

Diversity & Inclusion: How The Manufacturing Institute is Innovating the Global Workforce

PAYCHEX
Business
Series

Coronavirus



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CPA, Columnist, and Host



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Full transcript

Gene Marks:

Hey everybody, this is Gene Marks, and welcome to the Paychex Business Series Podcast. Thank you so much for joining us.

Gene Marks:

I had a great conversation with Carolyn Lee. Carolyn is the executive director of the Manufacturing Institute. The Manufacturing Institute is related to the National Association of Manufacturers and you know what they deal with is people and labor, our number one biggest issue, and not just if you're a manufacturer, but for anybody in all different industries.

Gene Marks:

So I'm talking to Carolyn or I did talk to Carolyn also about some of the programs that they have got, which I think would really help you, particularly if you're a manufacturer, help you find veterans, help you have more diversity and inclusion in your workforce, programs to help you locate more women, female workers for your business, people that are coming out of prison, all sorts of places for you to find workers and also resources to help you retain your workers as well.

Gene Marks:

So listen, labor is our number one issue, and Carolyn's got a lot of answers about your labor issues. So Carolyn, thanks so much for joining me today. I'm really, really, really happy to have you.

Carolyn Lee:

Thanks Jean, for having me. I'm really excited to be here with you.

Gene Marks:

So you're the executive director of the Manufacturing Institute. So let's start off with that. What exactly do you guys do?

Carolyn Lee:

Sure. So the Manufacturing Institute is the workforce development and education partner and we're a 501-C-3 public non-profit and we are attached to the National Association of Manufacturers, which is the nation's largest industrial trade association. So the MI, our mission is to inspire, educate, and empower the workforce of today and tomorrow. And so out of everything that unites the manufacturing sector at large, the workforce is at the center and we know that workforce is the thing that's going to keep us competitive in a global economy. So, that is what we focus on.

Gene Marks:

Yeah, and that's what this whole conversation is going to be is about workforce. It is the number one issue for every small and mid-sized business around the country, not just manufacturers.

Gene Marks:

Before we actually started recording, you and I were talking about sort of differences in generations. There was just—I don't know if you saw it or not, but just a couple of weeks ago, SCORE, which is an arm of the Small Business Administration, they came out with a report that said that more than half of the business owners in the US are over the age of 55. So they're like guys like me. I'm like 56. So different generations have different sort of points of view when it comes to their workforce, and I was wondering if you could talk a little bit about that.

Carolyn Lee:

Yes. With the fear and the... I guess the set up of—you know we hate to generalize entire generations. However, there are themes that run through different generations of experience. Baby Boomers, right out of World War II, their experience was highlighted by that, but really the rise of big corporations and Generation X, which I'm a member of.

Carolyn Lee:

And I was joking before with you... I'm a member of Generation X, but I speak Baby Boomer, and our generation, it was you work your way up. You find a way. You see what comes and we're just all lucky we have a job and I can hear my dad's generation telling me that.

Carolyn Lee:

Millennials and Gen X and Gen Z. I'm sorry, Gen Z and Gen Y, they really, and this is actually I think, a fantastic change in evolution. They are excited about the cause. Why are they doing what they're doing? What are they a part of? It's fantastic. You think about your culture. This is what's across all of manufacturing. If you say to a manufacturer, "What do you make?" They get really excited and they'll dive in and tell you why they do what they do and how they do it. Well, why? Why does that matter and how do we engage the next generations in being excited about manufacturing? The why really matters.

Carolyn Lee:

But the other thing that really comes through in the research is, and we just released a study with the American Psychological Association about retention and highlight some of these findings. Employees want to know what the opportunities are ahead of them. And we're in this big fight for talent and I know we'll talk more about that. We're in this huge fight for talent, there's always open jobs, more than ever before in manufacturing, and so retention is really key. What employees are telling us is how they feel about where they work, how they feel about their job prospects and their opportunities, how they feel about the culture and that they're able to bring their best ideas, their best selves to work, all really matters. What's great is instead of thinking of that as that's a lot of work for us to do, it's a huge opportunity to keep the talent you're cultivating and giving them a roadmap, a ladder to the next steps.

Carolyn Lee:

That next best employee you have is of course, an employee you already have on your team and it's elevating them and bringing them along and up-skilling them to the next role. So, all of this is telling us that this kind of the psychology behind these next generations, they're excited to be part of something and that's a cool thing for manufacturing.

Gene Marks:

Yeah. It really is and it's funny with manufacturers today, as well as people that own businesses, they have to understand that the workforce is now 50% made up of people that are millennials and younger. You either adapt to that or you're going to be missing out on a lot of great talent and people always...

Gene Marks:

I remember right before the pandemic, there was a whole big thing before the pandemic about working from home and having flexibility and mobility, and that was being driven by younger workers. And how dare they want to spend more time with their families and have more of a flexible schedule and getting their job. Who do they think they are? That was like a generational thing.

Gene Marks:

Then COVID comes. Everybody is forced to send their workers at home and suddenly I've got all these people that I know, clients of mine that are of my age and older, they're like, "Oh, those millennials were kind of right. We can get the work from home as long as it's balanced." So I just think it's really important to listen to that generation and understand what their priorities are.

Carolyn Lee:

Absolutely. Look, I had a hard time too, with the idea of remote work. We need to get everybody together and solve these problems and be in a room and be together. The work, the Institute, it's complicated. It's integrated. We have programs all across the country. We are helping solve workforce development challenges across the sector and in all different categories and so, I worry.

Carolyn Lee:

Well, how do we do it if we're not together sharing those ideas? Well, all these technologies that are bringing us together today, and if anything, I think one of the... I hate to say bright spots of COVID, but one of the silver linings, perhaps of the tragedy of this last year has been the ability to accelerate into the technology usage and realizing that we can be productive. We can get more done. We can reach more people and work. So therefore, for an employer, you can engage the best people, not just the person who's down the road. So when you adopt the technology, a lotta opportunities unfold.

Gene Marks:

The Manufacturing Institute is part of the National Association of Manufacturers and you're all about workforce. You've got some programs that you guys are championing and I want to talk about these programs, because I think if you're listening to this right now, and you're a manufacturer, these are the kinds of things that you need to be aware of, or take advantage of if you're trying to recruit and retain good people. And even if you're not a manufacturer, a lot of his things really do overlap.

Gene Marks:

So the first one has to be about diversity and inclusion. First of all, give me your thoughts of the importance of diversity and inclusion, and tell me what the Institute is doing to try and help your members create a more diverse workforce.

Carolyn Lee:

Sure. So let's set the stage here. So last month, according to the Bureau of Labor statistics at the Department of Commerce, we had 814,000 open jobs, and that is the highest level of open jobs. I think it's the second... We were at 852 the previous month, so all time records.

Carolyn Lee:

Going into the pandemic, we had about 500,000 open jobs. We've been hovering about a half million for most of the last two years. So we know we've had a skills gap, but really a talent gap and a people shortage. For manufacturing, we don't have enough people who recognize these are jobs that they would want and then we have a mismatch with the skillsets for the opportunities that we have. Diversity and inclusion is a big piece of that.

Carolyn Lee:

So you see Rosie behind me here. Rosie the Riveter, classic, everyone knows this. Women came to fill jobs in factories when the men were sent off to World War II, and unfortunately, although we had this period of time where women were driving the manufacturing sector, of course, during the war, women are only about 29% of the manufacturing workforce today, although we're 47% of the overall labor force. So how do we close the gender gap is a huge issue for us in manufacturing.

Carolyn Lee:

With 814,000 open jobs or half million open jobs, we're not going to be able to solve this challenge if we're only talking to a portion of the population. If you look at all the dimensions of diversity, and we do work and focus on multiple dimensions. Yes, it's race. Yes, it's gender. Yes, it's ethnicity, but it's also ability and age. So people with different cognitive abilities, how do we bring them into manufacturing, careers? How do we bring people with different physical abilities? So that really our sector is able to welcome talent from all walks of life in the labor force.

Carolyn Lee:

We're also beginning work on second chance population. All of those people who have come out of incarceration. How do we bring them into productive careers and let them develop their own futures? So as you look at D&I, it's really a math problem. If we only talking to a portion of the population, we're not going to be able to fill the gap, but it's also of course, the right thing to do. Companies should aspire to have their workforces reflect their local population.

Carolyn Lee:

It's not that every community is the same. We know that's not the case, but we know that through research and through engagement, that there are different ways to engage underrepresented populations and how to make that successful so that when you attract that talent, you're able to retain them going back to the retention discussion.

Carolyn Lee:

But at the heart of this, it's competitiveness. People with different perspectives, experiences, abilities, all make for a more innovative workplace and those companies who have more diverse boards, more diverse leadership have been correlated to better returns.

Carolyn Lee:

So it all feeds in together. It's the right thing to do. It's the economic benefit thing to do, and quite honestly, we're not going to be able to fill these jobs if we're not talking to the entire population. That's why diversity and inclusion for companies of all sizes is becoming even a greater focus.

Gene Marks:

So Carolyn, what does that mean "talking to the entire population"? You've asked a lot of questions like how do we do this? How do we be more diverse? How do we include more? How do we have more female workers? How do we do that? What do you tell your members? How do they go about building more diversity?

Carolyn Lee:

Fantastic question. So with women and what we've learned over research that we began actually in 2006, is that women are looking for the role models, the mentors, the glass shatterers right ahead of them. So they can see, and they can build their pathways and that they have people who are the trailblazers that they can follow.

Carolyn Lee:

So now, people think of that and they think about CEOs and executive suite. Yes, that matters, but it's not the only thing. It's the team leaders, the supervisors, that next step in your career, knowing that you're here as entry-level, but here's somebody who's the next step up. Having that role model is just as important as the CEO, the executive. So we have to build that network of engagement so that women can have other women to learn from, to work through challenges with, and also that when they reach a tough stage, they're able to blaze through because they have that support.

Carolyn Lee:

So that's with women, but what we know across all underrepresented populations is that... And take youth. We've known for a long time and have worked on programs for a long time, about how do you build ambassadors? A 17, 15 year old, 17 year old in high school, they're not going to relate to me as a middle-aged mom. They want to talk to... Or a CEO because they might never think that they can become a CEO. What they want to do is they want to hear from about the opportunities and the jobs from people they relate to. So the 22 year old, who was in high school just a couple of years ago, that person who just came out of a school program out of a community college or a bachelor's degree, that is something they have aspire to. So that relatable ambassador is really key.

Carolyn Lee:

So take that and broad it out. If you're talking to a racially underrepresented community in a community, in a region. Having someone from your company talk about what their experiences and how they've grown, that role model matters. It's been a huge boon to us in the veteran community. Having veterans who are manufacturing employees talk to transitioning service members and other in the military community, as part of our Heroes Make America initiative has been transformational because those who have served have had a very specific experience and talking to people who they can relate to in the manufacturing sector, who say, this is how I transitioned. This is how I did it. This is how these skills have come to bear, really makes a difference and making them see, okay, there's an opportunity for me here.

Carolyn Lee:

So, all of these facets, it's really about communication. It's about how you engage and it's about making sure that people have that relatable role model. And as one education professional told me, when I began in this job in Michigan a couple years ago, "You can't be what you can't see." So how do we bring those people forward so to inspire that next generation? And all that's really key, particularly when you're talking about D&I.

Gene Marks:

That is a great answer. I think you've given this answer before. I just had that feeling. Carolyn, what is FAME?

Carolyn Lee:

FAME... FAME is the Federation for Advanced Manufacturing Education and it was founded by Toyota in 2010. They built their own program to solve a maintenance technician gap that they had in Georgetown, Kentucky. Toyota created this to train global best maintenance technicians. When it comes to Toyota, of course, global best matters.

Carolyn Lee:

They have built this, home grew it, and then expanded it to include other local companies, parts of their supply chain throughout Kentucky and in 2019, in the fall, we were fortunate that Toyota transitioned the program officially to the Manufacturing Institute for future stewardship. They see the tremendous success that FAME has been. About 400 companies are participating in the program today. It is an earn-and-learn model. You're going to school while you're getting this technical training, while you're also working.

Carolyn Lee:

And you're learning about basic manufacturing core exercises. So things that are specific to the manufacturing culture. The graduation rates and the retention rates of FAME students is tremendous, truly phenomenal. About 85% of those graduate who enter the program and they're hired by the companies that sponsored them.

Carolyn Lee:

So for this participant, for the student, you come out with an Associate's degree, skills and an in-demand high skill career. You have no college debt and you probably have a job from the company that sponsors you and you're already a leg up. And for the companies you're growing and investing in your own talent and the retention there has been tremendous.

Carolyn Lee:

So FAME today is focused on the advanced maintenance technician. So, those who take care of all the automated equipment that you have in a facility, but it's not just manufacturing, it's hostel systems, it's distribution centers, it's grocery stores because all sectors of the economy have automated equipment today. So FAME is training for that but we're looking forward to expand that to other skillsets, again, to create global best skillsets for the Ford auto manufacturing world.

Carolyn Lee:

So it's fantastic right now. We're operating in 13 states and if you want to learn more, you can go to themanufacturinginstitute.org and look up FAME and go to their website and find the locations. It's a local collaborative and we're supporting the national program. So we're building the solutions in partnership with local entities to make sure that we have the skilled workers we need.

Gene Marks:

Does the FAME program help the workers get jobs when they finish the program itself?

Carolyn Lee:

So you're sponsored by a company to come in. You've been recruited and selected and sponsored. About 85% of those who participate in FAME are hired by the company who sponsored them. The rest are picked up by other companies locally because again, high demand, high demand skillset. And so, I don't think we have any concern at all about people coming out without a job. It's kind of which job, but we had these fantastic stories of these 20, 21 year olds saying, "Okay, I bought my first house. I bought my about my car. I'm the first one to go get a degree in my family, and look where I am with a two-year degree and I have this highways job."

Carolyn Lee:

Within five years of graduation, according to a study that came out last year, five years of graduation, for those who came through the Kentucky FAME program at Georgetown, they've got almost a \$100,000 salary, annual salary. Five years out of college, I didn't have a \$100,000 salary. So, there's certainly a lot to be gained by the program and it's got fantastic outcomes and a fantastic track record.

Gene Marks:

You had mentioned earlier about your Second Chance Hiring programs. So tell us about that.

Carolyn Lee:

So, tragically, now we have this huge skills gap. We are fighting for people across the economy. I think the entire economy coming out of COVID, whether it's service sector, it's manufacturing, all of us need more talent and tragically, there's this talent that's been sitting on the sideline about one in four Americans have some experience with the criminal justice system. Some record if you will, that is preventing them from gainful employment.

Carolyn Lee:

Our Second Chance Hiring initiative, which is supported by the Charles Koch Institute and Stand Together is really to... How do we build the network so that companies can engage locally with organizations to support those who are ready, who are coming out of the criminal justice system, who are ready to transition to a career? They need a lot of supports. This might be their first job. They have parole officers. They might have a transportation barrier or housing where they're getting back on their feet. How do you give the potential employee the support? Which is happening through the social services sector, nonprofits that are doing tremendous work across the country. How do we partner them with manufacturers and community support organizations to make sure that that potential employee can be successful? And how does the employer work to make sure that they're allowing for the flexibility they might need for court visits or for other parts of the transition process.

Carolyn Lee:

What's amazing is that when we launched this back in, I think it was April, we had tremendous outcry from manufacturers all across the country of all sizes saying, we want to tap into this talent. We really want to know how to do this and do this the right way. It is not only the morally correct thing to do, but it's in our economic interests to tap in to the widest population. So we've been excited about the number of companies that have come forward, who are learning from others who are trailblazers in this area and able to institute these programs locally. So it's something we're really excited about.

Gene Marks:

All right. First of all... So we've talked about diversity and inclusion. We've talked about FAME, the Federation for Advanced Manufacturing Education. We've talked about Second Chance Hiring. You have other programs and we're not going to have enough time to do it all. So I'm going to pick... Let me pick another one. How about the STEP Women's Initiative? What is that?

Carolyn Lee:

STEP, I alluded to a little bit before when I talked about D&I more broadly. So only 28% of the... 28, 29% of the manufacturing workforce today is made up of women. Close the gender gap by 10%, we will close the overall skills gap in the sector by 50%. So, we have to look at the entire pipeline and STEP Ahead, our main initiative, is about honoring and elevating the role models of those who are leading today.

Carolyn Lee:

So those who are those trailblazers, but it's also those emerging leaders. So you have the honorees who are the established leaders. You have the role models of the emerging leaders who are that younger worker under 30, who then give more of a role model to those new workers starting in. But really, it's about changing the dynamic, building that network, building that connectivity, and then through our STEP Forward initiative, which is the regional event, it's helping localities and regions and companies work to solve challenges locally that are keeping women from the workforce.

Carolyn Lee:

But our work has to extend down through our partnership with Union Pacific, through a grant from them. We're actually piloting a program. We're working with community colleges and high school girls connecting them into manufacturing, through manufacturing career awareness, and then helping use the STEP network to see if we can help pull them into manufacturing and give them more awareness.

Carolyn Lee:

We've got to go all the way back to middle school. Girls start dropping out of STEM fields as early as fourth grade, and so how do we get the girls in elementary school and middle school be aware of the opportunities to be a creator and an innovator to help them find the path that allows them to succeed in this field? So we need to build the supply, but we've got to also make sure that we're able to retain that talent and attract them in. So we're working across all those fronts. STEP is one of the most fun things that we do.

Gene Marks:

Yeah. I can tell it's near and dear.

Carolyn Lee:

But you've got all of this pipeline that we've got to build.

Gene Marks:

Sure. One final program, though. What about the Heroes Make America program? What is that?

Carolyn Lee:

So Heroes is a really special program. So we started in 2018, Manufacturing Institute and the goal was... We have all of this veteran talent and we've seen over the last decade since 9/11, that population up and down of their unemployment for our veterans. So, we really want to engage. Manufacturers said this is a talent pool. They really wanted to engage. So we created our Heroes Make America initiative, and there we are training...

Carolyn Lee:

Originally the signature program, we were training transitioning service members in manufacturing skills, and then helping them get professional skills and professional development so they're able to transition into the manufacturing careers. We are operating at four bases today, and we are training them in core pieces to get them familiar with the sector and to give them those skill sets so they're ready day one to get on the shop floor.

Carolyn Lee:

What we thought we were building for early four to eight years of service, we've been amazed by the fact the talent coming into Heroes Make America is really spanning the entire military career. So we have some who have been in for 20, 30 years. We have some who have been in for four, and that talent is being sucked up by manufacturers who want to have those who have served who have communication skills and know to show up on time and know how to wear protective gear and know how to work with teams, come into our sector. And so stay tuned because there's more news coming from Heroes.

Gene Marks:

All these different programs, when you mention about all the unfilled jobs that are out there in the manufacturing industry, let alone all the other industries that are also suffered from employees and everybody asks me, "Where do I go to find employees? Where can I find good people? Where can I find good people?" So we've mentioned about your diversity inclusion program. We've mentioned about the Federation for Advanced Manufacturing Education, where you're teaching students specialized skills. Second Chance Hiring, so these are workers coming out of prison. STEP Women's Initiative, we're building a network to get more women involved in manufacturing and Heroes Make America, which is for veterans. To get them out of the military and into productive service in the private sector.

Gene Marks:

To me, these seem like all programs... If I was a manufacturer of any size, I'd probably be reaching out to the Manufacturing Institute and saying, "Look, I need help filling my ranks. What can I do to get involved in these programs so I can get some resources?" Am I, am I right in saying that?

Carolyn Lee:

Yeah, absolutely, and we're happy to have them. These programs are built for companies of all sizes, but here look, the main message of the sector right now is Creators are Wanted as I have here on my jacket.

Carolyn Lee:

It's our largest campaign. We're running this with the National Association of Manufacturers and we're looking to change the perception of manufacturing. We're looking to engage manufacturers of all sizes across the country to tell their story about their workers and their opportunities that they have at their places of business and then help recruit in the next generation, match them with skills training and help them find the pathway.

Carolyn Lee:

Manufacturers are humble people. We have had our head down just making our products and we've got to tell our story. We've got to tell about the innovation and about the experience about the employee morale, the culture, why what we do matter so much.

Carolyn Lee:

Talking about silver linings of COVID, if there can be, manufacturing's never been so front and center in everyone's daily lives. From the toilet paper shortage last year, which was just a hoarding/supply chain issue to the PPE and the vaccines that are going to allow us to restart our lives again and jumpstart the economy. All of that has been brought to us by modern manufacturing and that's the story we're looking to tell in Creators Wanted.

Carolyn Lee:

So we need the support and the engagement of manufacturers of all sizes. Not everyone wants to work for the largest companies in the world. Many people want to work in a family business and know that what they do matters and we have that in spades, but we have to tell the story so that the next generation, or those who are looking for a different career who might've been dislocated by the pandemic or those coming out of the correctional system or out of the military, know that creators are wanted and needed here in manufacturing.

Carolyn Lee:

Everyone knows manufacturing is what keeps the economy and the nation strong, but we've got to do a better job of telling our story to recruit in the workforce.

Gene Marks:

Carolyn Lee is the executive director of the Manufacturing Institute. Carolyn, I have your website of nam.org, but is there one more specific?

Carolyn Lee:

Yep. Sure. That's the [crosstalk 00:26:44]. Ours is themanufacturinginstitute.org. And you can also go to creatorswanted.org to learn about these programs and our nationwide tour that we're going to launch in September.

Gene Marks:

That sounds great.

Gene Marks:

Hey, listen, we're going to have you back at some point because there's some employee issues I would love to go over with [crosstalk 00:27:01]—

Carolyn Lee:

That's next.

Gene Marks:

And we'll have you back to talk about that in the future. Carolyn, thank you so much for your time. I appreciate it very much. And guys, if you're listening, if you need any advice, tips, help for running your business, please visit us at paychex.com/worx. That's W-O-R-X. It was a great conversation with Carolyn. My name is Gene Marks. I'm glad you joined us today and we look forward to you joining us again in the future. Take care.

Speaker 3:

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