

Grow From Within: The Power of Upskilling Incumbent Talent

Overview

In this session, the Manufacturing Institute brought together industry leaders from Logan Aluminum and Toyotetsu to discuss strategies for building stronger workforces through upskilling incumbent workers.

Key takeaways

1. Upskilling is essential

The World Economic Forum estimated that by 2030, nearly **39% of core job skills will shift** due to changing technologies and processes. This, in addition to ongoing manufacturing labor shortages, has driven manufacturers to find that strategically investing in their current employees is essential for long-term growth.

2. Internal investment brings big benefits

Upskilling incumbents has many long and short-term benefits that demonstrate its high return on investment. This includes:

- **Cost efficiency:** With existing knowledge about the organization's facilities, culture, and processes, incumbents can hit the ground running in new positions. This significantly cuts down on training and eliminates the need for a time-intensive talent search.
- **Higher retention:** Upskilling builds mutual trust between incumbent and employer. Employees are loyal to employers who invest in them and will stay where they see opportunities for growth.
- **Improved performance:** Continued learning engages employees, building their confidence and increasing ownership of their work.
- **Lower risk:** In contrast to hiring externally, manufacturers know exactly how incumbent employees will perform on the job and can select the best talent to invest in.
- **Stronger talent:** In addition to teaching technical skills, development programs provide incumbents with important soft skills, developing future leaders.
- **Pipeline building:** Upskilling opens entry-level roles for new workers, including second-chance hires, veterans, and underserved populations.

3. The Importance of Leadership Buy-In



Leadership support is necessary for successful upskilling programs. By building upskilling into the organizational culture and day-to-day workflow, leaders signal that they value their workforce, cultivating a positive company culture. This improves morale and overall job satisfaction, contributing further to stronger employee retention.

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