

The background features a blue gradient with a pattern of white and light blue hexagons. Some hexagons contain a stylized person icon with a circle for a head and a hatched shape for a torso. On the right side, a person's hand in a dark suit sleeve is visible, holding a white hexagon with a person icon.

# Creating a 21<sup>st</sup> Century Shop Floor

Recruitment strategies for specialty manufacturers

*By Karin Colucci, Vice President of Human Resources and Benefits, IdilusHR*



## It's not your father's manufacturing industry.

In previous eras, factories in the United States churned out everything from athletic footwear and appliances, to automobiles and aircrafts. Today, that's no longer the case. More and more, U.S. manufacturers produce sophisticated, high-end finished goods and components that power everything from modern personal conveniences and medical devices, to complex industrial machinery and electronics. Consider this: While the manufacturing industry has grown by about \$5 trillion since 2009, it's shed about 5 million jobs overall in the past 15 years, primarily in traditional production areas like textile and apparel manufacturing (about 800,000 total jobs) and transportation equipment, metal fabrication and machinery (about 1 million total jobs).<sup>1</sup>

Smaller, more specialized and efficient plants are now taking the place of these large producers of the past: Fewer than 900 of the nearly 300,000 U.S. manufacturers today now employ more than 1,000 workers, a far cry from the more than 1,500 such facilities that were in operation as late as the 1990s.<sup>2</sup> These smaller facilities also are more efficient: While U.S. manufacturing is up only 5 percent since the Great Recession, output has increased by more than 20 percent since then.<sup>3</sup>

To achieve these impressive results, manufacturers are turning to workers with advanced job skills to get products made more efficiently and cost-effectively. Once an industry dominated by high school graduates, the nation's manufacturing workforce has seen a double-digit decline during the past decade in those who have never attended college or vocational

school.<sup>4</sup> Meanwhile, individuals with associate's degrees—even graduate-level coursework—saw their professional opportunities brighten, with employment growth for those individuals increasing 17 and 33 percent, respectively, during that same period.<sup>5</sup>

Industry wages also reflect this shift: Mean total compensation in manufacturing is about \$82,000 per year, about one-third more than the average for a full-time U.S. worker.<sup>6</sup> Still, despite these opportunities, today's specialized manufacturers in the United States face critical labor shortages, which may grow worse in the coming years. Eighty-four percent of industry executives surveyed in 2015 agreed there is a talent shortage in U.S. manufacturing, and it's expected that 2 million manufacturing jobs likely will go unfilled by 2025.<sup>7</sup>

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1 "Job Creation in the Manufacturing Revival," Congressional Research Service, 2016

2 *Ibid.*

3 *Ibid.*

4 *Ibid.*

5 *Ibid.*

6 National Association of Manufacturers, 2015

7 "The Skills Gap in Manufacturing," Deloitte/The Manufacturing Institute, 2015

This expected labor shortfall will impact the industry's ability to meet long-term customer demand, increase productivity, provide effective customer service and develop new products. In response, federal officials have committed an additional \$100 million for the America's Promise Grants program, which provides qualifying students free education at a two-year community college and training in areas such as information technology (IT) and manufacturing. Such specialized training programs are popular within the industry and have a proven track record of success: 72 percent of the executives surveyed by Deloitte agreed involvement with local schools and community colleges is an effective way to combat the growing talent shortage.<sup>8</sup> Domestic manufacturing, too, is expected to be a priority of the incoming presidential administration, which made the issue a key plank of its 2016 campaign.

In the meantime, as policymakers and industry leaders work through the details of any new initiatives, here's how manufacturers can best position themselves for success in attracting and retaining top-tier talent in today's competitive market:

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<sup>8</sup> *Ibid.*

### **Define the role**

Before companies can recruit the appropriate talent, they must accurately define the day-to-day responsibilities and requisite experience necessary to succeed in the position. This job description helps businesses identify and attract qualified applicants—or promising trainees—that have the right profile to potentially excel in the role.

Employers should begin by performing a task analysis, or collecting and evaluating information on job duties and reviewing it with the employee currently in the position. Next, employers and the HR team should outline the essential job functions by determining which tasks are required, analyzing how often each task is performed and how much time it requires, and identifying the consequences of failing to perform said function. Candidates who are unable to fulfill these essential functions should be deemed unqualified for the job.

Finally, the job description should be clear and easy to read, and include the following information:

- [Position title](#)
- [Classification](#)
- [Salary grade](#)
- [Hierarchy overview](#)
- [Essential functions](#)
- [Required competencies](#)
- [Supervisory duties](#)
- [Position type and expected hours](#)



By outlining the day-to-day functions of the position, candidates will better understand the role and whether or not they possess the required skills. This will help employers narrow the applicant pool to identify those individuals who are best qualified for the job.

### **Attend tradeshow and job fairs**

Qualified candidates for specialty manufacturing positions are in high demand. Many of these candidates also are just finishing up community college programs or other training opportunities. Tradeshow and job fairs provide specialty manufacturers with access to these promising recruits, as well as to more traditional job seekers who already have industry experience. Training cycles for specialty manufacturing jobs also can run two years or more, so it's important for companies to develop their bench early on to identify qualified individuals who are eager to enter the industry.

### **Complete pre-employment assessments**

Prior to hiring a candidate, manufacturing companies should assess the skill sets, background experience and personality type of their most interesting applicants. This ensures the candidate does indeed have the skills required to succeed in the job and help increase the company's productivity and profitability. In addition, by assessing the applicant's personality type, employers can determine whether his or her demeanor, attitude and temperament would fit the position and the company's overall culture.

It is also critical to complete pre-employment screening of candidates, including drug testing and background checks. These preliminary assessments reduce the amount of time spent on interviews and filter out individuals who may not ultimately be good candidates for the position.

### **Conclusion**

Change is the one constant in today's complex manufacturing industry. With an already tight labor market, manufacturers face near- and long-term uncertainty ahead as more and more baby boomers retire and subsequent generations take their positions—or not—on the production line.

Will younger generations fill the breach? It's difficult to say. By developing and implementing a comprehensive recruitment strategy, however, manufacturers can best position themselves to attract and retain the best and brightest.

**To learn more about effective recruitment strategies for specialty manufacturers, please contact IdilusHR at [info@idilus.com](mailto:info@idilus.com).**





## 10,000 per day: How will baby boomer retirements affect manufacturing?

The first of the nation's baby boomers turned 65 years old on Jan. 1, 2011.<sup>9</sup> As more and more members of this generation—once the nation's largest—reach retirement age and leave the workforce, employers may face critical labor shortages, especially in advanced manufacturing, which already faces a “skills gap” between what today's employers require and what prospects offer.

The coming deluge of baby boomer retirements is the No. 1 concern among industry executives, with 93 percent of those surveyed in 2015 agreeing that it will have “significant or high impact” on their business.<sup>10</sup> Exactly how significant? That's uncertain, but the Manufacturing Institute estimates that 2 million manufacturing jobs will remain unfilled in the next 10 years,<sup>11</sup> a decade that will see 10,000 baby boomers reach retirement age each day.<sup>12</sup>

By 2029, when the last of that generation turns 65 years old, almost one-fifth of the entire U.S. population will have reached retirement age.<sup>13</sup>

Who will take their places on the shop floor? That's a pressing question for the industry. In many ways, Millennials may offer a unique opportunity for the industry. Those born in the early 1980s to the early 2000s are more educated than their predecessors, and they're “digital natives” who grew up using electronics and computers. They're also expected to make up the vast majority of the workforce in the next decade and are likely eager to work, as the oldest Millennials came into the workforce during the worst of the Great Recession.

But are hiring managers and industry executives ready for them? A 2014 manufacturing industry survey suggests not:<sup>14</sup>

“For an industry that values specialized training and experience, this generation represents a goldmine of opportunity as most Millennials are technology-savvy. Manufacturing is increasingly headed towards digitization and very much reliant on this skillset. Whether changing careers or just entering the workforce, they can take the time to learn the business before their predecessors retire. Yet, most manufacturers (62 percent) say Millennials represent a small fraction of their workforce, and eight out of ten (81 percent) have no explicit plans to increase these numbers.”

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<sup>9</sup> “Baby boomers retire,” Pew Research Center, 2010

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid.*

<sup>14</sup> “Industry Market Barometer Survey,” Thomas Publishing, 2014

# WRITING A JOB DESCRIPTION

A well-written job description not only helps employers comply with new overtime rules, but it also helps businesses attract qualified applicants and helps with simplifying a lengthy and complicated resume review process. Additionally, job descriptions are useful for career planning, fulfilling other legal requirements, training exercises and many other purposes. When writing a job description, be sure to follow a strict, standardized process:

## **Perform a task analysis**

The first step in developing a job description is performing a task analysis. Collecting and evaluating information on job tasks provides employers with baseline data to work with moving forward. Results should be reviewed by the employee currently in the position for any changes regarding the requisite skills, abilities and experience.

## **Define the essential functions**

After performing a job analysis for a particular position, essential functions must be established. Essential functions are the required duties of a position. As such, employees who cannot perform essential job functions are considered unqualified for the job. Defining essential functions involves the following steps:

- Determine which tasks are required
- Confirm how often each task is performed and how much time it requires
- Consider if the tasks can be redesigned or performed another way
- Identify the consequences if said tasks are left unfinished

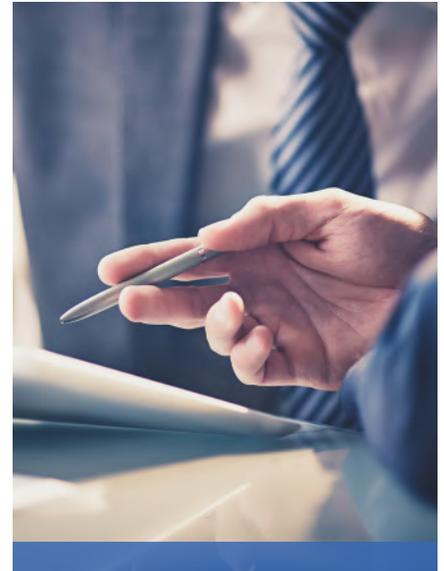
## **Standardize**

An organization's job descriptions should be uniform and include the following information:

- Position title
- Classification
- Salary grade
- Hierarchy overview
- Position objectives
- Essential functions
- Required competencies
- Supervisory duties
- Position type and expected hours

## **Include a disclaimer**

Remember to indicate that the job description does not serve as an exhaustive listing of employee duties and responsibilities. It is important to note that responsibilities can and often do change. Final job descriptions should be kept in a secure location and used for future job postings, interviews and performance reviews.



When writing a job description, be sure to follow a strict, standardized process.

# ABOUT IdilusHR



**IdilusHR is proud to be the leading human resource solution for more than 100 employee-focused organizations across the country.**

We are a professional employer organization (PEO) that helps businesses attract and retain top talent by delivering custom benefit solutions at an affordable price, concierge level service and solutions-driven counsel to maximize employee engagement and satisfaction. Our dedication to employees' wellbeing extends beyond providing custom benefits to fit their unique needs. By administering employee satisfaction surveys, we help our clients identify potential issues in the workplace, address the needs of their staff and instill a workplace culture that encourages growth and success for both the employee and the business as a whole.

Our use of intrinsic data and analytics further informs employers' business and staffing decisions to ensure an optimal work environment and a sustainable business model. We partner with our clients to apply our extensive experience in payroll administration, regulatory compliance and organizational development to their business and its specific needs. We provide a comprehensive suite of services to provide the best deal possible; clients who outsource multiple functions to a single vendor save 32 percent over those using multiple vendors.

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