



**WAYS TO BUILD
A COHESIVE
MULTIGENERATIONAL
MANUFACTURING
WORKFORCE**

Prepare for the Future—Now

BRIDGE THE GENERATION GAP

TO ADDRESS THE SKILLS GAP

FOR THE FIRST TIME EVER, THE MANUFACTURING WORKFORCE COMPRISES FIVE GENERATIONS—AT ONCE.

On the shop floor, you may find workers from the silent generation, in their 70s poised for retirement, baby boomers, Gen Xers, millennials, and the rising generation of Gen Z, with the oldest turning 22 this year.

Imagine your own intergenerational family dynamics, and it's easy to see why sparks might fly. And we don't mean the welding kind!

Still, manufacturers are finding that this cross-pollination of diverse thought, experience and approach is actually strengthening their workforce and their business.

This is important to the future of the industry. There is no more time to debate about the new generation—the manufacturing talent shortage grows every day.

In fact, two out of five manufacturers (43%) indicate an average 20% or higher annual turnover, according to the Tooling U-SME Industry Pulse Manufacturing Workforce Report! Additionally, more than one third of respondents indicated that over 20% of their workforce will be eligible for retirement during the next three years.

The solution is recruiting, retaining and training younger workers who can benefit from the experience of incumbent employees. In turn, tech-savvy, curious early career employees can bring fresh ideas and skills to their older colleagues. And those with tenure can pass along their tribal knowledge built on decades of experience

The bottom line is that bridging the generation gap helps address the skills gap. And, as with all diversity—age, race, gender—different perspectives, while sometimes uncomfortable, can drive innovation, productivity, and growth.



**FOLLOWING ARE
SIX WAYS TO
START
BUILDING A COHESIVE
MULTIGENERATIONAL
WORKFORCE FOR A
COMPETITIVE ADVANTAGE...**

BUILD A CULTURE THAT RESPECTS DIVERSITY

Change starts at the top. Senior management must be committed to creating an environment where diverse views are expected and appreciated. This starts with the concept that everyone can teach—and learn.

When guidelines and expectations around values and behaviors within a company are clear, all generations thrive. Accountability becomes the benchmark for success—no matter what age the employee.

FUN FACT:
GENERAL MOTORS' LONGEST-SERVING HOURLY EMPLOYEE RETIRED IN FEBRUARY 2019 AT THE AGE OF 86?

Take General Motors (GM). With 87% of its workforce over age 30,³ GM believes attracting, retaining and encouraging employees of all backgrounds will drive results.

“At GM, we recognize the power of diversity and the role it plays in sparking ingenuity and creativity,” said Ken Barrett, GM global chief diversity officer, introducing its 2018 Diversity and Inclusion Report.⁶ “As we continue to face new challenges and innovate new solutions, we know the diversity among us will give GM a competitive advantage in the global marketplace.”

Building a team of growth-oriented individuals, no matter what age, race or gender, encourages well-trained workers to learn from each other, build on different ideas and create new ones.

This approach can increase your business by building efficiencies and getting everyone—every generation—working together.

For instance, young workers who grew up on an abundance of technology can help less tech-savvy employees master skills they are more familiar with like robotics, digital manufacturing and virtual

reality devices. Mentors can help their newer colleagues improve soft skills, navigate office dynamics or understand the history of why certain decisions were made in the past, and have mastered skills based on years of trial and error.

Here's added incentive: There are financial rewards in the form of reduced turnover.

Engaged, satisfied workers stick around, and that can save thousands of dollars (and in some cases, millions of dollars) each year.

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CHEAT SHEET:

THE GENERATIONS⁴

Silent Generation (born 1928–1945)

Baby boomers (born 1946–1964)

Generation X (born 1965–1980)

Millennials (born 1981–1996)

Gen Z (born 1997–2012)

Gen Alpha (born 2010–2025)⁵

More than **1/3**
of respondents
indicated that over 20% of their workforce will be eligible for retirement during the next three years.¹

■ COMMUNICATION IS KEY

It's often easier to lump all workers of a certain age into a "generation" with similar traits and needs. Yes, we are even doing it here. But the reality is that there are no groups. There are only individuals.

It's important to teach communication skills to help people get along, respectfully. In fact, older generations can be a valuable resource for helping younger generations build interpersonal skills.

To thrive, a company needs to provide generational training and highlight the value of each generation so they can communicate better. Training all employees on the generational differences, and similarities will make a more cohesive environment.

In the words of Dr. Stephen R. Covey, DRE "seek first to understand, then to be understood."⁷ Communication is the basis of success. Listen so you really, deeply understand what motivates and fulfills *all* of your employees. Get to know them and their desires and goals so that you can help them attain their dreams.

Younger employees have gained a reputation for being vocal and

making their expectations obvious. But it's equally important to hear what older generations think. How would they suggest integrating early career colleagues?

Externally reinforcing the unique assets of each team member is also part of a leader's job, and an important step in building a cohesive multigenerational team.

But first, workers must know what is expected of them. Defined job roles and competencies help ensure everyone is on the same page. A formal program shows that the process is fair and consistent, reducing the chances of misunderstanding.

The reality is that many employee departures are preventable. In fact, three in four employees (77%) who quit could have been retained.⁸

One of the main reasons employees leave is lack of career development. Employees did not see opportunities for growth, skills development and job progression.

That's easy to fix by creating clear career progression plans. A formal training program tied to competency development and career growth is needed for each employee. A clearly communicated plan, with rewards and recognition built in, will provide the specificity workers of all ages appreciate.



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■ **CREATE A COLLABORATIVE ENVIRONMENT**

At their core, people want similar things. They want to be engaged. They want to feel valued. They want to grow and develop.

Sure, work styles may vary with Gen Xers arriving early for shifts, while Gen Z expects some flexibility as long as the work gets done. And communication styles may differ with some employees preferring text and others face-to-face contact.

But these are small differences, and creating a collaborative environment where all employees across the company have a chance to interact will break down stereotypes and misperceptions.

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SOME IDEAS FOR BUILDING CONNECTION AND CAMARADERIE INCLUDE:

- **Create a comfort zone for people to sit and talk.** While you might already have a space for eating, add high-tops with chairs or a comfortable group seating area. Some manufacturers even provide a workout area. This informal interaction helps break down barriers and remove limits between generations.
- **Give five-minute “social” breaks where workers can sit in these areas and check their social media.** This will especially resonate with the digital generation that can’t imagine not looking at their phone during the workday. (Remember, they were born with technology in their hands—all the time!) More senior employees will appreciate this opportunity too. Again, this shared experience fosters conversation and connection.
- **Start an engagement team.** Bring together a multigenerational group to plan company activities such as working at a pet shelter or creating a food drive for the homeless. Making a positive impact on the world is important to most people but older generations typically pursued charitable outreach efforts on their own time. Today’s younger workers expect their companies to provide opportunities to do this at their workplace.
- **Introduce a mentorship model.** Pairing a veteran employee with a younger employee can provide a reliable resource for insights about the company. Successful relationships develop strong trust as the two take the development journey together. Both employees can learn a lot from each other, and share their positive experiences with others. Early career workers can also be a resource for more tenured workers whether to help solve a technology problem or define the word “meme.” Just remember that mentors may need coaching to take on this role.





■ PROVIDE REGULAR AND IMMEDIATE FEEDBACK

Today, savvy companies are adopting a new model for providing job performance feedback. This doesn't have to be a long session. Just five minutes of clear, direct feedback on a regular basis will keep workers motivated and engaged. Millennials and Gen Z started the trend, having grown up with constant feedback from their parents, teachers and coaches. They expect it from their managers.

We have also seen some smaller companies start to break the traditional mold by moving toward quarterly merit increases versus one annual raise to demonstrate career movement in response to feedback.

Quarterly performance goals are far more practical for today's business environment and are a more accurate reflection of employee overall performance

This approach may be surprising to long-term employees, but they will also benefit from quick feedback, and will appreciate the opportunity to give it. Everyone will rejoice when they see that positive reinforcement through incentives is part of the package.

Develop your management teams to embrace this new reality. After a few sessions, they will see that this regular forum helps their reports—no matter what age—continue to grow, learn and innovate.

“**Companies that set performance goals quarterly generate 31% greater returns from their performance than those who do it annually. And those who do it monthly get even better results.**”

—Josh Bersin, HR researcher and expert

■ BUILD A FORMAL TRAINING PROGRAM

A formal training program that is methodical and visible helps everyone.

Manufacturers can outline each step for an employee to reach the next career level, whether that is a path to a toolmaker or to an engineer.

Take onboarding as an example. Onboarding, which typically takes place over a 90-day period, develops the behaviors that will be the foundation of employees' performance for their tenure with the organization. From day one, it is critical to capture the attention of new workers and create a feeling of teamwork. The traditional first

day of completing paperwork will turn off these young recruits.

Instead, immediately, provide opportunities for new workers to immerse themselves in an engaging task and to meet co-workers, including leadership. In fact, enlist leadership to welcome new workers, and to check in with them again at the end of the first week. This connection helps show workers how their role fits into the organization—and that they are valued.

Offering ongoing learning opportunities for all employees boosts their confidence and interaction while building loyalty, morale and productivity.



SUCCESSFUL PROGRAMS

ARE COMPOSED OF:

- **Solid onboarding and job qualification programs**
- **Robust blended learning and development programs**
- **Clearly defined career pathways with skills compensation plans**



■ ENSURE ALL FEEL INVESTED IN THE COMPANY

All generations want to share ideas and show what they can do—they may just approach it differently.

Previous generations who patiently “paid their dues” may consider a Gen Z’s desire for an accelerated career path unrealistic. However, tapping into young workers’ passion to make a positive impact on the company will deliver results immediately and into the future.

Ensuring workers of all ages feel they are part of an important mission builds a cohesive and collaborative environment, while boosting quality, safety, and productivity.

Everyone wants to feel that their job and their contribution matter. By making this connection both formally and informally, leaders can motivate their employees to go above and beyond every day.



■ CLOSE THE GAP

Millennials and Gen Z represent our greatest opportunity to address the talent shortage in the manufacturing industry.

With their curiosity and desire to push boundaries, these younger workers offer a unique perspective

for the workplace. Building a collaborative and cohesive environment by blending these new generations with experienced veterans will create an engaged, productive and satisfied workforce, leading to a competitive advantage and stronger bottom line.

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We do this by making sure the younger generation understands how what they are doing fits into the big picture,” said Michael Munday, CEO and owner, Arwood Machine Corp. “It’s important for employees to feel connected.

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■ ABOUT TOOLING U-SME

Tooling U-SME delivers versatile, competency-based learning and development solutions to the manufacturing community, working with thousands of companies including more than half of all Fortune 500® manufacturers, as well as 600 educational institutions across the country.

Tooling U-SME partners with customers to build high performers who help their companies drive quality, profitability, productivity,

innovation and employee satisfaction. Working directly with hundreds of high schools, community and technical colleges, and universities, Tooling U-SME is able to help prepare the next-generation workforce by providing industry-driven curriculum. Tooling-U is a division of SME, a nonprofit that connects all those who are passionate about making things that improve our world.

**Tooling U-SME can be found at toolingu.com
or on Facebook (facebook.com/toolingu) and
Twitter (twitter.com/toolingu).**

¹ Tooling U-SME Industry Pulse: Manufacturing Workforce Report.

² "After 67 years, GM's Longest-Serving Employee Retires," FOX 2 Detroit, Feb. 28, 2019.

³ "2018 Diversity & Inclusion Report," General Motors.

⁴ Michael Dimock, "Defining Generations: Where Millennials End and Generation Z Begins," FactTank, Pew Research Center, January 17, 2019.

⁵ Adrienne Pasquarelli and E.J. Schultz, "Move Over Gen Z, Generation Alpha Is the One to Watch," Ad Age, January 22, 2019.

⁶ "Innovation Thrives From Diversity and Inclusion," General Motors website.

⁷ Dr. Stephen R. Covey, "Habit 5: Seek First to Understand, Then to Be Understood," Franklin Covey website.

⁸ "2018 Retention Report: Truth & Trend in Turnover," Work Institute.



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