, while filling key roles, by making their roles more attractive to women. But there's work to do. According to a report on women in manufacturing by [Deloitte](#):

- 71% of women surveyed believe standards of performance differ for men and women
- Less than 15% of women believe their industry is very accepting of family commitments, and allow them to meet these commitments without impairing their career
- 72% of women surveyed believe they are underrepresented in their organization's leadership team

Organizations such as [Women in Manufacturing \(WiM\)](#) and [The Manufacturing Institute](#) are working toward changing the landscape for women in manufacturing. In the meantime, as an employer, some of the ways to welcome more women into your organization include:

- Having women in leadership positions
- Offering schedule flexibility
- More robust childcare benefits
- Highlighting positions with fewer physical requirements



Case study: Nehemiah Manufacturing

Nehemiah Manufacturing Company (NMC) has built a successful hiring program while also fulfilling a societal need. The Cincinnati-based company, which manufactures home and baby care products, provides opportunities to former felons (known as Second Chance employees). But not only do they provide jobs and training, Nehemiah also offers support in all areas of life for those who are reentering society.

“There’s 70 million people in this country with felony records, and 2,500 coming out of jail in our county alone every year,” says Dan Meyer, CEO of Nehemiah. “That’s a big talent pool.”

NMC decided to try out a temp-to-hire model with just one Second Chance employee to start, with the end goal of long-term, gainful employment. “We had some trepidation in doing this, but that person was very loyal and thankful and that translated into productivity,” says Meyer. The company decided to move forward and expand, but with so many barriers, from finding affordable housing and transportation to legal issues, Meyer decided to bring on a social worker to help with onboarding new Second Chance employees. “That was an ‘aha moment’ – this whole idea of having your structure support your strategy,” he says.

The program has since grown in partnership with community organizations and third parties to the point that Nehemiah now offers its own affordable housing, a transportation program, education and leadership programs, counseling, and more.

“It’s helping people beyond the job, but that transforms to such unbelievable commitment and dedication – and a better bottom line,” says Meyer. “I’ll put our bottom line up against anybody’s.”



Another sign of success? Nehemiah’s model is catching on. “Kroger has a plant right next to us, and their Chairman of the Board came down to see how we work,” says Meyer. Since then, Kroger created a new program called **New Beginnings**, and took it national. This can be done no matter what size company,” says Meyer. But it’s got to be a cultural shift, he adds. “You don’t expand the net of who you hire through the HR department alone. It’s a movement.”

Engaging the future workforce



Looking ahead, as older generations retire, it's Gen Z that will need to fill in the gaps in talent. Given the jobs climate, it's going to require an industry-wide effort to attract young workers into both entry-level and skilled light industrial and manufacturing jobs.

"There are a lot of young people right now saying, do I really want to go to college?" says Fiate. They're observing their older friends and relatives drowning in student loan debt, and perhaps considering alternative paths. "That's a whole population that has been untapped that now we can tap into. From trade schools and two-year community colleges, and anyone willing to come in and start and work their way up," adds Fiate.

Promote career paths, not jobs

Engaging the future workforce before they choose a career path is an important undertaking, and companies that play the long game can reap the talent rewards.

"We have to do a good job of marketing the opportunities we have and what career

progression looks like," says Lauren Baksh, senior manager talent acquisition, Graphic Packaging, a global package manufacturing organization with over 90 facilities worldwide. "Instead of trying to fit square pegs into round holes, figure out where we can find people who want to work with us."

"We absolutely have to be creative in our approach and where we want to make our investments for not only attracting and hiring, but also from a retention standpoint," says Hyster-Yale Group's Brown.

Being offered a value proposition that speaks to the long term isn't something that blue collar workers typically find everywhere, says Reynolds. But that can help companies stand out.

Improve the candidate experience

"Talent is always going to follow the path of least resistance," says Robbins. "If you have a poor experience, you've lost them forever."

The first step is to recognize the journey of the job seeker or contingent worker over the entire lifecycle, and then cater the process to them. "This new generation has much higher expectations. You need to have a differentiator," says Nesco's Naper. That could mean offering more flexible schedules, or just a better culture overall. "Have something that makes you an employer of choice that the company across the street doesn't have," he says.

As for new hires, they need to walk in and feel welcome on day one. "This workforce

prioritizes that,” says Naper. “Turnaround happens within two weeks in our industry if they don’t feel like they are with people who share their values.”

Rebrand the industry

There really is a breadth of opportunities within all the trades, manufacturing, and logistics fields, says Fiatte. But the old adage “if you can’t see it, you can’t be it,” holds true – people don’t necessarily know what these jobs look like anymore. “As industries, meaning staffing, trade, construction, and industrial – we haven’t done a good job at saying, why would you not want to do this?” says Fiatte.

Hyster-Yale has ramped up efforts to market to its future workforce while they are still in high school, offering tours of their manufacturing plant. “We have students come in and learn about all the various positions, and are really working to change the face of what may be an old perception of manufacturing,” says Brown. “We’re trying to open up within our communities to become an employer of choice, showing options available, creating opportunities to build relationship with high schools, community colleges, and all the way through the pipeline, knowing that it’s a longer-term investment.”

That’s similar to the key message that Nesco is trying to get out: “We’re not just putting widgets together. It’s not the case that just anyone can do these jobs anymore,” says Perkins. Even shipping and receiving jobs have evolved to where workers are using the latest technologies – including working with robots. “The most important thing we can do in this light industrial and manufacturing vertical is to let people know that what they’re doing here is so advanced and different than it was 10 years ago.”

In addition to the industry rebranding, employers need to master their own storytelling as well. “As we mature the story

and have success stories we can point to, it makes the story come to life and that changes our employer brand, and our recruiting brand,” says Reynolds. “It changes the word of mouth and our reputation, and that’s going to impact the quality of the candidates we get in.”



Labor shortages, skills gaps, and rapid economic changes have contributed to hiring difficulties for light industrial and manufacturing employers. By applying new strategies, including relying on staffing assistance and deploying more digital tools; expanding outreach to new talent pools; and rethinking the way you market roles and opportunities, you can begin the hard work of refilling your talent pipeline with the next generation of workers.

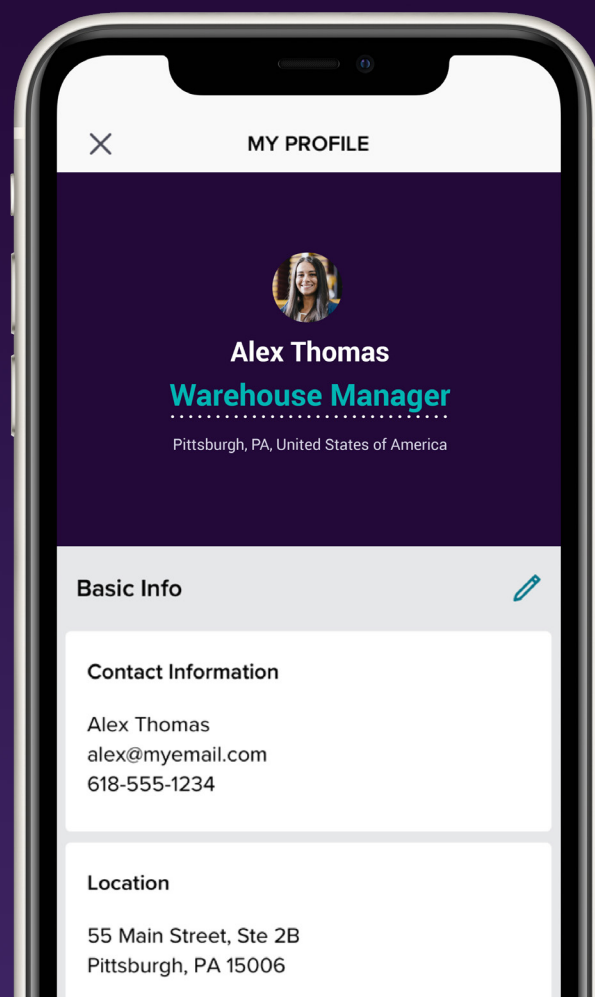
As you look toward the post-pandemic era, partners like Monster can help you attract and retain talent. “Monster is trying to take the friction out of the process to get more candidates into the pipeline of our customers, and to educate and help candidates understand the career paths,” says Robbins.

Finding the right fit just got easier: a closer look at Monster Profiles

Monster Profiles can help employers find the candidates with the skills they need, especially ones who may not have existing resumes.

How it works: Job seekers who do not have a resume can quickly and easily represent themselves in a professional way by creating a profile that includes work experience, education and certification.

For employers, accessing candidate profiles helps improve their day-to-day workflow. In fact, in one survey, 81% of U.S. employers indicated that profile-only applies would make their workflow easier and more efficient. Instead of navigating various resume formats, they can quickly access the information they need.



Boost your light industrial talent pipeline

EXPLORE MONSTER'S
PAY FOR PERFORMANCE SOLUTIONS

1-800-Monster

MONSTER