



Industry Brief

Navigating Change in Manufacturing

Market disruptions will happen. Solve challenges with clarity, not confusion.

By the time you read this, the landscape has likely shifted again. The manufacturing sector is navigating constant change, with pressures that make it harder to maintain efficient operations and meet customer demands. As these challenges evolve, several key macro trends are emerging that will shape the future of the industry.

Macro trends snapshot

Labor shortages

Finding and keeping frontline talent is more difficult than ever, with stricter immigration policies tightening the labor pool.

Nearshoring and onshoring surge

The Inflation Reduction Act and tariffs are increasing demand for domestic production, requiring manufacturers to hire more workers to scale operations and meet demand.

Trade volatility

Shifting trade policies and global disruptions create unpredictable demand swings, making it harder to scale labor efficiently.

How resilient is your labor strategy?

- How effectively can you adjust your workforce to meet fluctuating demand and disruptions?
- What are you doing to retain talent and boost engagement amid labor shortages?
- How are you managing labor costs during uncertainty or market volatility?
- Are you optimizing production capacity and workforce efficiency to adapt to onshoring and demand fluctuations?
- Do you have the right technology to optimize scheduling, staffing, and productivity in a volatile

3.8 Million

manufacturing positions needed by 2033 – half of those are projected to go unfilled.

[Manufacturing Institute](#)

85%

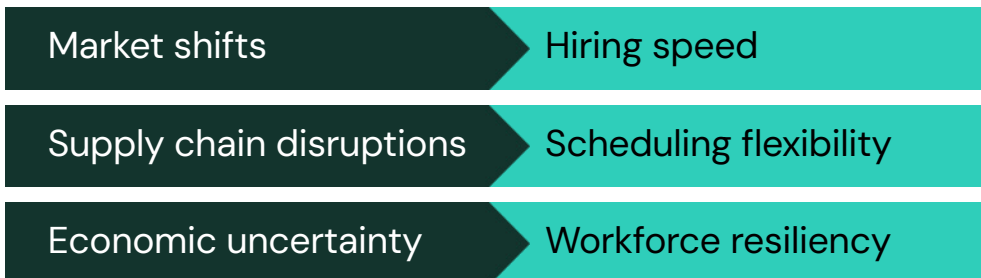
of U.S.-based manufacturers expect production increases.

[Eide Bailly](#)

What can you control? Your labor strategy.

Some challenges can't be predicted or prevented. But your labor strategy can make you agile in any market condition

Workforce data highlights key links between labor strategy and business outcomes:



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Building a Resilient Workforce

Take control by ensuring your labor strategy is in sync with market conditions.




A strategic labor approach mitigates uncertainty, controls costs, and drives productivity. Each market trend presents unique workforce challenges. The key to navigating change is understanding which labor levers to pull. The table below outlines common labor challenges and how to address them strategically.

Trend	Impact	What you can control	Solution
Shrinking talent pool	Higher recruiting costs, retention struggles, employee burnout	How quickly you hire, how effectively you engage and retain workers	Faster hiring, optimized scheduling, workforce engagement
Tariff uncertainty	Unpredictable costs changes affecting labor strategies	Workforce agility, flexible scheduling, cross-training	Flexible scheduling and multi-skilled workers
Rising labor costs and worker expectations	Increased wages, benefits, and compliance burdens	How you manage labor costs while keeping employees engaged	Automated and flexible scheduling, self-service tools, workforce analytics
Production capacity constraints	Higher operational costs, bottlenecks, inefficiencies	How you allocate labor to maximize efficiency	AI-driven forecasting, automation for efficiency

Bottom line: Stay ahead with a workforce strategy you control

When frontline leaders have the time to focus on production, workforce planning, and operational improvements, the outcome is clear: streamlined workflows, increased output, and a stronger bottom line.

UKG had helped customers:

-  Reduce turnover by up to 5% through better scheduling, engagement, and career pathing.
-  Prevent over-scheduling by up to 2% with AI-driven workforce planning.
-  Manage overtime costs by up to 10% and convert excess hours into regular shifts with intelligent staffing solutions.

**UKG Proprietary Research*



Proven results:

How UKG's Customers have used their labor strategy to stay ahead:

- Accelerated hiring by 30%, helping to fill critical roles faster.
- AI automation processed 166,000+ shift and time-off requests while improving compliance audits by 70%.
- Saved 19,000 hours annually in onboarding, reducing administrative burden.
- 5% to double digit productivity gains at larger plants due to improved reporting.

**UKG Customer Data*

Stay ahead of labor market shifts.

Stay competitive and keep your operations efficient with a labor strategy that works for your organization. Let's build it together. Get in touch with us today.