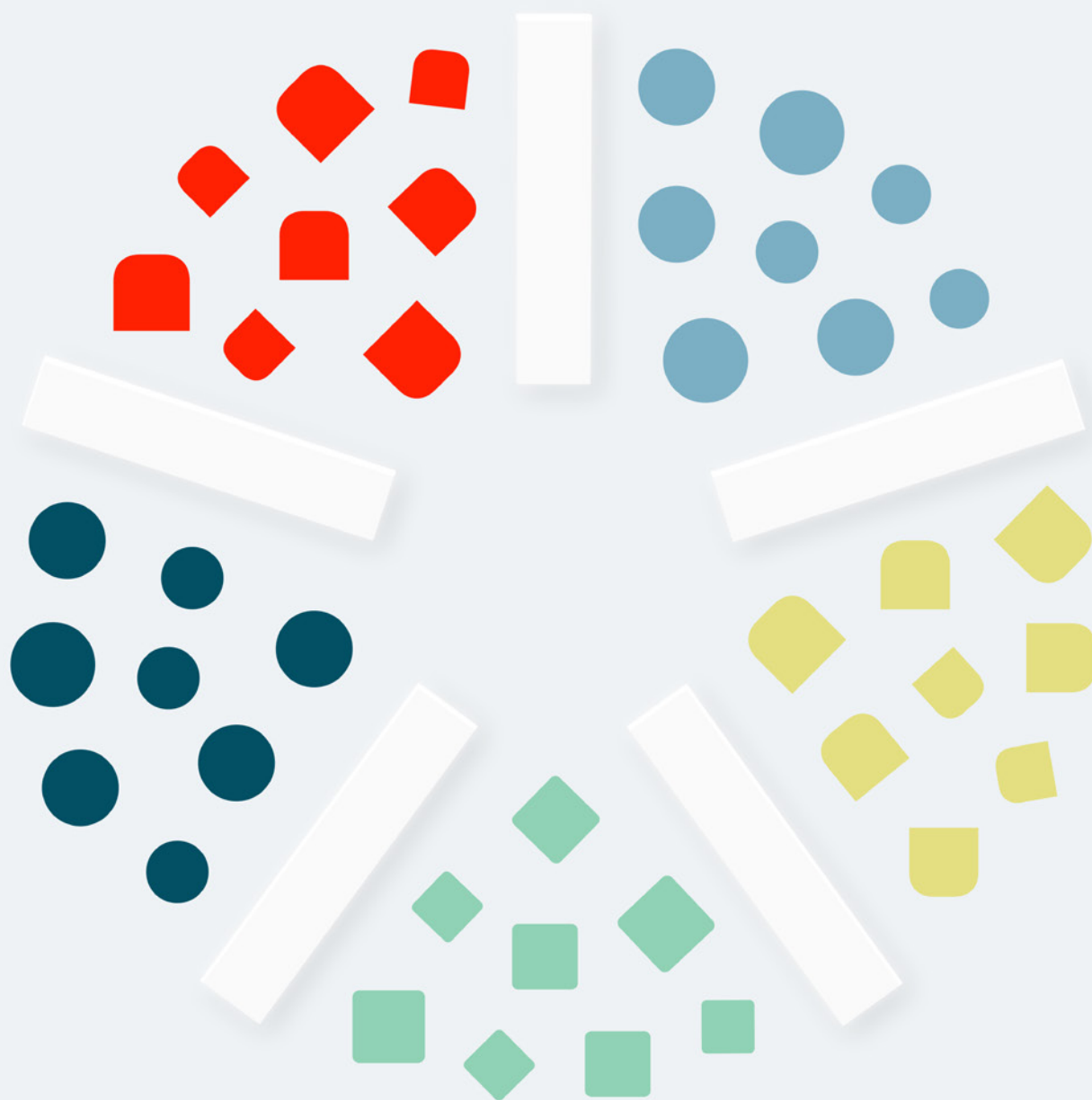# Voice of the Manufacturing Manager 2023

epicor

**Kerrie Jordan**
Vice President, Product Management, Data Platform
EPICOR SOFTWARE

The manufacturing landscape is changing. Increased consumer demands, supply chain disruptions, workforce shortages, shifting costs, and other factors are impacting operations and changing business strategies by the day. Rapid digital transformations are happening in the industry as well, with the introduction of new technologies that can be leveraged from the C-suite to the factory floor. For manufacturing leaders who want to stay at the forefront of their industry, it's critical to find innovative ways to adapt.

At Epicor, we understand the value of digital transformation, and help manufacturing leaders modernize their organizations with new technologies and data-first initiatives every day. But we also understand that there are others who are challenged by knowing which technology to bring into their organizations in order to make the greatest impact.

Our recent analysis of 400 manufacturing leaders — including C-level executives, owners or partners, and senior or middle managers from a variety of companies — reveals how they're keeping pace with technology and operational innovations, as well as how they're managing employee morale and engagement. They share their biggest daily challenges and priorities, to what extent they're embracing modernization, the technologies they're using, and their outlook for investments in new talent and sustainability into the future.

These insights can help benchmark where the manufacturing industry is today in terms of embracing innovations that can help improve operational efficiencies, reduce costs, and ensure quality products are getting to customers on time. These insights also show the areas where companies are lagging behind modern approaches to manufacturing.

We hope you use this report as an opportunity to further your understanding of how manufacturing leaders are embracing change, the strategies they're employing, and the support they need.

# Our respondents gave us the following insights into the challenges and opportunities that manufacturing leaders are facing today.

## Engagement in the Workplace

- 64% say morale at their company is high. They attribute that high morale to their employees having more paid time off, opportunities for recognition or growth, and bonuses or high pay.

- They say that creating a better work environment includes providing better tools and technology to workers, offering more paid time off, and having management listen to staff and their concerns.

## Leadership Priorities and Challenges

- Their top daily priorities include ensuring quality control, cost management, and safety. Additionally, 63% say sustainability is a higher priority than ever, and 61% say the integration of innovative technology is a higher priority than ever.

- What manufacturing leaders enjoy the most about their job is working with technology, being part of building or creating something with their hands, and leading their teams. However, their daily challenges include hitting production targets, managing diverse teams, and ensuring safety and compliance.

- Over the next year, 60% anticipate their budget for talent will increase, 62% anticipate their budget for new technologies will increase, and 61% anticipate their budget for sustainability will increase.

- 71% believe automation will change their current job over the next five years. However, 81% plan to stay at their job for at least the next year.

## More Technology and Modernization

- 58% say their company is "very modern" compared to others in their industry. Additionally, 55% are investing in new technology more than ever, and 67% say their company embraces a data-first strategy.

- The majority of manufacturing leaders say their companies are "heavily embracing" automation (61%), data accessibility (61%), sustainability (59%), flexibility (59%), digitization (58%), employee user experience (56%), and collaboration (55%).

- The modern tools they're using the most are Artificial Intelligence (AI), data analytics, and automation and robotics. Modernization has improved their company by increasing productivity, improving efficiency, and reducing costs. Their data-first strategy has also improved customer experience and loyalty, decreased time to value, and provided better sustainability management and monitoring.

## Developing the Skills to Use That Technology

- 77% say their company is making upskilling a priority for workers. Top upskilling initiatives include providing access to an online training platform, providing on-site or on-the-job training, and giving paid time off to take training courses.

- 44% say the rate of turnover has stayed the same, while 34% say it's decreasing. As they hire new employees, the top skills they're looking for are communication skills, problem-solving skills, and technical skills.

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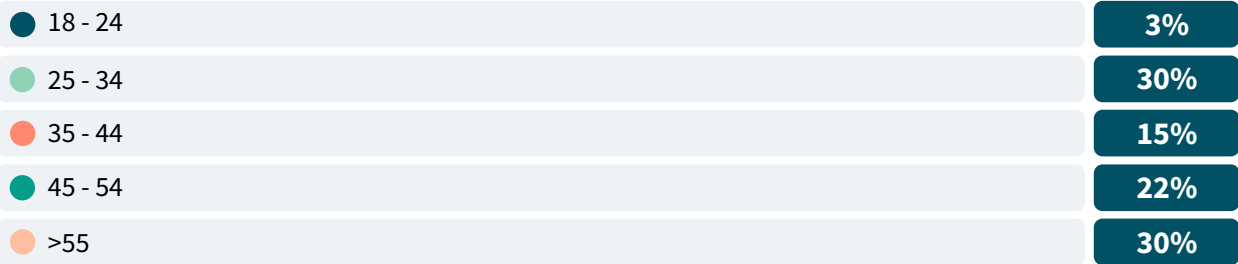
## Methodology and Participant Demographics

In order to provide greater context around these findings, here are more details on who we surveyed and the methodology used. Starting on April 19, 2023, we surveyed 400 manufacturing leaders from the US, in roles that include C-level executive, owner or partner, senior management, or middle management. The survey was conducted online via Pollfish using organic sampling. Learn more about the Pollfish methodology *here*.

### Gender

| | |
|---|---|
| ● Male | 40% |
| ● Female | 60% |

### Age

| | |
|---|---|
| ● 18 - 24 | 3% |
| ● 25 - 34 | 30% |
| ● 35 - 44 | 15% |
| ● 45 - 54 | 22% |
| ● >55 | 30% |

### Number of Employees

| | |
|---|---|
| 101 - 250 | 17% |
| 251 - 500 | 27% |
| 501 - 1000 | 21% |
| 1001 - 5000 | 28% |
| >5000 | 7% |

## Career

| | |
|---|---|
| ● Manufacturing - Computer & Electronics | **49%** |
| ● Manufacturing - Other | **51%** |
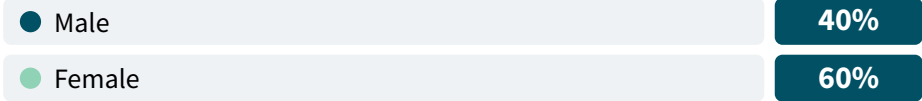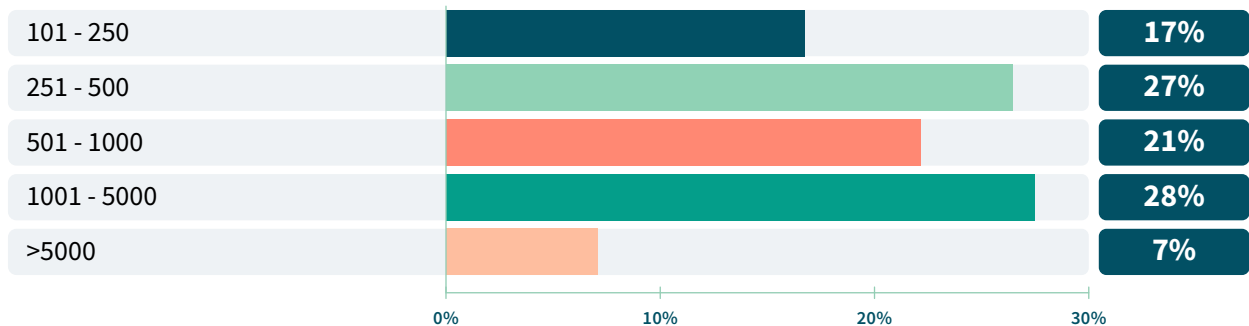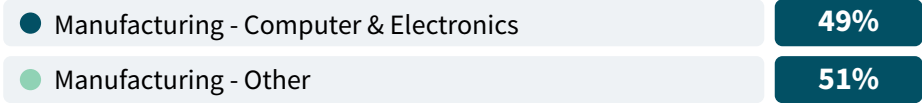
## What best describes your job title?

| | |
|---|---|
| C-Level Executive | **53%** |
| Owner or Partner | **8%** |
| Middle Management | **6%** |
| Senior Management | **33%** |

0%  5%  10%  15%  20%  25%  30%  35%  40%  45%  50%  55%

## Country

| | |
|---|---|
| United States | **100%** |
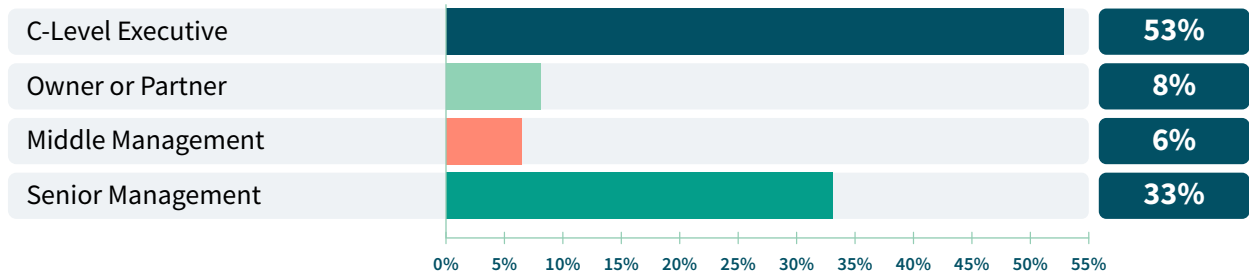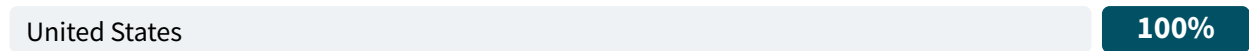
## Employment Status

| | |
|---|---|
| Employed for Wages | **100%** |

## 52% say morale at their current company is high

What best describes the goods you primarily manufacture where you work?

| | |
|---|---|
| Computer and Electronics | **55%** |
| Miscellaneous Manufacturing | **13%** |
| Food, beverage, and tobacco | **7%** |
| Textiles, leather, and apparel | **6%** |
| Primary Metal, Fabricated Metal, and Machinery | **4%** |
| Electrical Equipment, Appliances, and Components | **4%** |
| Petroleum, Coal, Chemicals, Plastics, and Rubber | **3%** |
| Transportation | **3%** |
| Wood, paper, and printing | **2%** |
| Nonmetallic Mineral | **2%** |
| Furniture | **1%** |

0%  5%  10%  15%  20%  25%  30%  35%  40%  45%  50%  55%

## More than half (209) have been at their company for 6+ years

How long have you been at your current company?



| | |
|---|---|
| ● Less than 6 months | **2%** |
| ● 6 months - 1 year | **13%** |
| ● 1-5 years | **33%** |
| ● 6-10 years | **43%** |
| ● 11+ | **9%** |
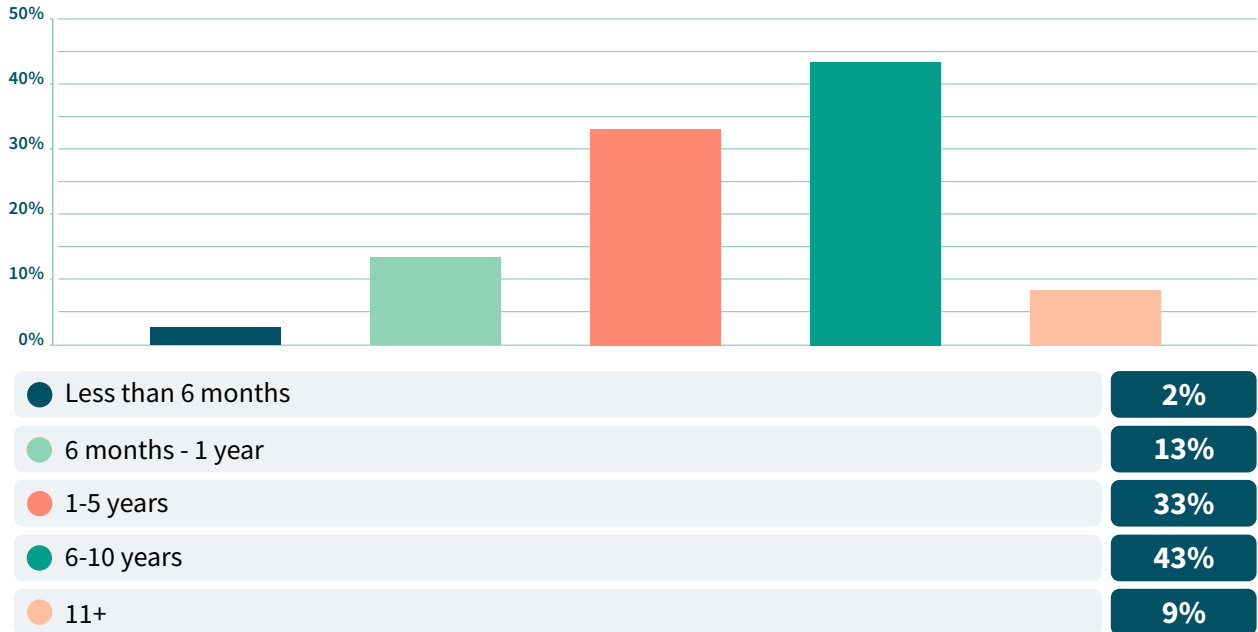
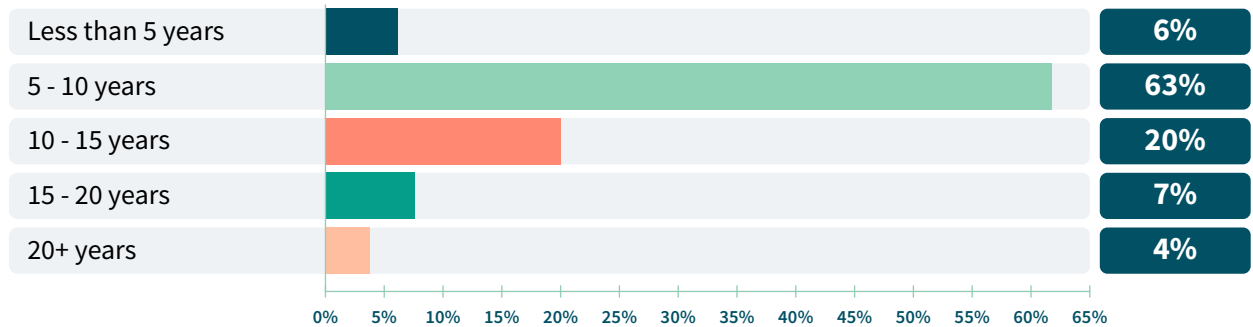## Majority (251) have worked in manufacturing for 5-10 years, 125 for more than 10 years

How long have you worked in manufacturing across all jobs, including your current job?



| | |
|---|---|
| Less than 5 years | **6%** |
| 5 - 10 years | **63%** |
| 10 - 15 years | **20%** |
| 15 - 20 years | **7%** |
| 20+ years | **4%** |

# Technology & Modernization

Manufacturing companies who want to stay competitive today and into the future must keep up with new and evolving tools and technology. Today, more manufacturing companies are leveraging big data, AI, digital management platforms, and other modern tools.
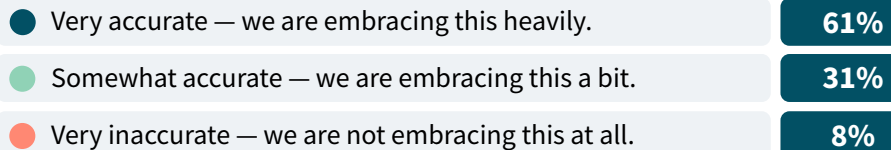
## Here's a brief overview of what we learned:

- *58% say their company is "very modern"*

- *Over half are heavily embracing automation, sustainability, digitization, and other initiatives*

- *55% are investing in new technology more than ever*

- *Modernization helps increase productivity, improve efficiency, and reduce costs*

## 61% are heavily embracing automation

How are companies embracing the use of automation to improve efficiency and reduce costs? 61% say they're embracing this heavily, while 31% say they're embracing this a bit. 8% are not embracing this at all.
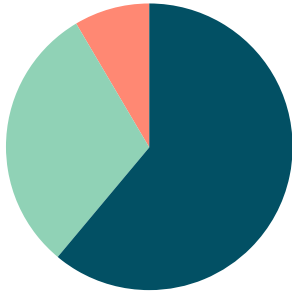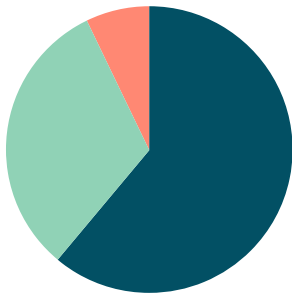
How much is your company embracing automation? (Automation: the use of automation to improve efficiency and reduce costs.)

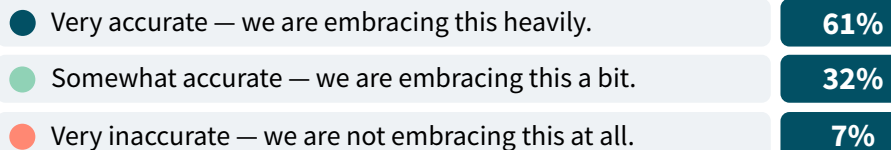| | | |
|---|---|---|
| ● Very accurate — we are embracing this heavily. | | **61%** |
| ● Somewhat accurate — we are embracing this a bit. | | **31%** |
| ● Very inaccurate — we are not embracing this at all. | | **8%** |

## 61% are heavily embracing data accessibility

How are companies embracing data accessibility, or using data to derive faster and more accurate decisions? 61% say they're embracing this heavily, while 32% say they're embracing this a bit. 7% are not embracing this at all.
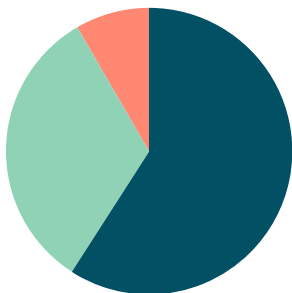
How much is your company embracing data accessibility? (Data Accessibility: use data to derive faster and more accurate decisions.)

| | | |
|---|---|---|
| ● Very accurate — we are embracing this heavily. | | **61%** |
| ● Somewhat accurate — we are embracing this a bit. | | **32%** |
| ● Very inaccurate — we are not embracing this at all. | | **7%** |

## 59% are heavily embracing sustainability

How are companies embracing efforts to reduce waste, energy consumption, and greenhouse gas emissions, and promote sustainability? 59% say they're embracing this heavily, while 33% say they're embracing this a bit. 8% are not embracing this at all.

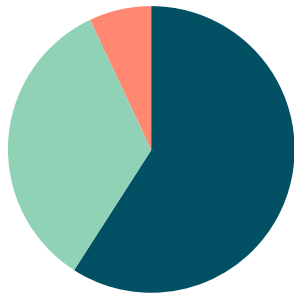How much is your company embracing sustainability? (Sustainability: efforts to reduce waste, energy consumption, and greenhouse gas emissions, and promote sustainability.)

| | | |
|---|---|---|
| ● Very accurate — we are embracing this heavily. | | **59%** |
| ● Somewhat accurate — we are embracing this a bit. | | **33%** |
| ● Very inaccurate — we are not embracing this at all. | | **8%** |
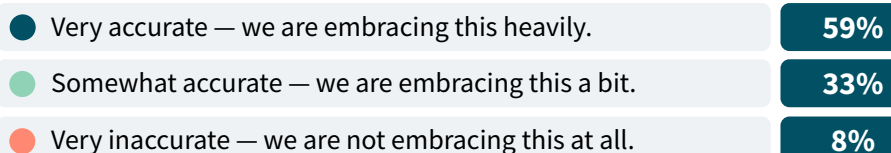
## 59% are heavily embracing flexibility

How are companies embracing ways to be more flexible and responsive to changing market demands and customer needs? 59% say they're embracing this heavily, while 35% say they're embracing this a bit. 7% are not embracing this at all.
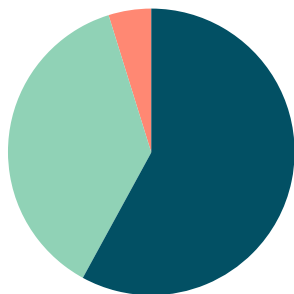
How much is your company embracing flexibility? (Flexibility: enables manufacturers to be more flexible and responsive to changing market demands and customer needs.)

| | |
|---|---|
| ● Very accurate — we are embracing this heavily. | **59%** |
| ● Somewhat accurate — we are embracing this a bit. | **35%** |
| ● Very inaccurate — we are not embracing this at all. | **7%** |

## 58% are heavily embracing digitization

How are companies embracing the digitization of various processes, from design and prototyping to final assembly and delivery? 58% say they're embracing this heavily, while 36% say they're embracing this a bit. 6% are not embracing this at all.

How much is your company embracing digitization? (Digitization: the digitization of various processes, from design and prototyping to final assembly and delivery)

| | |
|---|---|
| ● Very accurate — we are embracing this heavily. | **58%** |
| ● Somewhat accurate — we are embracing this a bit. | **36%** |
| ● Very inaccurate — we are not embracing this at all. | **6%** |

## 56% are heavily embracing employee user experience

How are companies embracing employee user experience, or empowering employees through technology? 56% say they're embracing this heavily, while 36% say they're embracing this a bit. 8% are not embracing this at all.

How much is your company embracing employee user experience? (Experience: empower employees through technology.)

| | |
|---|---|
| ● Very accurate — we are embracing this heavily. | **56%** |
| ● Somewhat accurate — we are embracing this a bit. | **36%** |
| ● Very inaccurate — we are not embracing this at all. | **8%** |

## 55% are heavily embracing collaboration

How are companies embracing collaboration between different stakeholders, including manufacturers, suppliers, customers, and other partners? 55% say they're embracing this heavily, while 40% say they're embracing this a bit. 5% are not embracing this at all.

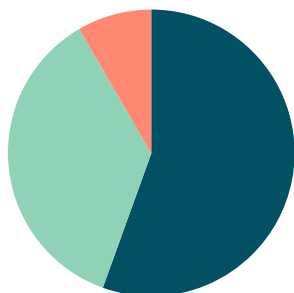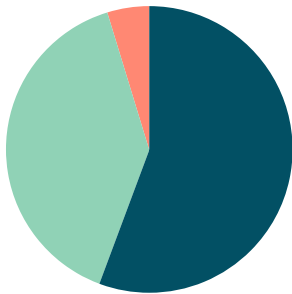How much is your company embracing collaboration? (Collaboration: collaboration between different stakeholders, including manufacturers, suppliers, customers, and other partners.)

| | |
|---|---|
| ● Very accurate — we are embracing this heavily. | **55%** |
| ● Somewhat accurate — we are embracing this a bit. | **40%** |
| ● Very inaccurate — we are not embracing this at all. | **5%** |

## 55% are investing in new technology more than ever

How are investments in technology changing at our respondents' companies? 55% say that they are investing in new technology more than ever. 36% say they are investing in new technology about the same as we have before, while 10% say they are investing in new technology less than ever.

How has investment in new technology changed at your company over the past 12 months?

| | |
|---|---|
| ● We are investing in new technology more than ever | **55%** |
| ● We are investing in new technology about the same as we have before | **36%** |
| ● We are investing in new technology less than ever | **10%** |

## 58% say their company is "very modern" compared to others in their industry

When compared to other companies in their industry, 58% of respondents say their organization is "very modern." 36% say their organization is somewhat modern, and 6% say it's not very modern at all.
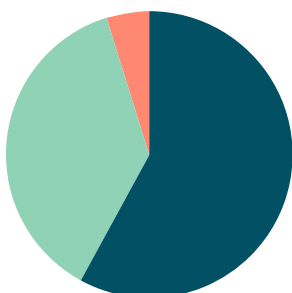
Compared to other companies in your industry, how "modern" would you say your operation is?

| | |
|---|---|
| ● Very modern | **58%** |
| ● Somewhat modern | **36%** |
| ● Not very modern at all | **6%** |

## Top Five Modern Technologies and Tools

For those who say their organization is very or somewhat modern, these are the tools they employ the most:

**49% - Artificial Intelligence (AI**

*The top technology manufacturing leaders are using today is AI, which can assist in everything from data analysis to automation.*

**33% - Data Analytics**

*Manufacturing leaders say they're also leveraging tools that can help track, organize, and analyze their company's data for more efficient operations.*

**32% - Automation and Robotics**

*They're also using more automation and robotics in their factories to help streamline production processes.*

**32% - 3D Printing or Additive Manufacturing**

*Manufacturing leaders are also printing items from prototypes to components from the ground up.*

**32% - Cloud Computing**

*Manufacturing leaders are also moving their assets and systems to the cloud to offer better security and accessibility from anywhere.*

Other tools and technologies include augmented reality (AR) (30%), virtual reality (VR) (23%), Internet of Things (IoT) (22%), 5G (15%), blockchain (14%), digital twins (8%), and nanotechnology (6%).

Outside of increasing your pay, what's the #1 thing your employer could do to create a better work environment?

| Technology | % |
|---|---|
| ● Artificial Intelligence (AI) | **49%** |
| ● Data Analytics | **33%** |
| ● Automation and Robotics | **32%** |
| ● 3D Printing / Additive Manufacturing | **32%** |
| ● Cloud Computing | **32%** |
| ● Augmented Reality (AR) | **30%** |
| ● Virtual Reality (VR) | **23%** |
| ● Internet of Things (IoT) | **22%** |
| ● 5G | **15%** |
| ● Blockchain | **14%** |
| ● Digital Twins | **8%** |
| ● Nanotechnology | **6%** |
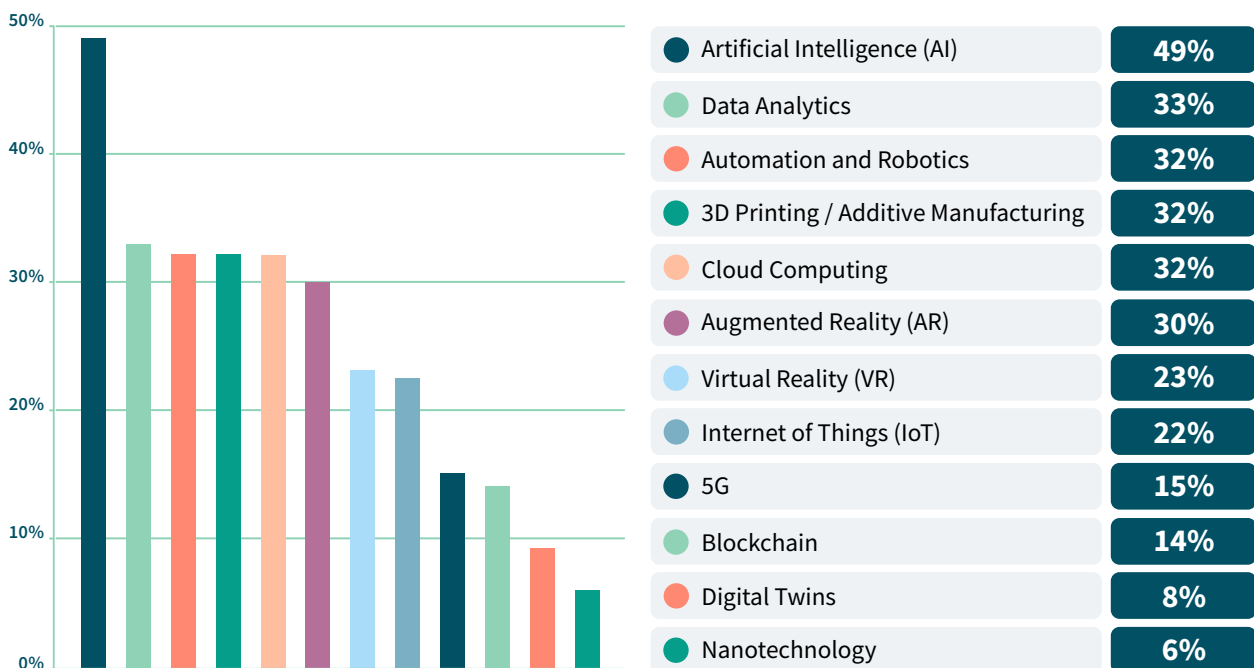
## Top Three Modernization Improvements

For those who said their organization is very or somewhat modern, these are the biggest improvements modernization has brought to their company:

**32% - Increased productivity**

*The biggest impact modern tools and technologies have had is to improve productivity.*

**28% - Improved efficiency**

*Modern tools and technologies have also made manufacturing operations more efficient.*

**17% - Reduced costs**

*By leveraging technologies like analytics and predictive AI, manufacturing leaders are finding cost savings as well.*

Modern tools and technologies are also creating safer work conditions (12%) and improving quality control (11%).

[If answer Very or Somewhat] What is the #1 improvement modernization has brought to your company?

| | |
|---|---|
| Increased productivity | **32%** |
| Improved efficiency | **28%** |
| Reduced costs | **17%** |
| Safer work conditions | **12%** |
| Improved quality control | **11%** |
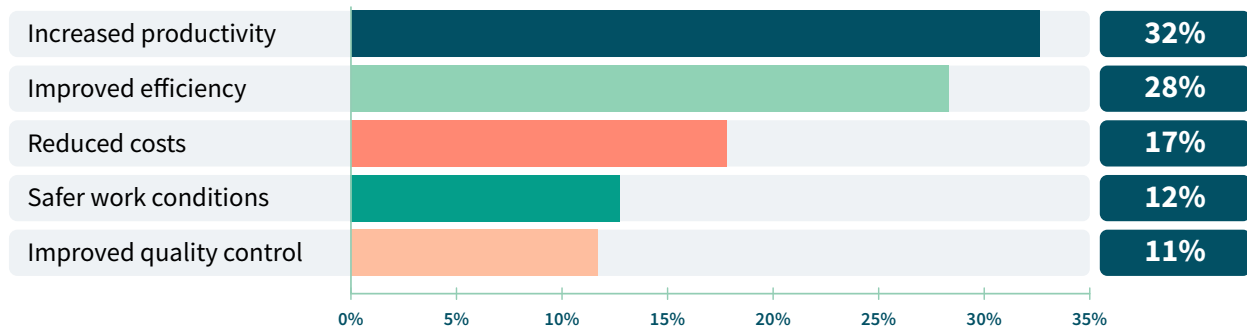
## 67% say their company embraces a data-first strategy

As part of that modernization, 67% say their company embraces a data-first strategy. 23% say their company does not, and 10% are unsure if their company does.

Would you say your company embraces a "data-first" strategy?

| | |
|---|---|
| Yes | **67%** |
| No | **23%** |
| I don't know | **10%** |
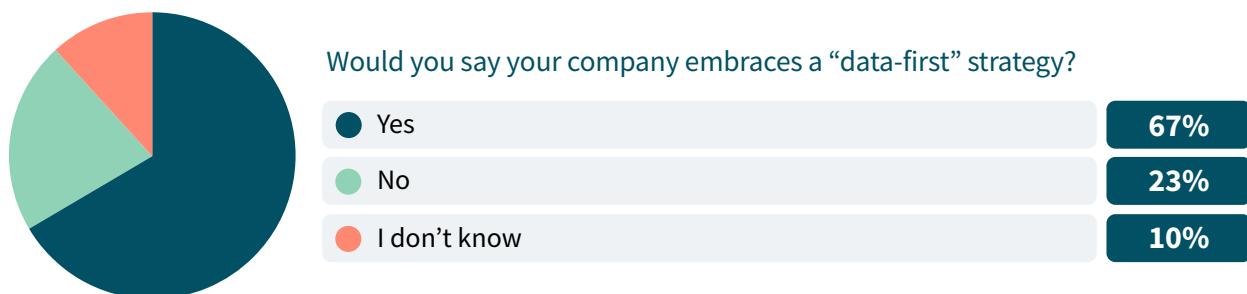
## Top Three Benefits of a Data-First Strategy

Of those who embrace a data-first strategy, the biggest benefits are the following:

**33% - Improved customer experience and loyalty**
*Adopting a data-first strategy means more streamlined processes, which improve the customer experience by delivering quality products on time.*

**28% - Faster time to value**
*Using data to improve operations and processes also means that manufacturing leaders can realize a faster time to value for customers.*

**24% - Better sustainability management and monitoring**
*Using data to better manage supplies, equipment, and processes can improve sustainability efforts as well.*

Other benefits include a more empowered workforce (10%) and reduced costs and greater profits (6%).

[If yes] What has been the biggest benefit of your data-first strategy?



| | |
|---|---|
| ● Improved customer experience and loyalty | **33%** |
| ● Faster time to value | **28%** |
| ● Better sustainability management and monitoring | **24%** |
| ● Empowered workforce | **10%** |
| ● Reduced costs and greater profits | **6%** |

# Section Summary

As seen above, manufacturing leaders' top priorities are ensuring quality control, cost management, safety, production efficiency, and workforce management — which they can achieve by adopting new technologies like AI, data analytics, automation, robotics, 3D printing, and cloud computing.

Many are already doing so, with the majority of manufacturing leaders saying they're "heavily embracing" automation (61%), data accessibility (61%), sustainability (59%), flexibility (59%), digitization (58%), employee user experience (56%), and collaboration (55%). They say that these approaches to modernization have increased productivity, improved efficiency, and reduced costs.

Additionally, 67% say their company embraces a data-first strategy, giving them the additional benefits of improved customer experience and loyalty, faster time to value, and better sustainability management and monitoring — especially when 63% say they're prioritizing sustainability more than ever.

Those who say that they're embracing the aforementioned technologies "a bit" are still on their way to improved operations, costs, and morale. However, the small segment of those who are not embracing these approaches to modernization or technologically innovation in general are going to be left behind very quickly — not just by customers but by the industry in general.

In fact, for those who say that their organization is "not very modern at all," their greatest challenge is hiring and retaining employees — in other words, great talent is looking for modern, technology-forward organizations to work in. Additionally, of those who say that their organization is "not very modern at all," the largest segment rated their overall morale as low. For those who say that they are investing in new technology less than ever, their greatest challenge is implementing new technologies — a vicious cycle where a lack of knowing how to bring in new technologies means they simply won't invest in them. Those who say they're not embracing a data-first strategy say their biggest challenges are ensuring safety and compliance and staying competitive — something that a data-first strategy could solve.

What do manufacturing workers think about the ways in which their organizations are embracing technology and modernizing? As found _in last year's survey_, 48% say their company is "very modern," which is 10% less than what business leaders say above. Additionally, 50% say their company is eager to embrace new technology, and while last year's survey didn't split it out into different categories like above, their 50% is still lower than each category that's being "heavily embraced" above.

As seen throughout this report, this could again reflect the difference between what business leaders are intending to implement and what frontline workers actually see implemented. This could also show a lack in communication in that business leaders are eager to embrace new technology, but they're not communicating that commitment to their frontline workers. It could also mean simply needing to get on the same page with what modernization looks like from the top down.

Part #2

# Upskilling & New Skill Sets

Manufacturing leaders who are committed to becoming industry leaders know that it starts by having a well-trained workforce, equipped with the right technology, and able to do their jobs safely and efficiently. One of the ways to do that is through a commitment to upskilling, or increasing a worker's skillset to help them improve in their current role.

**Here's a brief overview of what we learned:**

- *Three out of four companies are prioritizing upskilling their employees*
- *The top upskilling initiative providing access to an online training platform*

## 77% say their company is making upskilling a priority for workers

Are our respondents' companies focused on upskilling, or increasing a worker's skillset to help them improve in their current role? 77%, or three out of every four respondents, said that their company is making upskilling a priority, while 23% are not.

Is your company making upskilling a priority for your workers? [Upskilling: increasing a worker's skillset to help them improve in their current roles, while reskilling involves teaching workers skills to transition to new roles.]

| | |
|---|---|
| ● Yes | **77%** |
| ● No | **23%** |
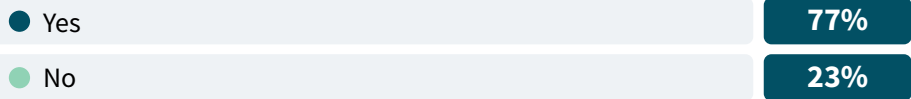
## Top Three Upskilling Initiatives

For those whose companies are making upskilling a priority, they're doing so in the following ways:

**56% - Providing access to an online training platform**

*Manufacturing leaders are investing in online platforms where their employees can take classes or certifications.*

**53% - Providing on-site or on-the-job training**

*Many are also providing on-site training in order for employees to expand their skill sets within their current role.*

**52% - Giving paid time off to take training courses**

*Manufacturing leaders are also giving employees paid time off to go to training or compliance classes to improve their skills and knowledge.*

They're also having HR offer career and professional development guidance (32%), covering tuition for courses and training (23%), and implementing more technology, like mobile apps or wearable devices (19%).

[If yes] What are you doing to help your team upskill?

| | |
|---|---|
| Providing access to an online training platform | **56%** |
| Providing on-site or on-the-job training | **53%** |
| Giving paid time off to take training courses | **52%** |
| HR offers career and professional development guidance | **32%** |
| Cover tuition for courses and training | **23%** |
| Implementing more technology, like mobile apps or wearable devices | **19%** |

0%    30%    60%

# Section Summary

As manufacturing organizations continue to upgrade their tools and digitize their operations, they need employees with the skills to be able to understand and run these new technologies. To do so, 77% say their company is making upskilling a priority for their workers. From learning platforms to on-site training, modern manufacturing companies are ensuring their workers have the skills, education, and practice they need to prepare for the future of manufacturing. This also connects to one of the ways that manufacturing leaders are increasing morale amongst their employees: by providing them with opportunities for continued career growth.

Manufacturing leaders and workers seem to be aligned on how their organizations are approaching upskilling, with 80% of workers saying *in our survey from last year* that their company is making upskilling a priority. This means that they're seeing and experiencing upskilling in their workplace — not just hearing about it as an initiative that's yet to be implemented.
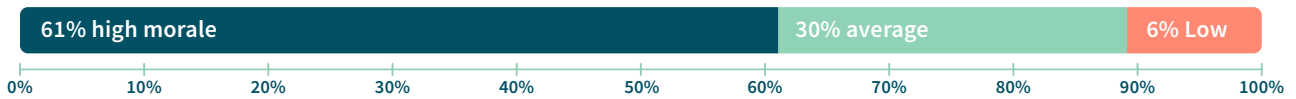
# Day-to-Day Work

Manufacturing leaders are tasked with a number of responsibilities to keep their organizations running, from ensuring that new hires are properly trained to getting a product in the hands of customers on time. But that work — and the enjoyment of that work — can be impacted by a number of factors that can make the day go smoothly or turbulently.

**Here's a brief overview of what we learned:**

- *Two out of three manufacturing leaders say morale is high*

- *Top reasons for high morale include more paid time off and employee recognition*

- *Their biggest challenges are hitting production targets and managing diverse teams*

- *63% say sustainability is a higher priority than ever*

- *61% say integrating innovative technology is a higher priority than ever*

## 64% rate morale as high at their company

From what they see around them each day, nearly two out of three (64%) managers say that morale is high at their company. 30% say it's average, and 6% say it's low.

| 61% high morale | 30% average | 6% Low |
| --- | --- | --- |

0%    10%    20%    30%    40%    50%    60%    70%    80%    90%    100%

## Top Five Reasons for High Morale

For those who replied that morale is high, they say their company has done the following to create that atmosphere:

**21% - More paid time off**

*The top contributor to high morale is an increase in available paid time off for employees, likely including vacation time, personal time, and sick days.*

**18% - Give employee recognition or opportunities for growth**

*They've also increased morale through recognizing employees for their contributions or opening up pathways for new opportunities.*

**15% - Bonuses or higher pay**

*An increase in pay or an added bonus has also boosted morale.*
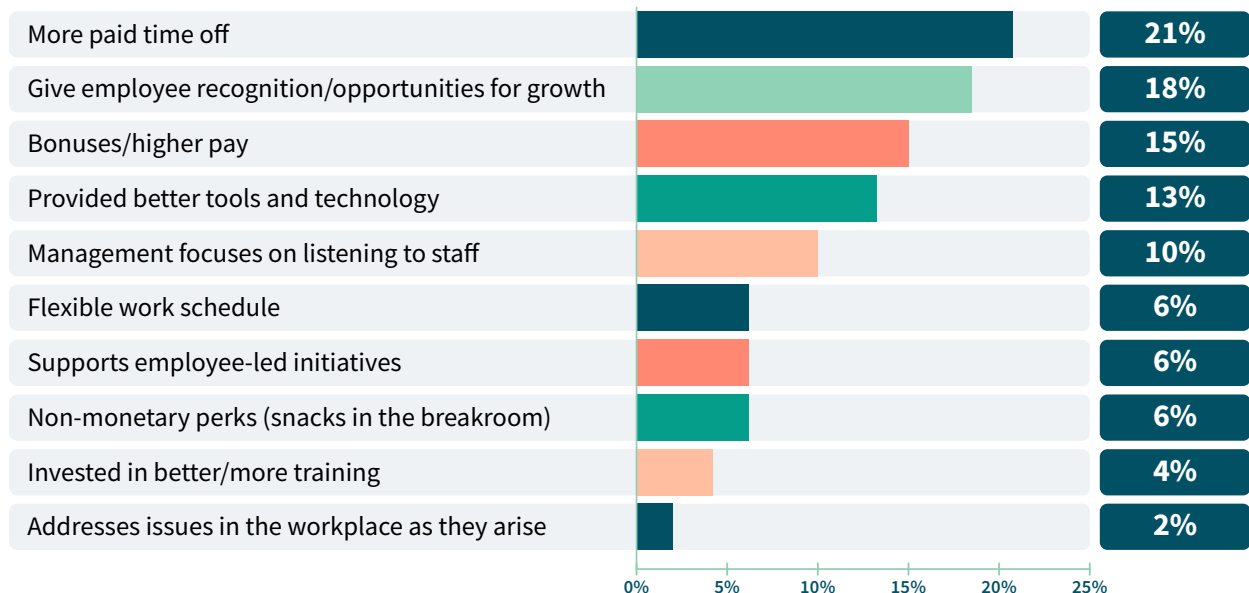
**13% - Provided better tools and technology**

*Morale has also been impacted by better tools and technology, allowing employees to do their work more efficiently and feel more productive.*

**10% - Management focuses on listening to staff**

*Creating a culture of listening and feedback has contributed to high morale as well.*

Other contributors to high morale include flexible work schedules (6%), supporting employee-led initiatives (6%), non-monetary perks (6%), investing in better or more training (4%), and addressing issues in the workplace as they arise (2%).

[If high morale] What's the #1 thing your company has done to create high morale?

| | |
| --- | --- |
| More paid time off | 21% |
| Give employee recognition/opportunities for growth | 18% |
| Bonuses/higher pay | 15% |
| Provided better tools and technology | 13% |
| Management focuses on listening to staff | 10% |
| Flexible work schedule | 6% |
| Supports employee-led initiatives | 6% |
| Non-monetary perks (snacks in the breakroom) | 6% |
| Invested in better/more training | 4% |
| Addresses issues in the workplace as they arise | 2% |

0%    5%    10%    15%    20%    25%

## Top Five Initiatives to Create a Better Work Environment

Respondents say they have done the following in order to create a more enjoyable, productive work environment for their employees:

**18% - Provided better tools and technology**

*Providing better tools and technologies to make employees' jobs more efficient and safer is the top initiative.*

**17% - More paid time off**

*As seen above, more paid time off is increasing morale, so manufacturing leaders are increasing their employees' PTO.*

**13% - Management focuses on listening to staff**

*Respondents are also focusing on building a culture of listening and being more responsive to their employees.*

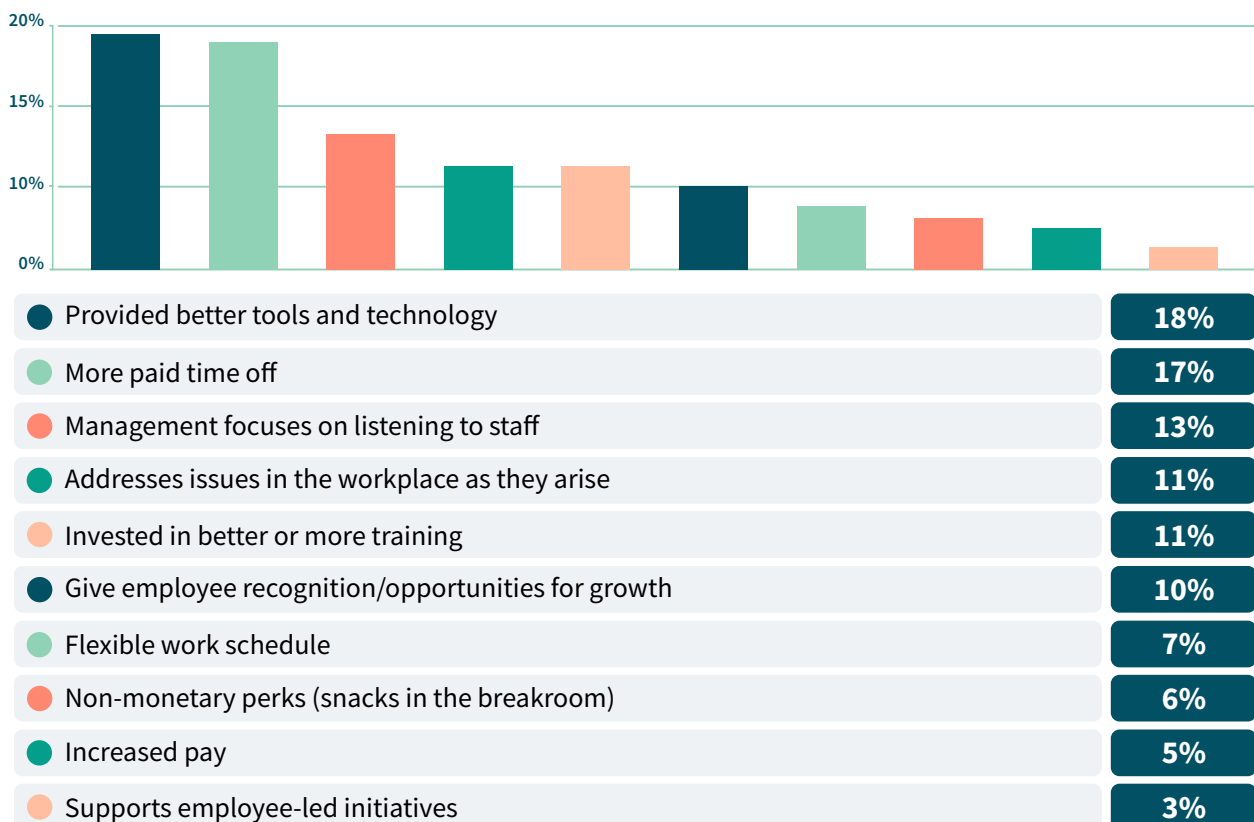**11% - Addresses issues in the workplace as they arise**

*In addition to listening, they're also taking action to address issues that may impact safety, morale, inclusion, or other factors.*

**11% - Invested in better or more training**

*Respondents have also provided their employees with more training to ensure they can do their jobs to the best of their abilities.*

Other initiatives include giving employees recognition or opportunities for growth (10%), flexible work schedules (7%), non-monetary perks (6%), increased pay (5%), and supporting employee-led initiatives (3%).

What is the #1 thing you're doing to create a better work environment?

| Initiative | % |
|---|---|
| ● Provided better tools and technology | **18%** |
| ● More paid time off | **17%** |
| ● Management focuses on listening to staff | **13%** |
| ● Addresses issues in the workplace as they arise | **11%** |
| ● Invested in better or more training | **11%** |
| ● Give employee recognition/opportunities for growth | **10%** |
| ● Flexible work schedule | **7%** |
| ● Non-monetary perks (snacks in the breakroom) | **6%** |
| ● Increased pay | **5%** |
| ● Supports employee-led initiatives | **3%** |

## Top Five Most Enjoyable Aspects of Work

When asked what they enjoy most about their work, the manufacturing leaders we surveyed said the following:

**45% - Working with technology**

> *The largest segment said that they enjoy being able to work with technology — from digital platforms to factory floor machinery — the most.*

**40% - Being part of building or creating something with my hands**

> *Manufacturing say that one of the best parts of their job is being able to build something tangible that will last.*

**36% - Leading teams**

> *They also enjoy leading teams and creating impact in their employees' lives as well.*
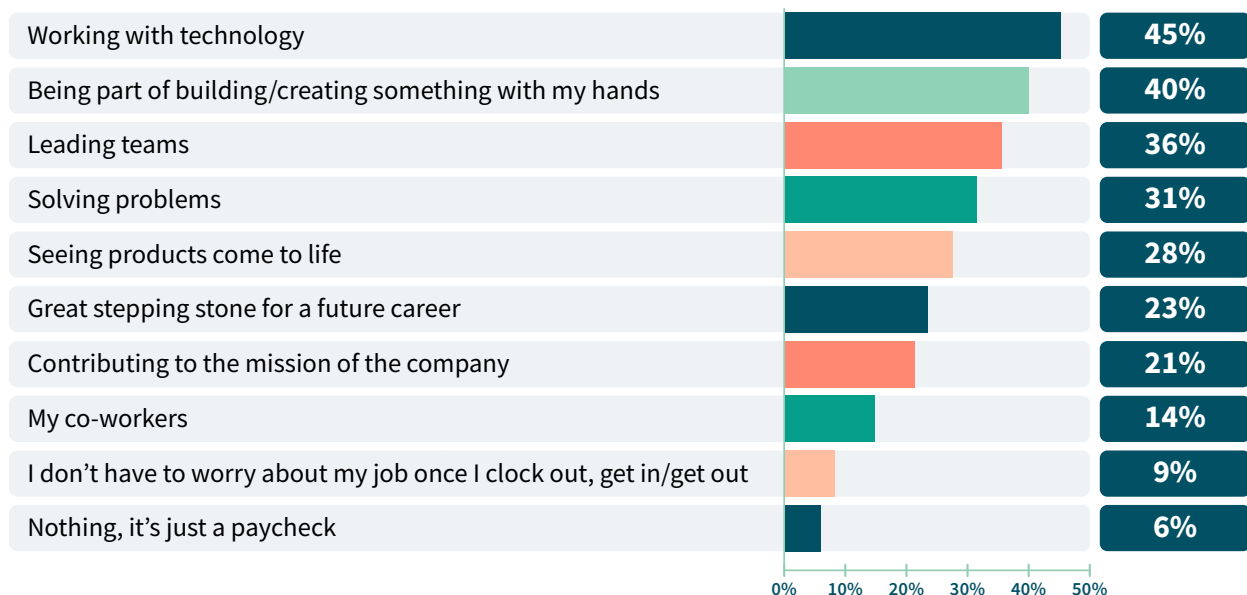
**31% - Solving problems**

> *For some, it's the daily problem-solving that they enjoy the most about what they do.*

**28% - Seeing products come to life**

> *Similar to above, they enjoy seeing a product realized from idea to final version.*

They also enjoy that it's a great stepping stone for a future career (23%), contributing to the mission of the company (21%), their co-workers (14%), and that they don't have to worry about their job once they clock out (9%). 6% said that there's nothing they enjoy, and that it's just a paycheck.

### What do you enjoy the most about your work?

| Response | % |
|---|---|
| Working with technology | 45% |
| Being part of building/creating something with my hands | 40% |
| Leading teams | 36% |
| Solving problems | 31% |
| Seeing products come to life | 28% |
| Great stepping stone for a future career | 23% |
| Contributing to the mission of the company | 21% |
| My co-workers | 14% |
| I don't have to worry about my job once I clock out, get in/get out | 9% |
| Nothing, it's just a paycheck | 6% |

## 79% are giving raises up to 5%

For those whose top initiative is increasing pay, 79% of respondents are giving raises between 1% and 5%, and 21% of respondents are giving raises between 6% and 10%. Broken down further, 16% are giving a 1% raise, 11% are giving a 2% raise, 21% are giving a 3% raise, 11% are giving a 4% raise, and 21% are giving a 5% raise.

## Top Four Daily Manufacturing Challenges

The greatest challenges that respondents face at work include the following:

**16% - Hitting production targets**

*Their top challenge is being able to hit their production targets, and manage all the factors that go into doing so: people, supplies, timelines, and more.*

**16% - Managing a diverse team**

*Another challenge is leading the diverse people on their team to ensure that they have the resources and support to do their job to the best of their ability.*

**15% - Ensuring safety and compliance**

*They're also challenged by making sure work stations are safe and everyone's staying compliant.*

**10% - Implementing new technologies**

*Another challenge is implementing new technologies: what technologies, how to roll them out, training, and other factors.*

They're also challenged by managing supply chain disruptions (9%) hiring and retaining employees (8%), staying competitive (6%), managing the cost of raw materials (5%), upskilling their team (4%), managing new technologies (3%), managing data (3%), and leading change (2%). 3% say they have no challenges.

What is your #1 greatest challenge at work?

| | |
|---|---|
| ● Hitting production targets | **16%** |
| ● Managing a diverse team | **16%** |
| ● Ensuring safety and compliance | **15%** |
| ● Implementing new technologies | **10%** |
| ● Managing supply chain disruptions | **9%** |
| ● Hiring and retaining employees | **8%** |
| ● Staying competitive | **6%** |
| ● Managing cost of raw materials | **5%** |
| ● Upskilling my team | **4%** |
| ● Managing new technologies | **3%** |
| ● Managing data | **3%** |
| ● No challenges | **3%** |
| ● Leading change | **2%** |

## Top Five Priorities for Manufacturing Leaders

Manufacturing leaders cite the following as their top daily priorities:

**44% - Quality control**

*Manufacturing companies want to deliver high-quality products to their customers, which is why quality control is the top daily priority.*

**38% - Cost management**

*Manufacturing leaders must also be aware of how they're managing budgets and hitting cost targets.*

**34% - Production efficiency**

*They're also concerned about the efficiency of their production line, making sure employees, technology, and machinery are all working smoothly.*

**34% - Safety**

*Another top priority is ensuring that employees are doing their jobs in safe work environments.*

**33% - Workforce management**

*Each day, respondents are focused on supporting and managing their employees to ensure high morale and productive shifts.*

They also focus on innovation and implementation of new technologies (30%), continuous improvement (28%), supply chain management (23%), sustainability (19%), customer service (17%), increasing revenue and contributing to financial success of company (15%), and creating a customer-focused culture (4%).

As a manufacturing leader, what is your #1 priority (day to day)?
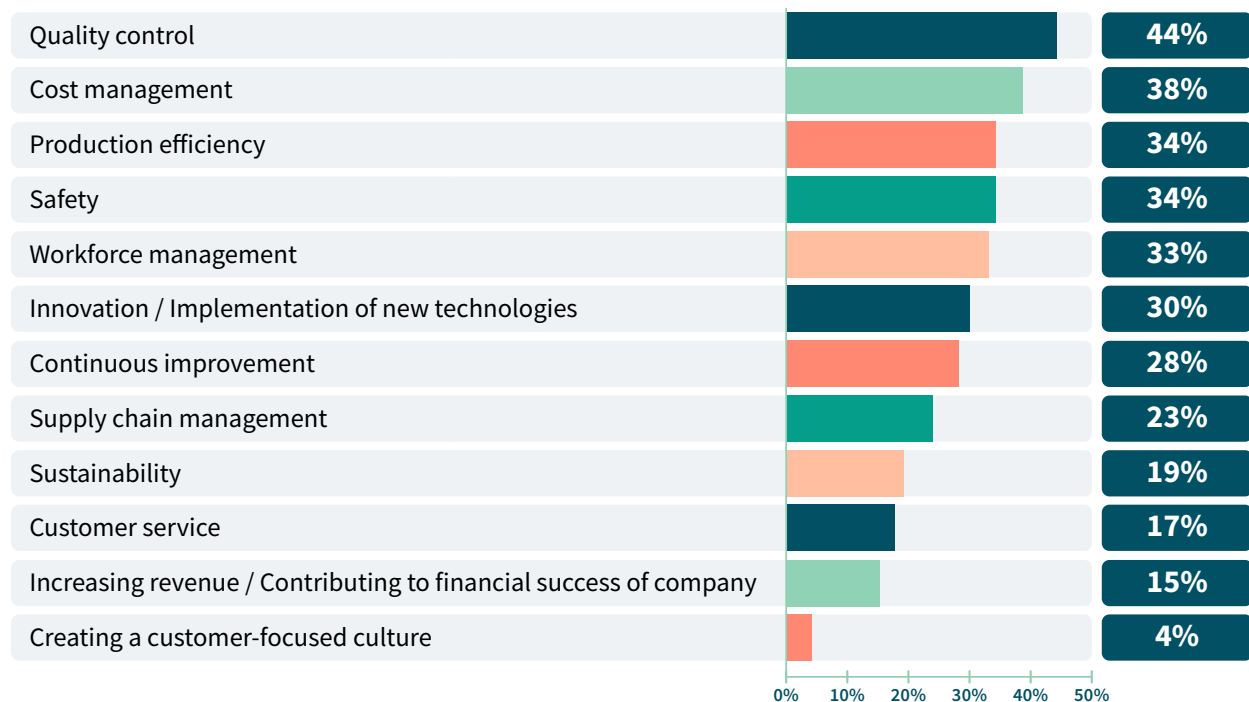
| Priority | Percentage |
|---|---|
| Quality control | 44% |
| Cost management | 38% |
| Production efficiency | 34% |
| Safety | 34% |
| Workforce management | 33% |
| Innovation / Implementation of new technologies | 30% |
| Continuous improvement | 28% |
| Supply chain management | 23% |
| Sustainability | 19% |
| Customer service | 17% |
| Increasing revenue / Contributing to financial success of company | 15% |
| Creating a customer-focused culture | 4% |

## 63% say sustainability is a higher priority than ever

How are manufacturing organizations thinking about sustainability? 63% say that sustainability is a higher priority than ever. For 31%, sustainability is a mid-level priority, and 7% say that sustainability is a lower priority than ever.
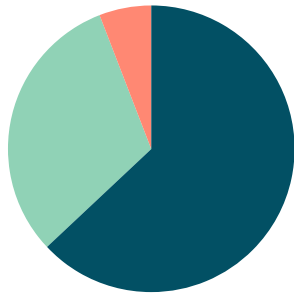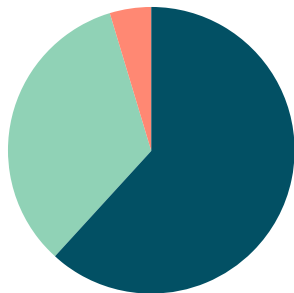
**How is your organization doing at making sustainability a priority?**

| | |
|---|---|
| ● Sustainability is a higher priority than ever | **63%** |
| ● Sustainability is a mid-level priority | **31%** |
| ● Sustainability is a lower priority than ever | **7%** |
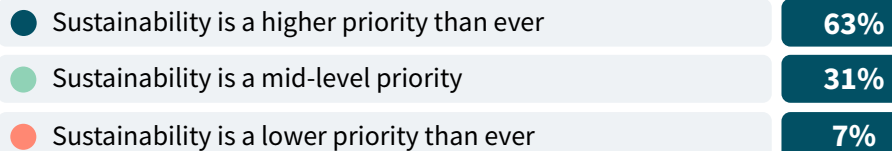
## 62% say the integration of innovative technology is a higher priority than ever

How are manufacturing organizations approaching integrating technology into systems and processes? 62% say that integrating innovative technology is a higher priority than ever. 32% say integrating innovative technology is a mid-level priority, and 6% say integrating innovative technology is a lower priority than ever.

**How is your organization doing at making the integration of innovative technology a priority?**

| | |
|---|---|
| ● Innovative technology is a higher priority than ever | **62%** |
| ● Innovative technology is a mid-level priority | **32%** |
| ● Innovative technology is a lower priority than ever | **6%** |
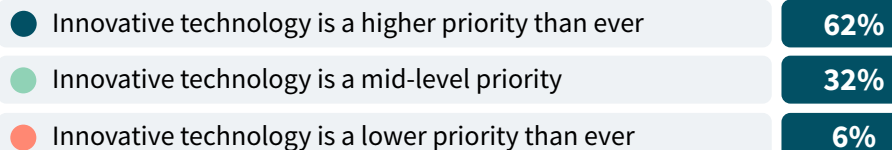
# Section Summary

Manufacturing leaders today are focused on not only ensuring operational excellence, but creating an environment and culture that employees are excited to contribute to each day. Nearly two out of three leaders surveyed (64%) say that morale at their companies is very high, and they're working to build that morale through a mix of paid benefits, employee recognition and feedback, and providing the tools and technologies they need to do their work.

However, in *last year's survey of frontline manufacturing workers*, only 52% said that morale at their company was "very high," 12% fewer than leaders this year. This could reflect a simple difference in those surveyed, and may mean that morale has jumped — or it could signal that manufacturing leaders believe morale at their company is higher than it actually is on the ground.

The day-to-day priorities and challenges of manufacturing leaders focus on ensuring operational excellence and delivering quality products to the customer, including hitting production targets, quality control, cost management, and ensuring safety. They're also prioritizing adopting more sustainable approaches into their organization, as well as integrating more innovative technology to help solve the challenges they face each day.

Again, when compared to last year's survey of workers, only 49% said that their companies are making sustainability a high priority, compared to 63% of manufacturing leaders saying so this year. This could mean that sustainability efforts have jumped over the past year, but may mean that while leaders are prioritizing sustainability, workers aren't necessarily seeing those priorities around them or hearing them communicated.

# Outlook of Manufacturing Leadership

What does the future hold for manufacturing leaders? It's clear that manufacturing companies will need to invest in the right technologies and talents in order to keep pace with innovation and stay ahead of the industry.

## Here's a brief overview of what we learned:

- *Six out of ten anticipate their budgets for talent, technology, and sustainability will increase*

- *71% believe automation will change their current job*

- *Most plan to stay at their current employer and not switch jobs*

- *One-third say turnover has decreased*

## Top Five Skills to Look for When Hiring

As manufacturing leaders hire, they're looking for these top skills:

**43% - Communication skills**

*Manufacturing leaders want to ensure there's good communication between employees and management to ensure smoother production.*

**38% - Problem-solving skills**

*When issues arise in production or with supplies, respondents want to have employees with problem-solving skills ready to find solutions.*

**37% - Technical skills**

*Respondents are also looking for new hires with the technical skills needed to perform their functions with little new training.*

**37% - Attention to detail**

*Paying attention to details is key in a manufacturing setting, from the factory floor to analyzing data outputs.*

**36% - Safety awareness**

*Safety is a priority in manufacturing settings, and leaders are looking for new hires that are already safety-conscious.*

They're also looking for new hires to demonstrate teamwork (32%), adaptability (32%), a commitment to quality control (21%), have time management skills (19%), and seek continuous learning (10%).

**When hiring new employees, what are the most important skills you look for?**

| Skill | Percentage |
|---|---|
| ● Communication skills | 43% |
| ● Problem-solving skills | 38% |
| ● Technical skills | 37% |
| ● Attention to detail | 37% |
| ● Safety awareness | 36% |
| ● Teamwork | 32% |
| ● Adaptability | 32% |
| ● Quality Control | 21% |
| ● Time Management | 19% |
| ● Continuous Learning | 10% |
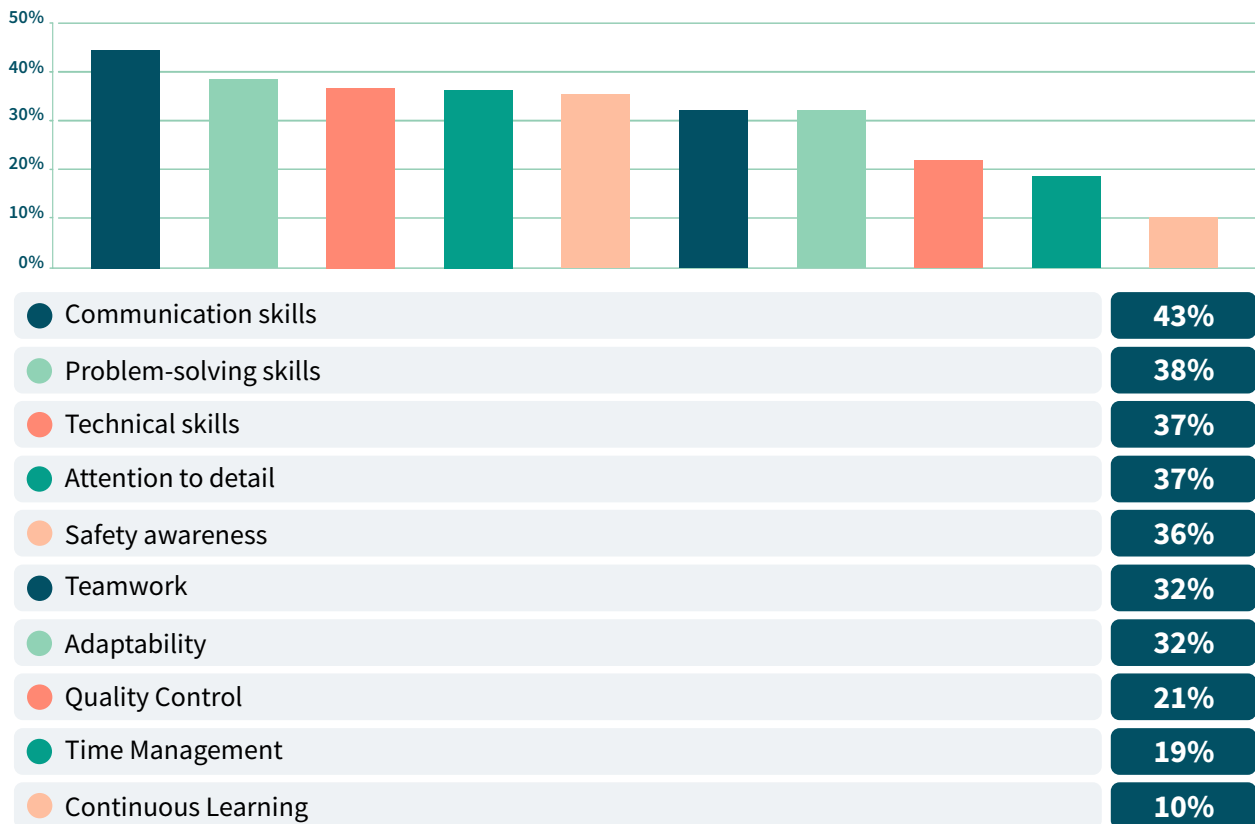
## 60% anticipate their budget for talent will increase

Will respondents have the ability to hire new employees? 60% say their budget will increase over the next year. 29% say their budget will stay the same, while 7% say their budget will decrease. 4% don't know how their budget will change.
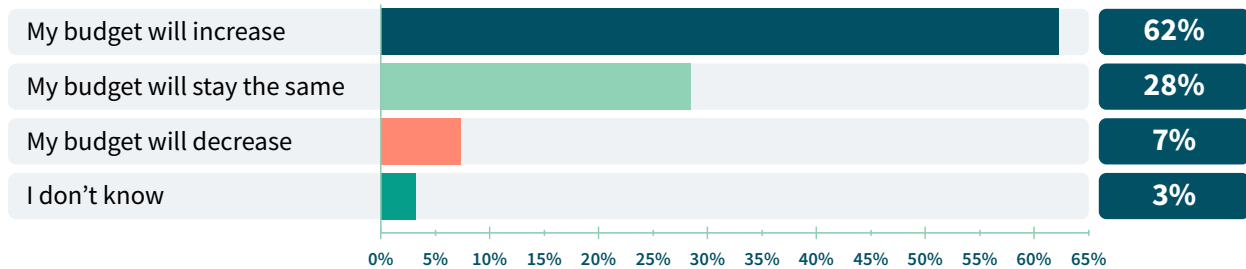
How do you anticipate your budget for hiring new employees and retaining employees will change in the next 12 months?

| | |
|---|---|
| My budget will increase | 60% |
| My budget will stay the same | 29% |
| My budget will decrease | 7% |
| I don't know | 4% |
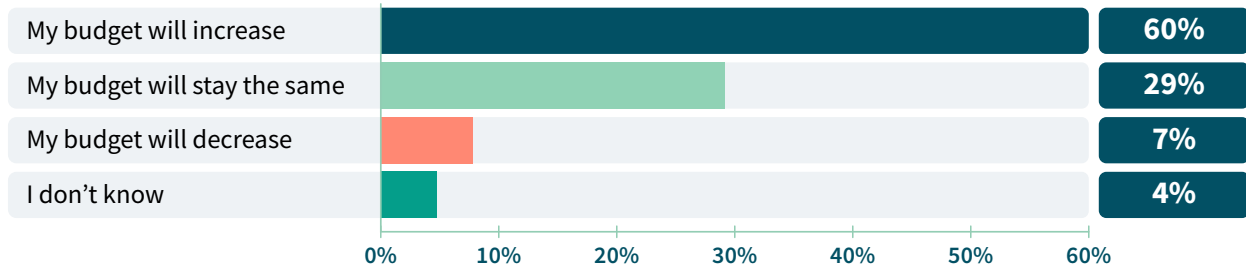
## 62% anticipate their budget for technologies will increase

Will respondents have the ability to invest in new technology? Similarly, 62% say their budget will increase over the next year. 28% say their budget will stay the same, while 7% say their budget will decrease. 3% don't know how their budget will change.

How do you anticipate your budget for investing in new technologies will change in the next 12 months?

| | |
|---|---|
| My budget will increase | 62% |
| My budget will stay the same | 28% |
| My budget will decrease | 7% |
| I don't know | 3% |

## 61% anticipate their budget for sustainability will increase

Will respondents have the ability to invest in sustainability? 61% say their budget will increase over the next year. 30% say their budget will stay the same, while 5% say their budget will decrease. 4% don't know how their budget will change.

How do you anticipate your budget for investing in sustainability will change in the next 12 months?

| | |
|---|---|
| My budget will increase | 61% |
| My budget will stay the same | 30% |
| My budget will decrease | 5% |
| I don't know | 4% |
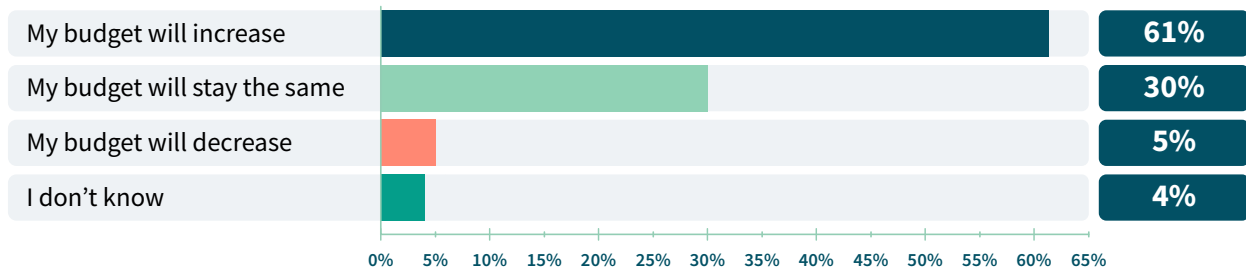
## 71% believe automation will change their current job

Seven out of ten (71%) manufacturing leaders believe that their current job will change over the next five years due to the introduction of automation or robotics. 29% do not believe it will change.

**Do you believe your current job will change with the introduction of automation/robots in the next 5 years?**
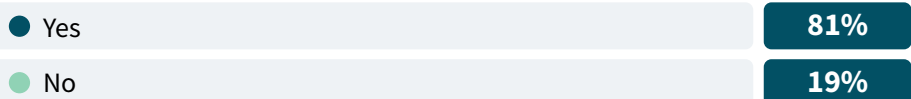
| | |
|---|---|
| ● Yes | **71%** |
| ● No | **29%** |
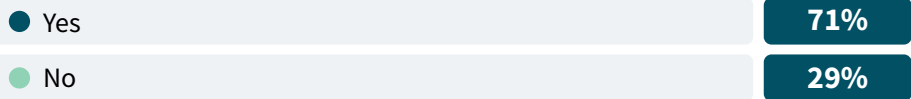
## 81% plan to stay at their job for the next 12 months

Eight out of ten (81%) manufacturing plan to stay at their job over the next year. However, 19% plan to leave.

**Do you plan to leave your job in the next 12 months?**

| | |
|---|---|
| ● Yes | **81%** |
| ● No | **19%** |

## 44% say turnover has stayed the same

When it comes to turnover at their companies, 44% say the rate has remained the same while 34% say it's decreasing. However, 22% say the rate is increasing.

**How would you rank your company's rate of turnover in the past 12 months?**

| | |
|---|---|
| ● Turnover rate is increasing | **44%** |
| ● Turnover rate has remained the same | **34%** |
| ● Turnover rate is decreasing | **22%** |
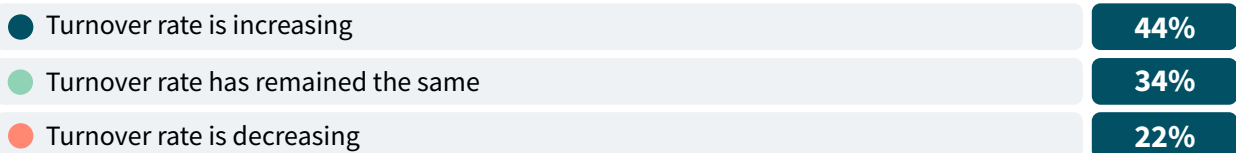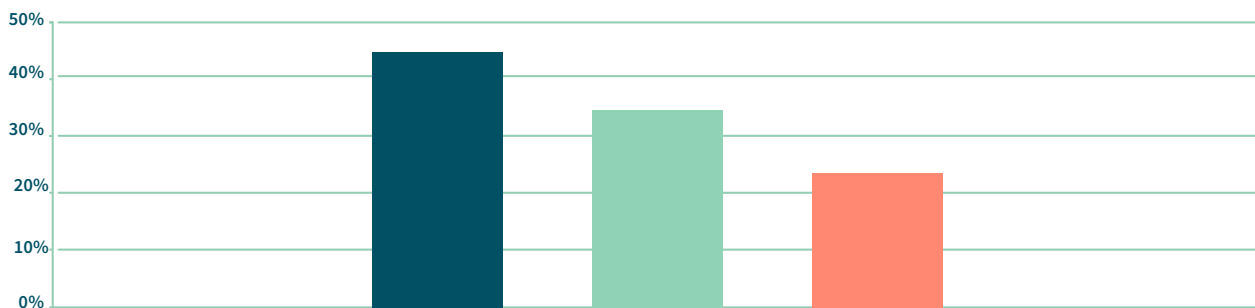
## 28% said they would take a pay cut to go work in a more technology-driven factory

Would our respondents trade their current organization for a more technology-driven one? Only 28% said that they would quit to go work in a more technology-driven factory, but had to take a 10% pay cut. 72% would stay put.

**Would you quit your job today to go work in a more technology-driven factory if it paid 10% less?**

| | |
|---|---|
| ● Yes | **28%** |
| ● No | **72%** |
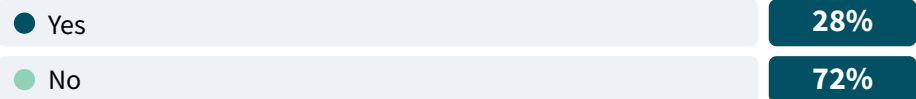
## 29% said they would take a pay cut to go work in a more sustainable factory

Would our respondents trade their current organization for one that took a more sustainable approach to manufacturing? Only 29% said that they would quit to go work in a more technology-driven factory, but had to take a 10% pay cut. 71% would stay put.

**Would you quit your job today to go work in a factory that took a more sustainable approach to manufacturing if it paid 10% less?**

| | |
|---|---|
| ● Yes | **29%** |
| ● No | **71%** |
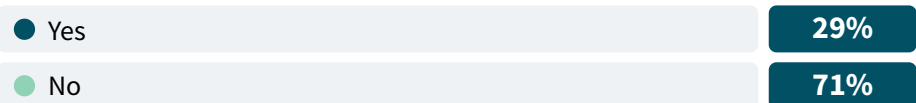
# Section Summary

As manufacturing leaders look to the future, many are seeing their budgets increase: 60% anticipate their budget for talent will increase, 62% anticipate their budget for technologies will increase, and 61% anticipate their budget for sustainability will increase.

Of those who say their budgets are increasing across all buckets, 80% say their organization is "very modern," 74% say they're investing in new technology more than ever, they are "heavily embracing" all modernization initiatives as listed above, 80% say innovative technology is a high priority, 79% say morale is very high, and 91% are making upskilling a priority. In other words, highly modern companies investing in their employees are probably leading their industry and thus have the revenue to increase their budgets for hiring, technology, and sustainability.

When it comes to turnover, 81% plan to stay at their job for the next 12 months — much higher than compared to *last year's survey*, where only 44% of workers plan to stay at their jobs. Manufacturing leaders — C-level, owners, senior managers — tend to be more dug in than frontline workers, which is likely the reason for the difference.

Being more dug in is also likely the reason why only 28% said they would go work in a more technology-driven factory and 29% said they would go work in a more sustainable factory. (In last year's survey, 60% of manufacturing workers would take a pay cut to go work in a more technology-driven factory and 61% said they would take a pay cut to go work in a more sustainable factory.) The 72% and 71% respectively who would stay either believe that their technology and sustainability efforts are good enough today, or want to work to increase those efforts rather than go somewhere else.

# Actionable Takeaways For Manufacturing Leadership

# Manufacturing leaders who want their companies to be at the forefront of their industry can look at a number of areas to continuously improve, and can incorporate the following takeaways into their strategies going forward.

- ## Attract talent with technology and sustainability:

Offering opportunities for skills development is a great draw for talent, but so is ensuring that your organization is focused on technology and sustainability. In *last year's survey*, the majority of workers said they would take a pay cut to go work in a more technology-driven or sustainable company. This year, companies who said they were "not very modern at all" said their biggest challenge was hiring and retaining talent. So, in order to attract and retain great talent, prioritize your modernization efforts and focus on sustainability goals.

- ## Prioritize increasing morale and engagement:

A highly-engaged workforce brings a number of benefits to any company, from increased productivity, saved costs from lower turnover, and increased revenues. Different employees will respond to different things, so implement a few initiatives for increased engagement, like offering more paid time off, bonuses, or higher pay, creating recognition programs, offering career development, providing better tools and technology, and listening to and taking action on their feedback.

- ## Provide opportunities for upskilling:

One of the ways to increase morale is by offering opportunities for career growth. Additionally, in order to adopt new technologies and digital-forward approaches, organizations will need trained workers to implement and operate that technology. Providing opportunities for upskilling can help satisfy both parties. Look at ways to do so through online platforms, on-site training, or off-site courses.

- ## Listen to employees and address issues:

Since one of the contributors to high morale is that management listens to employees, focus on creating a culture of open communication and feedback. Employees should be able to go to management with any questions or concerns, especially when safety is such a high priority. Encourage employees to bring concerns or even new ideas to management — and show you're listening by taking action to resolve those issues.

- ## Continue to modernize your company:

The manufacturing industry is already making large strides to embrace innovations and new technology in order to improve operations. Continue to adopt modernization initiatives like digitizing paper documents, automating processes, being more responsive to market changes, collaboration, empowering employees through technology, and making data more accessible through cloud implementation. This will help you attract great talent, increase your competitive edge, and deliver high-quality products to customers on time.

- ## Solve your biggest challenges with technology:

A manufacturing leader's biggest challenges today include hitting production targets, managing a diverse team, ensuring safety and compliance, and managing supply chain disruptions. Their priorities include quality control, cost management, safety, production efficiency, and workforce management. Today's technologies like robust ERP systems, data analytics dashboards, automation, and even AI can help solve these challenges and contribute towards these priorities.

- ## Evaluate where new tech fits in and have a plan for implementation:

Before you implement new technologies into your organization, evaluate your use cases and what you hope to improve. If you want a better understanding of how to cut time and costs, increase your data management capabilities. If you want more efficient machinery, look at implementing more automation driven by AI. Have a plan for implementation, including communicating your new technology to the company, training employees on how to use it, and tracking your results. Those above who said that they were not embracing technology said their biggest challenge was how to implement it.

- ## Embrace a data-first strategy:

Finally, embrace a data-first strategy, which means collecting data from across your organization, analyzing that data, and using that data to better inform your strategies going forward. Because the amount of data found across an organization can be overwhelming, or the challenge may be collecting it in the first place, turn to technologies like DaaS (data as a service) platforms to help gather, manage, and analyze your organizational data. AI can even help forecast or make predictions for better operability based on your data as well. Use those insights to drive decision-making and action.

# Conclusion

The manufacturing landscape is constantly changing, and leaders are making decisions each day on how to problem-solve those operational challenges while keeping their employees engaged and motivated. The best way to do this is by embracing the technological innovations that can help your company stay competitive, and position you as an industry leader into the future.

# Voice of the Manufacturing Manager 2023

## About Epicor

We're here for the hard-working businesses that keep the world turning. They're the companies who make, deliver, and sell the things we all need. They trust Epicor to help them do business better. Their industries are our industries, and we understand them better than anyone. By working hand-in-hand with our customers, we get to know their business almost as well as they do. Our innovative solution sets are carefully curated to fit their needs, and built to respond flexibly to their fast-changing reality. We accelerate every customer's ambitions, whether to grow and transform, or simply become more productive and effective. That's what makes us the essential partner to the world's most essential businesses.