

# White Collar. Blue Collar. New Collar

## *The evolution of the American workforce*



By Paul Seymour, President, Supply Chain Division, EmployBridge

With each passing year, blue-collar job requirements become more sophisticated as the use of technology in manufacturing continues to grow – deepening an already wide skills gap. Today’s age of smart manufacturing and distribution relies more and more on high-tech systems, sensors, feedback loops, and continuous automation. While some machining and distribution work is still manual, equipment is, and will continue to be, increasingly digitally driven.

### **The U.S. Supply Chain: A New Era, A New Workforce**

As the modern supply chain sector continues to evolve, so does the heretofore neat categorization of the workforce. Namely, the assumption that “white-collar” workers think for a living and “blue-collar” workers perform manual tasks for a living. Leading supply chain organizations today recognize the need for an entirely new type of employee, call it the “new-collar” worker, as critical to the future of manufacturing and logistics.

Massive-scale digitalization of the supply chain now requires a new-collar workforce equipped with specialized skills and training. For example, manufacturers will still need machinists, but to thrive in a global marketplace, the next generation of machinists needs to have technical and digital skills alongside critical thinking capabilities such as, problem-solving and decision-making.

### **Where Will These New-Collar Workers Come From?**

Keep in mind that individuals capable of performing new-collar jobs don’t need a four-year college degree. Instead, they are trained through community colleges, vocational schools, software boot camps, high school technical education or on-the-job apprenticeships, and internships.

In short, new-collar workers may come from anywhere – your current factory floor, a high school program or any other nontraditional education path. And we all must become more open to that reality. The fundamental requirements for workers to thrive in a new-collar position are:

- Basic technical skills
- Desire to constantly learn
- Critical thinking for a complex manufacturing environment

While a new-collar workforce can be developed through both internal grooming and external recruiting efforts, hiring and retaining these employees promises to be a challenge. Many industries, from technology to healthcare, need these specialized workers as artificial intelligence (AI), automation and digitalization make their way into many sectors.

So, how can supply chain employers successfully attract new-collar workers in an increasingly digitized world, where other industries are competing for the same limited talent pool?

### **In Search of Potential, Not Just Experience**

Instead of focusing on degrees and previous job experience alone, employers must begin to recruit based on the ability and potential for candidates to acquire new skills or, essentially, their level of “trainability.” Human Resources leaders can begin by identifying the key traits and skills necessary for success in a new-collar environment. Once an organization knows what it’s looking for, the next step is to modify their candidate assessment and interview processes to focus on identifying employees with the right potential.

This applies to both internal and external candidates. For many organizations, upskilling or retraining existing workers is a great way bridge the skills gap. However, many organizations overlook their own blue-collar workers or perceive them as easily replaceable. The idea, instead, should be to identify and upskill those existing blue-collar workers who have demonstrated a desire to learn and a propensity for problem-solving.

### **Embracing Innovative Skill-Building Programs**

The good news for employers is today’s blue-collar workers are extremely eager to learn new skills and earn upward mobility. According to EmployBridge’s [2019 Voice of the Blue-Collar Worker](#) study, 95% of blue-collar workers are willing to invest their own time to learn new skills, 90% are interested in apprenticeships and the majority believe pay increases should be earned by performance, as opposed to tenure.

Unlike a decade ago when the manufacturing unemployment rate was 13.3%, today’s blue-collar workers are operating in a 3.7% unemployment rate with more manufacturing and logistics jobs than there are employees to fill them. With plenty of job choices, blue-collar workers are far more likely and able to leave jobs where skill-building and upward mobility opportunities are not offered. By offering work-based training programs, such as on-the-job training, apprenticeships, mentorship programs, and online skills training, employers can help groom their own new-collar workforce, while retaining institutional knowledge and curbing attrition rates.

### **Promote a New Image to Attract New-Collar Workers**

The manufacturing and logistics industries are resurging with high-tech innovations, including AI and robotics. Unfortunately, the industries’ image among employees at large has yet to catch up, especially among recent generations who grew up with the ‘Big Five’ tech giants — Facebook,

Amazon, Apple, Microsoft, and Google — as their business idols. At the same time, it's these "digital natives" who may most easily be able to transition from smart phones and video games to running automation or design in computer-aided design (CAD) – given the interest.

However, the industries' quiet profile over the last decade, when talent was abundant, has contributed to the problem and hampers recruiting efforts. The solution is to begin marketing your company, as well as the industry's career potential, to high school graduates and those in vocational or technical programs and community colleges. Organizations need to be sure they are marketing their training and upskilling opportunities, as well as new-collar jobs, to their existing workforce. Promoting new-collar jobs that require digital or technical skills but not a college degree, or jobs that require digital skills but didn't use to, to their existing blue-collar base may well solve a critical skills gap.

### **Your Key to Success: The New-Collar Workforce**

There is little question that the new-collar workforce is fundamental to the future of manufacturing, warehousing and distribution.

Today, and in the future, everyone will need to be problem-solvers and technologically skilled. As manufacturers are on pace to have two million unfilled jobs by 2025, the skills needed to close this gap are changing. Even highly routine jobs will require improvisation and the use of critical thinking.

By attracting new-collar talent and retraining or upskilling existing workers to fill new roles created by technological change, employers have a clear opportunity to avoid a skill shortage. And, new qualifications could facilitate former blue-collar workers moving into more secure, better paying and more rewarding jobs.

Visit [www.employbridge.com/blue-collar-survey/](http://www.employbridge.com/blue-collar-survey/) for more blue-collar workforce insights.