



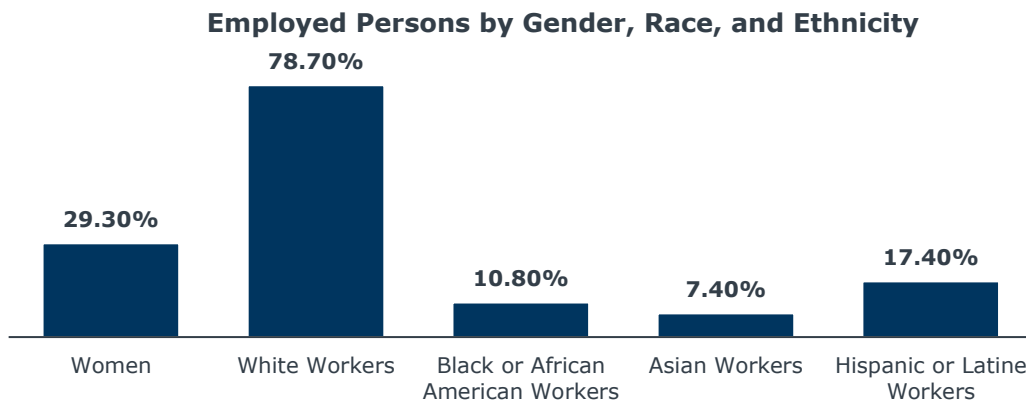
GUIDE

# **DEI Beyond the Factory Floor: Strategies for DEI and Talent Leaders in Manufacturing**

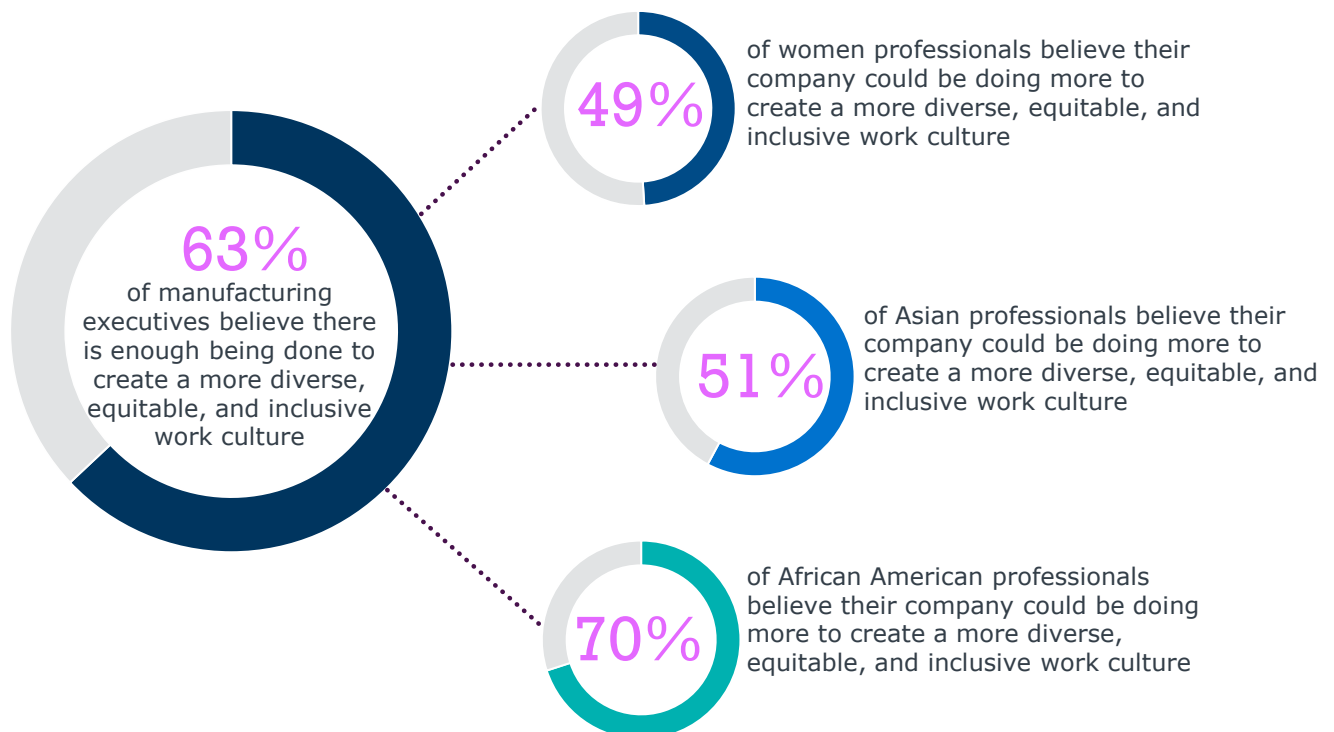
# Navigating DEI Challenges in Manufacturing

Manufacturers worldwide face historically low employment rates, particularly for historically excluded talent. As technology advances, a growing skills gap challenges the workforce. To address these issues, manufacturing leaders must prioritize diverse talent pipelines and create an inclusive culture that supports employees.

Manufacturers are swiftly developing strategies to diversify their talent pool, nurture inclusivity, and enhance workforce skills. However, the industry's traditional hierarchical, male-dominated culture hampers full DEI integration. Well-qualified women and people of color still encounter barriers in applying for manufacturing roles, significantly hindering industry diversity. Overcoming this challenge is essential to foster innovation and growth in manufacturing's evolving landscape.



Industry research has demonstrated that the historical lack of diversity within the sector makes it challenging to attract and retain historically excluded talent. There is a clear disconnect between how executives perceive workplace culture and how employees working the field and job candidates view workplace culture within manufacturing organizations. Manufacturing executives believe they are doing well at building inclusive culture while surveyed manufacturing professionals believe that their company should do more.



Source: U.S. Bureau of Labor Statistics, <https://www.bls.gov/cps/cpsaat15.htm>; Paul Wellener et al., "Creating pathways for tomorrow's workforce today," <https://www2.deloitte.com/us/en/insights/industry/manufacturing/manufacturing-industry-diversity.html>

# Addressing Challenges to Attract Diverse Talent

The manufacturing industry has persistently struggled to provide adequate support to women and employees of color, and this challenge has persisted even in the aftermath of the pandemic. Consequently, the industry has witnessed a concerning attrition rate among women and African Americans, impeding progress in diversity and inclusion initiatives. Shockingly, between 1998 and 2020, there was a notable 30.4% decrease in the representation of African Americans within the manufacturing workforce. Furthermore, recent legal changes, including the elimination of affirmative action and increased legal challenges to DEI initiatives, are poised to exacerbate this decline.

Nevertheless, despite these concerning statistics and external pressures, the manufacturing sector has undertaken efforts to uplift historically marginalized talent through the implementation of various benefits and initiatives.



16%

Women in manufacturing make 16% more than the national median annual income for employed women



17%

Black workers in manufacturing earn 17% more than those outside the industry



1 in 4

One in four women in manufacturing holds a management position

## Encouraging STEM to Close the Gap

In a concerted effort to narrow the inequity gap, a growing number of industry leaders have embarked on initiatives aimed at inspiring historically excluded talent to pursue educational pathways in Science, Technology, Engineering, and Mathematics (STEM). These strategic endeavors focus on individuals entering the workforce, with the overarching goal of diversifying the talent pipeline and fulfilling the industry's demand for specialized skills. This proactive approach to diversifying the talent pipeline not only addresses immediate workforce needs but also lays the foundation for a more inclusive and equitable future within the sector.



A STEM-based education will give job seekers the skills to work in tech-based manufacturing plants



New secondary school STEM programs offer college credit and certifications to young women interested in manufacturing

Source: Earlene K.P. Dowell, "Manufacturing Opens More Doors to Women", <https://www.census.gov/library/stories/2022/10/more-women-in-manufacturing-jobs.html>; "Making a Place for Women in Manufacturing", <https://www.commerce.gov/news/dico/2022/03/making-place-women-manufacturing>; "New report finds workers of color have been especially hard hit by manufacturing job losses associated with globalization", <https://www.epi.org/press/new-report-finds-workers-of-color-have-been-especially-hard-hit-by-manufacturing-job-losses-associated-with-globalization/>.

# Elevating Manufacturing Through DEI Excellence

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Strategically investing in diversity, equity, and inclusion (DEI) catalyzes comprehensive performance improvement across all facets of a business. Embracing DEI principles drives innovation, as it assembles a cohort of individuals hailing from diverse backgrounds and viewpoints. It also fosters an environment conducive to imaginative problem-solving and forward-thinking product development. Simultaneously, it elevates employee engagement, retention rates, and overall productivity, effectively mitigating the costly burdens of high turnover.

Within the manufacturing sector, it is imperative that DEI becomes a central and unwavering focus in the workplace. As Stephanie Neil of Automation World points out, the industry bears responsibility for proactively attracting a broader talent demographic, including women, minorities, and the emerging workforce. Achieving this mandate necessitates a profound shift in the prevailing corporate culture, one that prioritizes diversity and inclusivity.

In essence, by placing DEI at the forefront of their agenda, manufacturers unlock a vast reservoir of potential opportunities capable of serving as a driving force for sustainable profitability and enduring growth. The pivotal question that arises in this context is: What transformative changes must be enacted to usher in meaningful progress?

## Inclusive Hiring Practices

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### Broadening the Candidate Pool

Many candidates value and search for companies that promote inclusive hiring practices, especially in the traditionally white, male-dominated field of manufacturing. Candidates want to see employers take tangible steps to make the job field more equitable. Many believe it will be fairer for everyone involved and give employers access to a broader candidate pool. Seramount's experts have found that organizations need to analyze their typical hiring pool and determine the processes that can be changed to reach more candidates.

## Foster Employee Engagement

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### The Power of Employee Resource Groups

In 2020, only 34% of manufacturing employees were engaged at work across the industry. Fostering employee engagement is a great way to advance DEI initiatives and help retain employees. Employee groups such as employee resource groups, as well as mentorship programs and sponsorship programs, are great ways to foster DEI initiatives in an organization. They offer ways for employees to connect with each other over defining qualities and support each other in the workplace.

## Start at the Top

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### Leaders Set the Tone

Many manufacturing leaders report that championing DEI initiatives has helped their companies fight disruptive challenges and solve problems more creatively. Companies that have diverse leadership have made the most progress in diversity and business outcomes. This type of leadership fosters innovation and creativity while also showing all levels of employees that diversity matters.

Source: Jonathan H. Graham, "Enhancing diversity: The manufacturing model set advantage" <https://www.seramount.com/2022/09/20/enhancing-diversity-the-manufacturing-model-set-advantage/>  
Source: Seramount's 2022 "Diversity and Inclusion in Manufacturing" survey. <https://www.seramount.com/2022/09/20/diversity-and-inclusion-in-manufacturing-the-power-of-employee-resource-groups/>  
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# Inclusion on the Front Lines: A Strategic Imperative

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In today's challenging talent landscape, the imperative of engaging and retaining frontline employees has taken center stage. With a staggering 8.8 million job openings in the United States alone, the urgency to address this pressing challenge, particularly in industries such as manufacturing, cannot be overstated.

Frontline workers who play a pivotal role in the operational fabric of organizations have often encountered obstacles in their career pathways. Longstanding issues such as lower compensation, limited work schedule flexibility, and a dearth of developmental opportunities have constrained their choices, leading many to explore alternative career trajectories. Recognizing the significance of retaining frontline workers extends beyond mere workforce stability; it is an integral component of ensuring the comprehensive success of DEI initiatives throughout the organization. As we strive for inclusivity, it is crucial that no segment of the workforce feels overlooked.

Seramount offers a suite of research-based solutions to prevent essential frontline workers from ever feeling marginalized within the organization.



## Acknowledge and Empower Gender Identity

### *Develop Inclusive Workplaces*

Promoting diverse pronoun usage fosters workplace inclusivity, enabling individuals to authentically express their gender identity and to embrace diverse lifestyles and experiences. As gender-diverse pronoun usage evolves alongside shifting language surrounding LGBTQ+ experiences, it's essential to emphasize that the choice to share pronouns should remain optional for all employees. While encouraging such openness can empower and enrich workplace conversations about gender identity, it's crucial to respect and accommodate those who may not feel safe doing so for personal safety reasons.



## Involve Union Members

### *Work Within Union Guidelines*

Collaborate with unions, highlighting the valuable role Employee Resource Groups (ERGs) can play in driving improved benefits and policies. Explore options for employee participation during regular work hours or virtually, without incurring overtime. It's essential to position this collaboration as a mutually beneficial endeavor for both employees and the organization. Engaging in one-on-one discussions with shop stewards can be particularly effective, making a case for granting specific individuals additional time and flexibility to participate in ERGs.



## Employ Successful Communication Strategies

### *Communicate Effectively with Frontline Workers*

Frontline workers often don't have the same access to communication systems because they don't have company email addresses. The best way to improve communication is to implement a comprehensive communications plan that enables all employees to access the corporate intranet, regardless of whether they possess official company email addresses.



## ERG Leadership and Participation

### *Show Flexibility Within Union Rules*

Allowing frontline workers, including those who are unionized, to assume leadership positions in ERGs can significantly enhance their engagement. ERGs are a great way for workers to connect with each other and express concerns. Empower managers to prioritize and allocate time for employees to actively engage in ERG events and tasks, including leadership positions, while ensuring frontline job responsibilities are prioritized.

Source: Job Openings and Labor Summary, <https://www.bls.gov/news.release/jolts.nr0.htm>

## **DEI Research Partnership** Empowering DEI and HR Leaders Through Today's Toughest Workplace Challenges

### What Factors Make DEI and Talent Roles So Challenging?

#### Tense Workplace Dynamics

- ▶ Shifting demographics lead to competing priorities
- ▶ Evolving legal landscape
- ▶ Divided employee sentiment around socio-political issues

#### Risk Around Every DEI Decision

- ▶ **Risk of Abandoning Commitments:** Pull back can cause disengagement and friction
- ▶ **Risk of Inaction:** Holding steady can be perceived as non-commitment
- ▶ **Risk of Misstep:** Forging ahead might turn positive intentions into unintended consequences

#### Balancing Two Equally Vital Roles

- ▶ Maneuver Corporate and Cultural Risks
- ▶ Safeguard Non-Negotiable DEI Investments

### Three Pillars of Service to Support Leaders and Their Teams



#### Rigorous Research with a Global Reach

Deploying proven research methodology to identify how to make change happen

- ✓ Resources to educate stakeholders and accelerate impact
- ✓ Custom research to answer your up-at-night questions



#### Collective Experience of a Peer Community

Convening DEI and Talent leaders to guide and shape our search for breakthrough ideas

- ✓ CDO roundtables and experience labs
- ✓ DEI practitioner roundtables and hot-topic webinars



#### Commitment to Applying Lessons Learned

Facilitating buy-in for change and customizing implementation of lessons learned

- ✓ Access to expert advisors to increase your capacity
- ✓ Partner intensives bring insights to your broader team

Learn more about how the DEI Research Partnership can propel your strategy forward by scheduling a call with one of our experts.

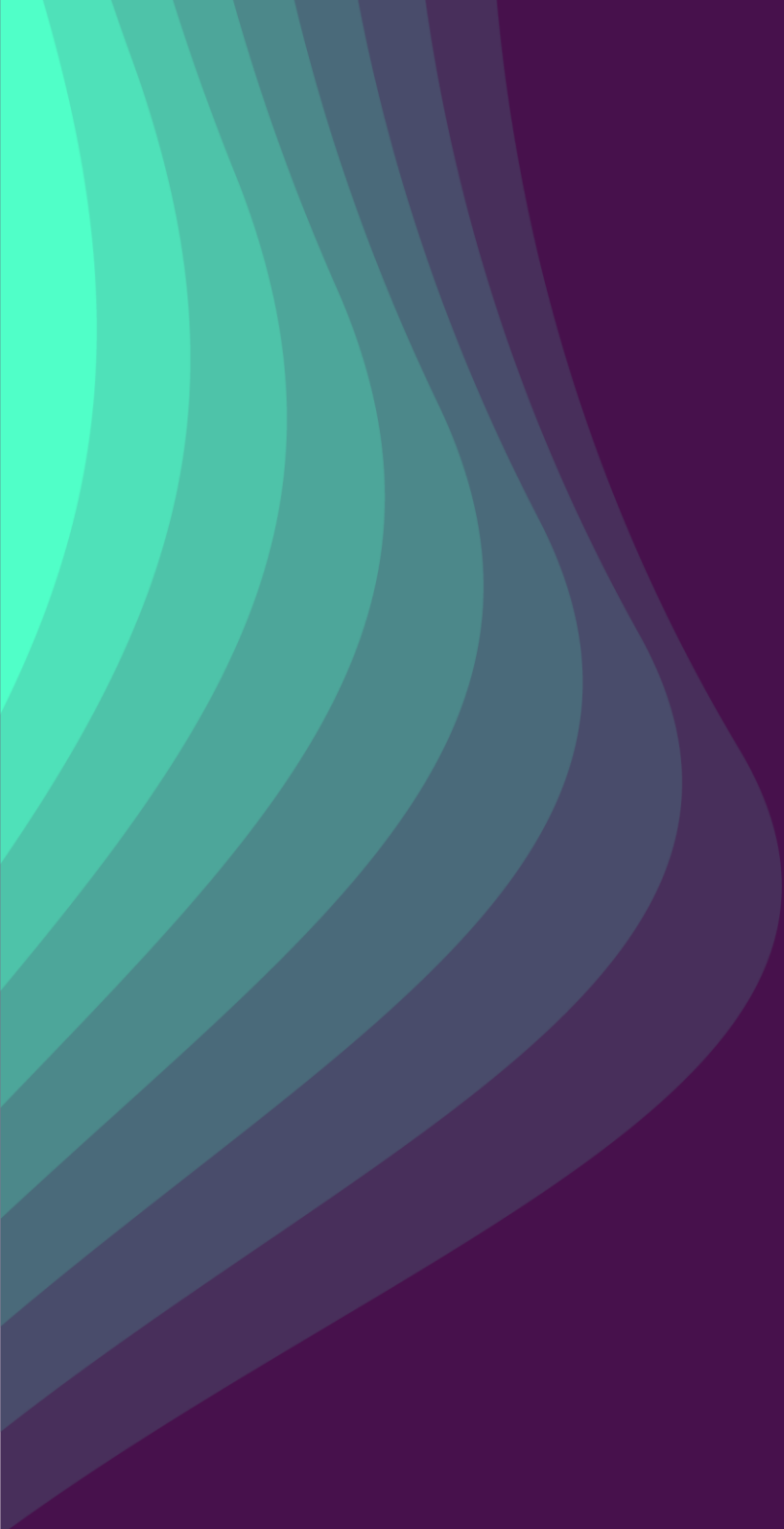
[seramount.com/contact-us](https://seramount.com/contact-us)

# Our Manufacturing Partners



“Seramount has been a tremendous mentor and partner over the course of our diversity and inclusion journey: bringing their expertise, social networks, and events to help working moms at all levels and career paths achieve their personal aspirations and professional goals.”

Kenneth Frazier, Executive Chairman and former CEO, Merck



202-747-1000 [seramount.com](http://seramount.com)