Workforce Shortages: 6 Unexpected Costs for Manufacturers

Besides better benefits and compensation, manufacturers are cobbling together a patchwork of tactics to maintain production. But doing more with less is starting to cost manufacturers more.

NO MORE NEW BUSINESS
Almost half of manufacturers were unable to take on new business and lost revenue opportunities in 2022.

SLOWED DOWN EXPANSIONS
This year, over 59% of manufacturers say the inability to find enough workers has impacted decisions to make investment plans or expand.

HIGHER PROPERTY INSURANCE RATES
Skilled maintenance technicians are difficult to find, and maintenance plays a critical role in creating value for manufacturers. Property insurance rates creeping higher due to aging facilities and over-heated machines operating at full capacity.

RECORD-BREAKING PRODUCT RECALLS
A lean pool of new, inexperienced, or undertrained workers are prone to make more mistakes that impact product quality. Is it a coincidence that a record-breaking 900 million of product units were recalled in the first quarter of 2022?

MORE WORKER INJURIES & FATALITIES
Nearly 66% have increased reliance on temporary staffing services. Almost 10% reported using an “on-demand” labor force (like gig workers) to meet production demands. But temporary workers and subcontracted employment have significantly higher fatal and nonfatal injury rates than permanent employees in standard jobs.

SMART FACTORY CYBER RISKS
Manufacturers are turning to robotics, co-bots, and other connected technologies to make up for the shortage of human workers. Cyber risk exposure will only increase as manufacturers embrace and scale automation. Nearly 50% of those surveyed say sites were targeted or victim of a cyberattack - and say the attacks have increased in frequency – as often as daily or weekly.

WANT TO ACHIEVE SAFER, SMARTER, MORE PRODUCTIVE OPERATIONS?

The Avetta One platform helps manufacturers across the world achieve safer, smarter, more productive operations.