



LABOUR TURNOVER 2024

MAKE_{uk} **INSIGHT:**

After reaching a historically high level in 2022, labour turnover in manufacturing has reduced significantly in 2023.

Both including and excluding redundancies, the churn rate has come down compared to the last 12 months.

The headline rate is at its lowest since before the COVID-19 pandemic (2018), at just over 16%. Excluding redundancies, this number comes down to less than 13% - still higher than prior to the pandemic, but a steep reduction compared with the last two years.

A lower number of live vacancies in the sector, shorter recruitment lead times, and fewer barriers to successful recruitment – as shown in our Q1 HR Bulletin and Manufacturing Salary Guide – show a slowly improving picture across the sector.

However, there remain significant challenges for manufacturers. Seeking higher pay and opportunities for progression remain the most popular reasons for staff leaving manufacturing businesses, and nearly half of employers have seen staff leave due to retirement in the last 12 months. While all of these factors have declined slightly compared with 2022, it is clear that there has been no major change in the challenges the sector faces in keeping hold of skilled, experienced employees.

METHODOLOGY

Sample: This is based on a survey undertaken between 18th January and 1st February 2024 with 152 manufacturers responding.

Labour Turnover: all leavers are included in our calculations, including voluntary resignations, redundancies, retirement, and dismissals.

The calculation: Turnover =
$$\frac{\text{Total number of leavers}}{\text{Average number employed}} \times 100$$

Turnover excluding redundancies: all leavers are included in our calculations apart from redundancies; therefore, this measure includes voluntary resignations, retirement, and dismissals.

The calculation: Turnover excl redundancies =
$$\frac{\text{Total number of leavers - redundancies}}{\text{Average number employed}} \times 100$$

Please note that in the survey, respondents were asked to provide data for both manual and non-manual employees; if they were unable to provide data for each, they provided data for all employees. Therefore, in this report, the 'all employees' category in each chart does not represent the total of the 'manual employees' and 'non-manual employees' categories, but also includes the data given by respondents who only provided one set of responses for their whole workforce.



IN 2023:



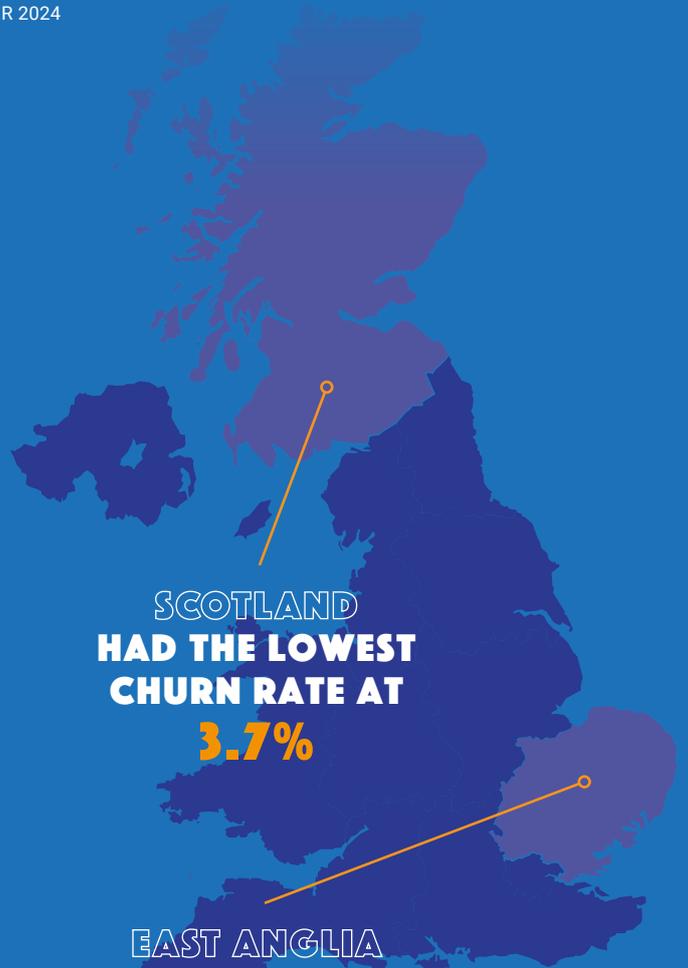
**OVERALL
LABOUR
TURNOVER
WAS
16.12%**

THIS IS DOWN FROM
20.75%
IN 2022,
AND HAS RETURNED
TO PRE-PANDEMIC
LEVELS - THE LOWEST
CHURN RATE SINCE
2018



**EXCLUDING
REDUNDANCIES,
THE CHURN FOR
ALL EMPLOYEES
WAS
12.94%**

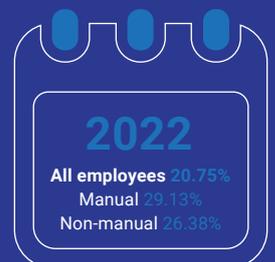
THIS IS
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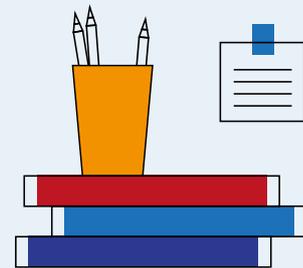
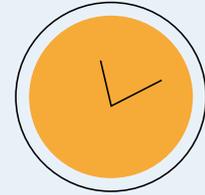
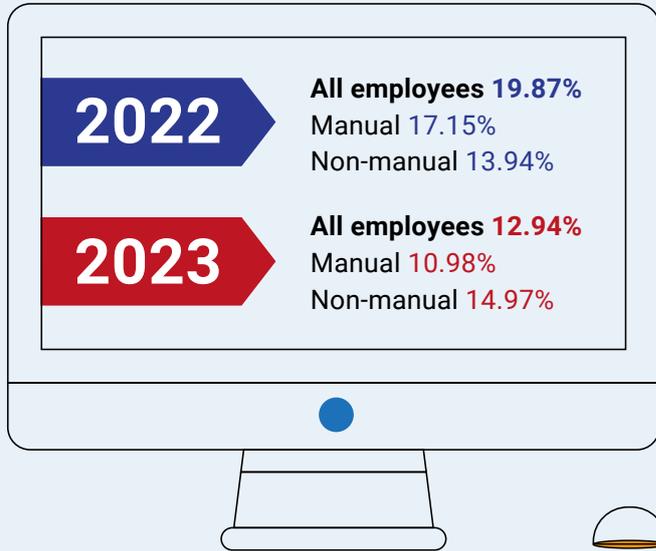
**SCOTLAND
HAD THE LOWEST
CHURN RATE AT
3.7%**

**EAST ANGLIA
HAD THE HIGHEST
CHURN RATE OF
20.29%**

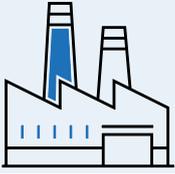
MANUFACTURING LABOUR TURNOVER BY EMPLOYEE TYPE:



MANUFACTURING LABOUR TURNOVER BY EMPLOYEE TYPE (EXCLUDING REDUNDANCIES)

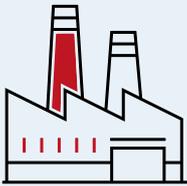


MANUFACTURING LABOUR TURNOVER BY SIZE OF COMPANY (BY EMPLOYEE NUMBER)



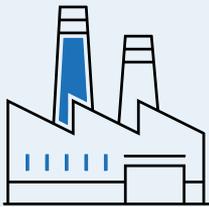
1-9 EMPLOYEES

All employees -
Manual -
Non-manual -



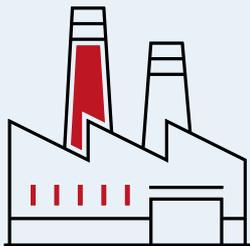
10-249 EMPLOYEES

All employees 17.97%
Manual 22.06%
Non-manual 23.47%



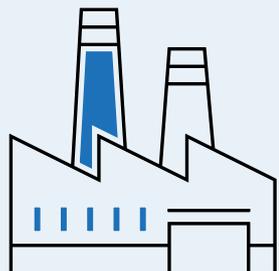
250-499 EMPLOYEES

All employees 11.34%
Manual 11.09%
Non-manual 11.71%



500-999 EMPLOYEES

All employees 14.55%
Manual 9.98%
Non-manual 18.59%



1000+ EMPLOYEES

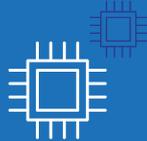
All employees 4.82%
Manual 4.45%
Non-manual 4.25%

MANUFACTURING LABOUR TURNOVER BY SECTOR



BASIC METALS

All employees 27.74%
Manual 27.73%
Non-manual 31.91%



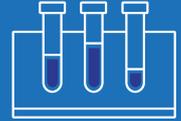
ELECTRONICS

All employees 14.96%
Manual 14.71%
Non-manual 16.84%



TEXTILES

All employees 10.83%
Manual 8.33%
Non-manual 20.83%



CHEMICALS

All employees 10.87%
Manual 13.57%
Non-manual 10.13%



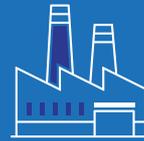
RUBBER & PLASTICS

All employees 14.31%
Manual 15.95%
Non-manual 11.77%



ELECTRICAL EQUIPMENT

All employees 9.69%
Manual 11.07%
Non-manual 5.89%



OTHER MANUFACTURING

All employees 21.73%
Manual 26.03%
Non-manual 22.28%



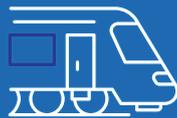
NON-MANUFACTURING

All employees 16.67%
Manual -
Non-manual 16.67%



PAPER & PRINTING

All employees 6.79%
Manual 10.70%
Non-manual 8.15%



OTHER TRANSPORT

All employees 8.20%
Manual 10.42%
Non-manual 6.76%



MECHANICAL EQUIPMENT

All employees 12.74%
Manual 13.55%
Non-manual 10.81%



NON-METALLIC MINERALS

All employees 28.87%
Manual 40.58%
Non-manual -



METAL PRODUCTS

All employees 19.89%
Manual 24.87%
Non-manual 19.29%



FOOD AND DRINK

All employees 12.34%
Manual 11.98%
Non-manual 9.15%



MOTOR VEHICLES

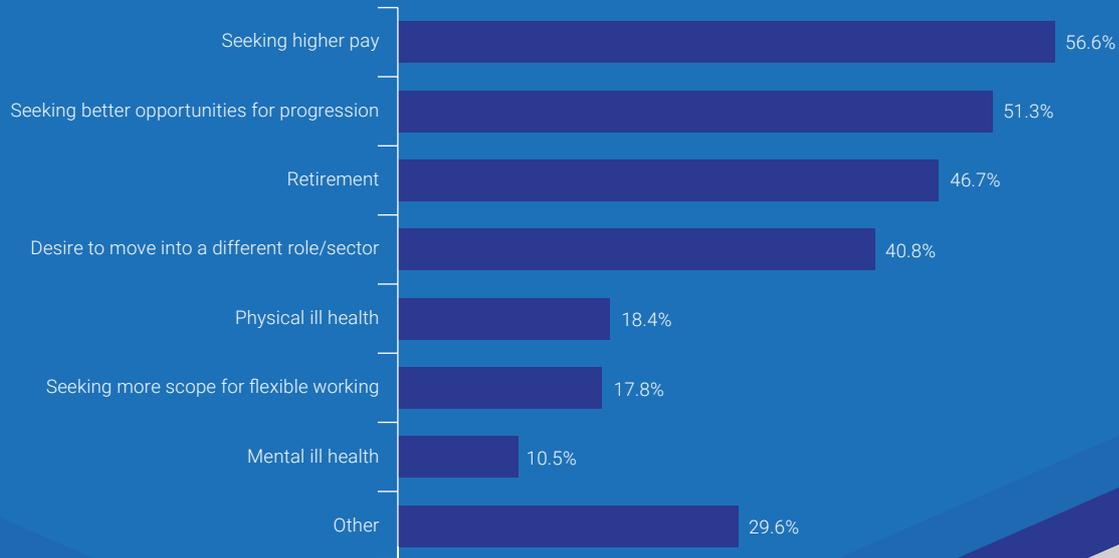
All employees 8.47%
Manual 16.49%
Non-manual 6.56%



PHARMA-CEUTICALS

All employees 9.90%
Manual 10.10%
Non-manual -

EXCLUDING REDUNDANCIES, WHAT WERE THE REASONS FOR STAFF LEAVING YOUR BUSINESS IN 2023?



MAKE_{uk} HR INSIGHT:

In today's dynamic business landscape, nurturing a highly engaged workforce is pivotal for organisations aiming to maximize retention and retain essential skills. Additionally, fostering inclusivity in recruitment practices, enhancing pay and reward structures, providing clear pathways for career progression, implementing effective succession planning, and offering retirement alternatives are crucial components of an organisation's talent management strategy.

Here's a closer look at how businesses can support these vital aspects:

1. EMPLOYEE ENGAGEMENT FOR RETENTION AND SKILL RETENTION

- Encourage open communication channels and regular feedback sessions to understand employee needs and concerns
- Foster a culture of recognition and appreciation to make employees feel valued and motivated
- Provide opportunities for skills development and growth through training programs and mentorship initiatives
- Promote work-life balance and flexibility to enhance job satisfaction and overall engagement

2. INCREASING INCLUSIVE RECRUITMENT PRACTICES

- Review and revise job descriptions and qualifications to eliminate bias and ensure inclusivity
- Implement blind recruitment techniques to focus solely on skills and qualifications during the initial screening process
- Establish diversity hiring goals and actively seek candidates from underrepresented groups
- Offer unconscious bias training to hiring managers to mitigate potential biases in the recruitment process

3. PAY AND REWARD STRUCTURES

- Conduct regular market research to ensure competitive compensation packages
- Consider implementing performance-based bonuses or incentives to reward high achievers
- Offer non-monetary rewards such as additional time off, flexible work arrangements, or professional development opportunities
- Provide transparent communication about pay and reward structures to build trust and transparency within the organisation
- Undertake Job Evaluation to ensure roles match responsibility, skills and behaviours required

4. CAREER PROGRESSION

- Create clear pathways for career advancement and provide employees with opportunities for skill enhancement and upward mobility
- Offer personalised development plans and mentorship programs to support employees in reaching their career goals
- Encourage internal promotions and lateral moves to provide diverse experiences and opportunities for growth
- Conduct regular career development discussions to align individual aspirations with organisational goals

5. SUCCESSION PLANNING

- Identify key positions within the organisation and develop talent pipelines to fill these roles
- Implement cross-training programs to groom potential successors and mitigate the risk of talent gaps
- Provide mentorship and coaching to high-potential employees to prepare them for future leadership roles
- Continuously evaluate and update succession plans to adapt to changing business needs and workforce dynamics

6. RETIREMENT AND ALTERNATIVES

- Offer flexible retirement options such as phased retirement, job sharing, or consulting opportunities
- Provide financial planning resources and retirement workshops to help employees prepare for their transition
- Encourage knowledge transfer and mentorship between retiring employees and younger colleagues to preserve institutional knowledge
- Explore innovative solutions such as alumni networks or rehiring retirees on a part-time or project basis to retain their expertise and experience

By prioritising these areas and implementing targeted strategies, organisations can cultivate a supportive and inclusive work environment that fosters employee engagement, promotes retention, and maintains the development of critical skills for long-term success.





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Our HR experts are on hand to support you through the entire employment cycle, from challenges around recruitment, retention and employee engagement to broader strategic issues involving your workforce.

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