

MANUFACTURERS WANT ENGAGED TEAMS. IT STARTS WITH FRONTLINE LEADERS.

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PwC and the Manufacturing Institute

EXECUTIVE SUMMARY

The manufacturing workforce is undergoing a transformation, with evolving employee expectations emerging as a top challenge for industry leaders. As manufacturers seek to enhance the frontline worker experience, frontline leaders represent an untapped opportunity to drive engagement, productivity, and retention. However, many frontline leaders lack the skills necessary to shape a positive workplace culture effectively.

To explore this, PwC and the Manufacturing Institute conducted a survey of key manufacturing roles including team leaders, department leaders, plant managers, operations managers, human resources (HR) professionals and executive leaders to identify the skills and characteristics frontline leaders should have to succeed.

Frontline leaders serve as critical touchpoints in manufacturing operations, influencing daily interactions and workplace morale. While 64% of survey respondents believe a positive employee experience reduces attrition, only 17% consider their frontline leaders to be extremely effective in this area, revealing significant growth opportunities.

Key Skills for Future-Ready Frontline Leadership

To address this gap, companies must invest in developing three essential skill areas:

1. **Communication:** While 77% of respondents rate clear communication as crucial, only 29% believe frontline leaders have advanced or expert proficiency. Enhancing communication skills—especially in daily standups, team meetings, and one-on-one interactions—can significantly improve engagement and performance.
2. **Emotional Intelligence (EQ):** Despite its critical role in leadership, only 36% of respondents recognize EQ as essential for frontline leaders' success. Strengthening self-awareness, empathy, and conflict resolution skills will enable leaders to foster trust, improve teamwork, and navigate workplace challenges effectively. Since frontline leaders engage with their teams daily, developing stronger emotional intelligence presents a compelling case for upskilling.
3. **Technology and Digital Literacy:** With 82% of manufacturers planning major technological upgrades and 45% implementing AI within three years, frontline leaders

must be equipped to manage their workforce effectively through a digital transformation. Yet, 67% of respondents anticipate resistance to change. Upskilling frontline leaders in technology adoption, change management, and digital collaboration will be vital for ensuring smooth transitions.

Investing in Leadership Development

The report highlights the need for consistent, high-quality training to empower frontline leaders. While 76% of manufacturing leaders agree that adequate training is essential for a positive employee experience, 63% of companies currently offer structured development programs only once per year. Increasing the frequency and quality of training will be key to building a resilient workforce.

Strategies for Retention and Engagement

Beyond leadership development and training, manufacturers can bolster workforce retention through:

- **Competitive Compensation:** Identified by 93% of respondents as the most effective retention strategy.
- **Mentorship and Coaching:** These programs are widely supported, with 64% of respondents recognizing their value. However, there's a notable difference in how various executives perceive their importance.
- **Recognition Programs:** HR professionals unanimously endorse recognition and awards as critical retention tools, yet approaches should be tailored to employee preferences.

Conclusion

Manufacturers stand at a crossroads: maintaining the status quo risks missing opportunities to enhance workplace culture and productivity, while proactive investment in frontline leadership can transform the employee experience. Investing in the workforce is not just beneficial—it is essential for business success, ensuring companies remain competitive and can effectively fill critical roles. Prioritizing communication, emotional intelligence, and technology skills alongside structured leadership development and retention initiatives will be essential for shaping a more engaged, resilient workforce for the future.

[Read the full report](#)