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Investing in Female Manufacturing Talent

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Strategies for Retaining and Advancing Women

As the manufacturing sector experiences a resurgence, driven by innovation and transformation, there exists a pressing need to address the persistent challenges surrounding gender representation within the industry. Despite recent progress, women remain underrepresented in both the workforce and leadership positions, signaling a critical gap that requires immediate attention.

Investing in strategies to retain and advance female manufacturing talent is paramount. By fostering inclusive workplaces that prioritize gender diversity, manufacturing companies not only uphold ethical standards but also position themselves strategically for success in an increasingly competitive global landscape.

The Current State of Female Representation in Manufacturing

The manufacturing sector has experienced a mix of both progress and persistent challenges in the realm of female representation. In what was only recently a declining industry, manufacturing has regained momentum, emerging as the fifth largest employer in the U.S. with over 12.1 million employed individuals. Notably, women constitute 30% of the manufacturing workforce—a significant jump from previous industry data points.

Unfortunately, this still falls short of the general workforce, where women account for around 47% representation. There is also a stark <u>gender disparity in leadership roles</u>, where only 1 in 4 management positions and just 12% of C-suite positions are held by women. This underrepresentation underscores the persistence of the glass ceiling in manufacturing and highlights the continued snail's pace at which the industry is engaging female talent.

When women are under-represented—especially in a field like manufacturing that has traditionally been male-dominated—it often translates into greater challenges for women, such as encounters with implicit bias, lack of access to mentorship opportunities, and inadequate support for work-life balance. This creates a vicious cycle, with these barriers making it even more difficult to attract and recruit women to the field.

This data is particularly troubling in light of the fact that manufacturing leaders say the talent shortage *in general*—regardless of gender—is one of their biggest concerns. Getting more women in the door and accelerating initiatives to support inclusive manufacturing workplaces will be critical in helping to protect against issues that arise from ongoing labor shortages.

The Importance of Inclusive Workplaces

There is, of course, the moral and ethical argument for ensuring that work environments are inclusive and equitable. It's simply the right thing to do. But the importance of inclusive workplaces doesn't end there. There's also a strategic business case to be made.

<u>McKinsey</u> has been evaluating diversity in business over the last decade and recently published their fourth report. The data consistently shows that gender-diverse executive teams are more likely to financially outperform companies with lower female representation by as much as 18%, a number that has only grown over the years.

It's not just superior financial performance that results from gender-diverse workforces and leadership teams; the benefits of an inclusive workplace are vast. Levels of innovation and problem-solving are shown to increase in environments where women feel valued and included—a benefit that is particularly poignant for manufacturing firms that must keep up with the rapid pace of innovation and transformation across the industry.

There is also the simple matter of employee engagement and retention. When women are supported and valued in their roles, turnover decreases and engagement improves. Manufacturing firms will not only realize cost savings related to recruitment but will also be able to nurture and maintain institutional knowledge within the organization. In turn, this drives greater productivity, innovation, and efficiency.

Notably, in today's business landscape, where customer expectations weigh significantly on the direction and decisions that face business leaders, an executive team whose diversity reflects that of its customer base is better positioned to succeed. Not only will they have greater insight into consumer behavior, they also demonstrate a commitment to diversity that directly reflects on the company's brand reputation.

Ultimately, for manufacturing firms, gender-diverse and inclusive executive teams are critical for healthy work environments and scalable business growth. It's a move towards becoming a socially responsible organization while simultaneously increasing their bottom line.

Implementing Strategies for Inclusive Workplaces in Manufacturing

The benefits are many and the stakes are high, but companies in the manufacturing field still struggle to attract, retain, and promote women both in their workforce and within their leadership teams. But when they *do* succeed in these things, it's because they have intentionally invested in strategic initiatives to support gender diversity and inclusion.

What does this look like? Here are some examples of inclusive workplaces in manufacturing:

- Cummins: With their "<u>Cummins Powers Women</u>" initiative, this multinational
 manufacturer has invested over \$23 million into impactful programs to serve and
 advocate for women and girls. Through non-profit partnerships as well as internal
 efforts to foster an inclusive environment for their technical employees, Cummins
 seeks to inspire future generations of women in STEM.
- General Motors: Led by a female CEO, this leading auto manufacturer has a number of programs committed to establishing <u>greater gender equality and representation</u>; including, employee resource groups, STEM partnerships, mentorship programs, and more. They are proud to be known for their advancements.
- 3M: Over the years, 3M has successfully <u>increased their female representation</u> across their global workforce and within their C-suite. They also run a Women's Leadership Forum as well as supporting local communities through STEM programs and sponsorship grants.

Creating an inclusive workplace in the manufacturing field starts at the top: Executive leaders must demonstrate a commitment to DEI through clear goals, communication, and accountability. From there, diverse recruitment and hiring practices, including <a href="mailto:executive_executi

With the foundations of an inclusive work environment in place, companies can then look to enact these commitments through initiatives like mentorship programs, employee resources groups, sponsorships and partnerships, flexible work arrangements, and effective feedback loops.

In a field that is historically male-dominated, intentional efforts to support women in manufacturing will go a long way in achieving a truly inclusive and equitable workplace. Only then will companies realize the superior benefits of a diverse workforce.

What steps has your organization taken to champion inclusivity in manufacturing in order to harness the potential of gender diversity?