Putting a Stop to Manufacturing Brain Drain

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In spite of the worst recession in 50 years, the Baby Boomer generation’s exit from the workplace continues to pick up momentum. As older workers retire — taking with them their skills and experience — and as technologies change within industries, this exodus creates a dangerous talent drain that affects every type of business.

But for some of the less glamorous sections of the work environment, such as the manufacturing industry, the lack of talented and experienced employees becomes an increasingly critical issue.

According to the National Association of Manufacturers' Manufacturing Institute, one-third of all manufacturers are already experiencing moderate to serious shortages of skilled employees in the available labor pool. To combat this increasing talent drain, companies in the manufacturing industry must recruit, develop and retain a talented workforce that has the advanced skill set necessary to work in modern manufacturing.

Changes for the New Manufacturing Environment

Before any of this can happen, however, manufacturing executives must recognize that the traditional way of managing employees will not work in today's environment. The shift from an industrial to a knowledge-based economy affects all industries, including manufacturing.

As a result, the culture of a company and the mindset of management must adjust

from the top down. Instead of a command and control type of environment, manufacturing companies must create a team-based culture with an expectation and opportunity for employees at all levels to be productive, effective and accountable.

Policies and procedures must change to provide front-line supervisors with increased latitude to hire, train, discipline and fire employees as necessary. Leaders must encourage involvement and innovation as the workforce emphasizes knowledge and technical skills to provide a competitive edge. And, while such changes may initially challenge a historically conservative industry, those companies that refuse to adjust will find themselves simply left behind.

With a company culture that embodies the principles of a knowledge-based economy, specific actions in recruitment, development and retention can be put in place.

Recruiting

Companies need to take a long-term view toward the development of employees. This means identifying majors, minors, and other programs at local colleges and other training institutions that provide the technical skills needed by the manufacturing environment and developing relationships with those schools. By offering opportunities, such as internships, mentoring and summer employment, to students at these feeder locations, the company builds a reputation as an employer of choice.

Next, companies need to consider the actual recruiting process. Too often, companies get stuck hiring an average employee just to fill a need. While this may be necessary in the short term, companies must continue to vigorously recruit and look to hire exceptional employees, letting the average ones go as soon as possible. Front-line leaders should be directly involved in the recruiting process, as they are the ones who understand the positions best, and the specific skills and requirements of each job. Furthermore, since the front-line leaders are involved in recruiting from the first step, they have a vested interest in the success of that new employee.

Development

Front-line leaders and upper management should identify the exceptional employees, the ones who have demonstrated 100 percent commitment to the job. These employees should be nurtured and developed through training programs in all skill set areas, including math, science and technology. Career paths should be developed so that younger workers can see and understand the opportunities ahead of them.

Although all paths may not be vertical, development that is horizontal or lateral should be emphasized as well. Structured mentoring programs are seldom effective, but upper level managers should be encouraged to informally mentor, and lower level employees should be encouraged to seek guidance from a mentor. Coaching

programs are also effective in helping seasoned managers learn to bring out the best performance in the new generation of employees.

Retention

Companies can establish a positive culture, and recruit and develop the best employees, but still experience a talent drain if they cannot retain the exceptional employees. In addition to implementing programs to develop employees, companies need to do a better job of compensating them. Exceptional employees have shown that they feel invested in the company and should be compensated with significant annual salary increases (at least 10 percent), even when that means not providing a salary increase for average employees.

Companies should compensate through non-monetary means as well, such as through opportunities, awards, perks and the always underutilized, but sincere, "thank you."

Unless manufacturing companies implement these and other programs to replace the ongoing loss of industry talent, the current talent drain will make it impossible to be efficient and innovative — two essentials for remaining competitive in the global marketplace.

The Glover Group is a management consulting firm dedicated to assisting companies survive the "WorkQuake" of the knowledge economy by improving workplace performance. Glover presents 76 strategies and tips to thrive in the knowledge economy in his new book, WorkQuake [1]*, published by* Round Table Companies *[2]. He can be reached at* paulglover@trainingeverydayleaders.com *[3] or on Twitter at @WorkQuakeBook* [4].

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