



**AMERICAN BAKERS
ASSOCIATION**



**INTERNATIONAL
DAIRY DELI BAKERY
ASSOCIATION**

Future-Proofing Commercial Baking: Workforce Challenges & Solutions



CYPRESS RESEARCH

Introduction & Methodology

Due to the ongoing workforce gap in the U.S. commercial baking manufacturing industry, the American Bakers Association (ABA), the American Society of Baking (ASB) and the International Dairy Deli Bakery Association (IDDBA) commissioned Cypress Research Associates, LLC to conduct an industry survey to determine the extent of the industry workforce gap and solutions for commercial baking manufacturers. The research benchmarks changes in trends since the 2016 baseline study in the following areas:

Baking manufacturer perceptions of the current and projected states of employment among key job roles, specifically:

- Hourly production (i.e., loaders/shippers, sanitation workers, production helpers, drivers)
- Hourly skilled production (i.e., machine operators, maintenance/engineering)
- Salaried positions (e.g., Scientists/R&D, quality control/quality assurance, supply chain, customer service)

Best practices/solutions in addressing the talent gap, specifically within hourly, skilled production roles in the following areas:

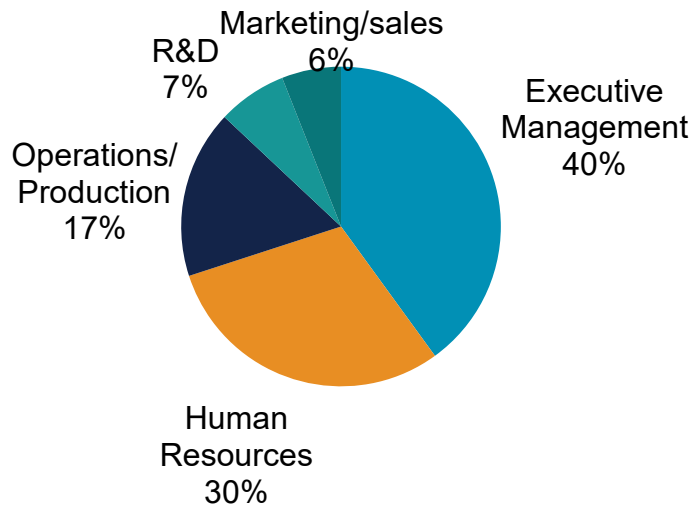
- Attracting and recruiting skilled talent
- Training talent to address skills gaps
- Retaining skilled talent

The online industry survey was fielded from December 2024 to February 2025 involving members of ABA, ASB, and IDDBA. Completed surveys were received from 80 respondents representing 70 baking manufacturing companies.

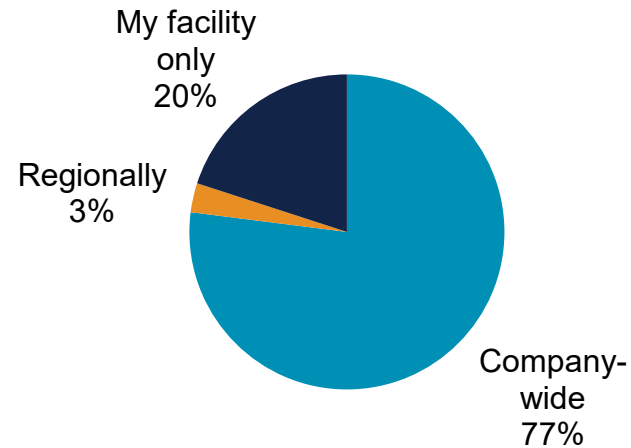


Respondent Background

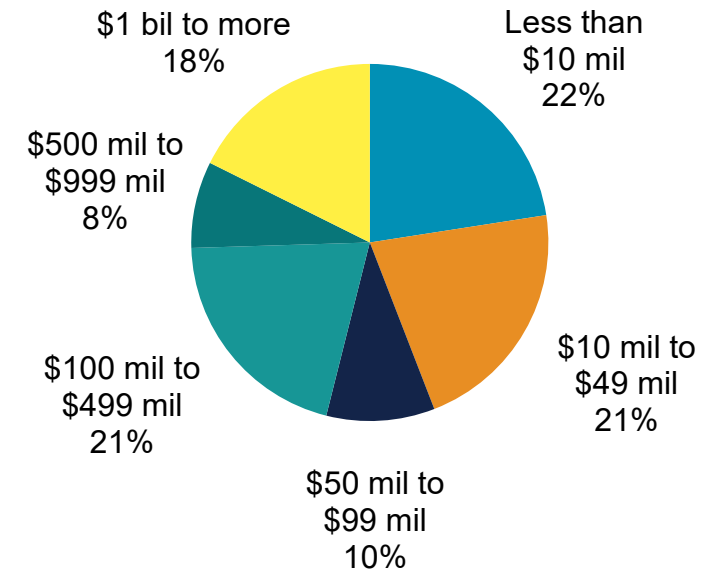
Job Role



Organizational Level For Completing Survey

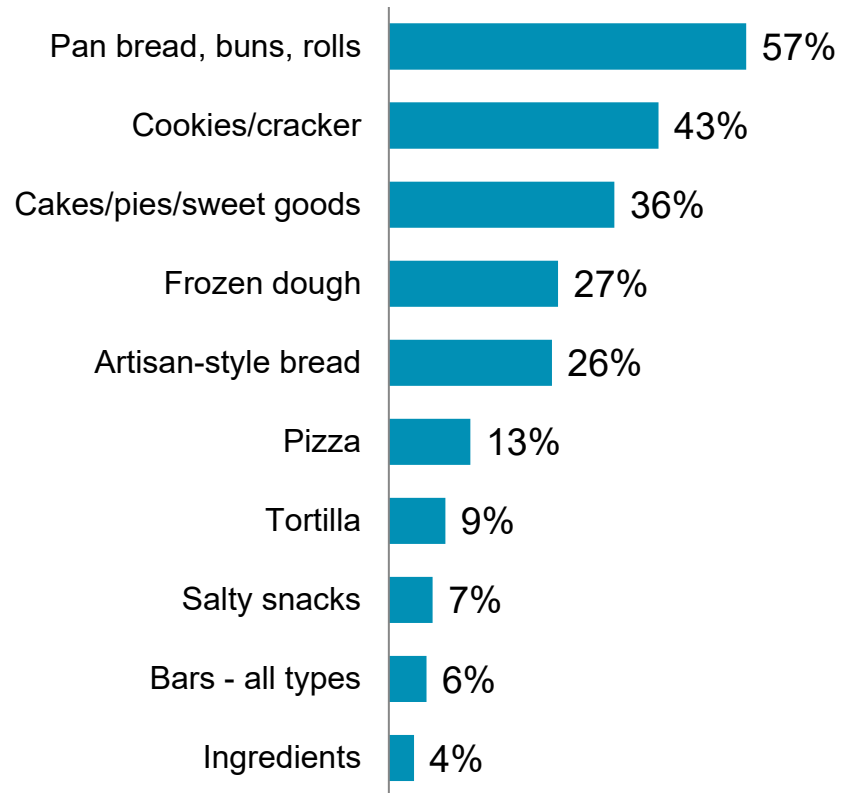


Company-wide Annual Gross Sales

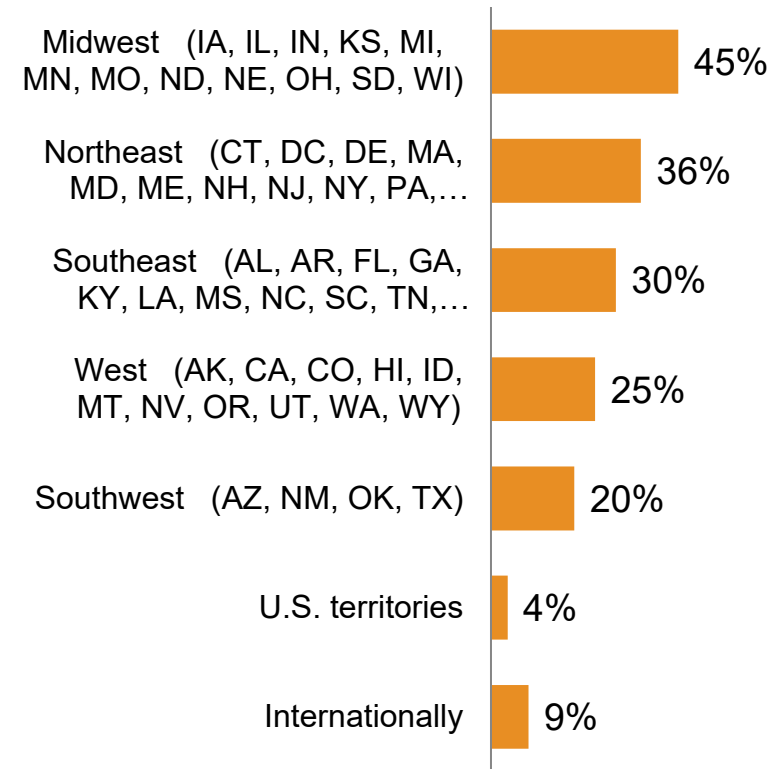


Respondent Background

Primary Products



Locations Of Manufacturing Facilities



Note: Multiple responses accepted for both items





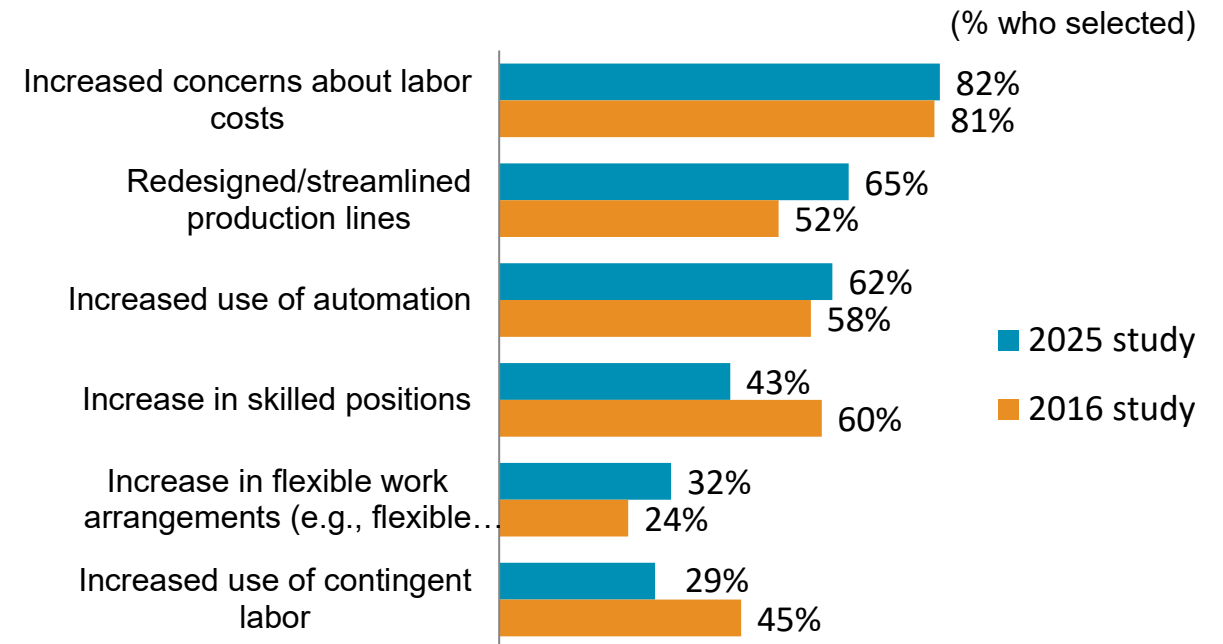
Assessing Workforce Impact on Business Strategy

Concerns about labor costs continue to impact production

A significant increase in baking manufacturers are focused on redesigned or streamlined production lines and flexible work arrangements in 2025

Note: Multiple responses accepted

How has the nature of your company's production work changed during the past five years?

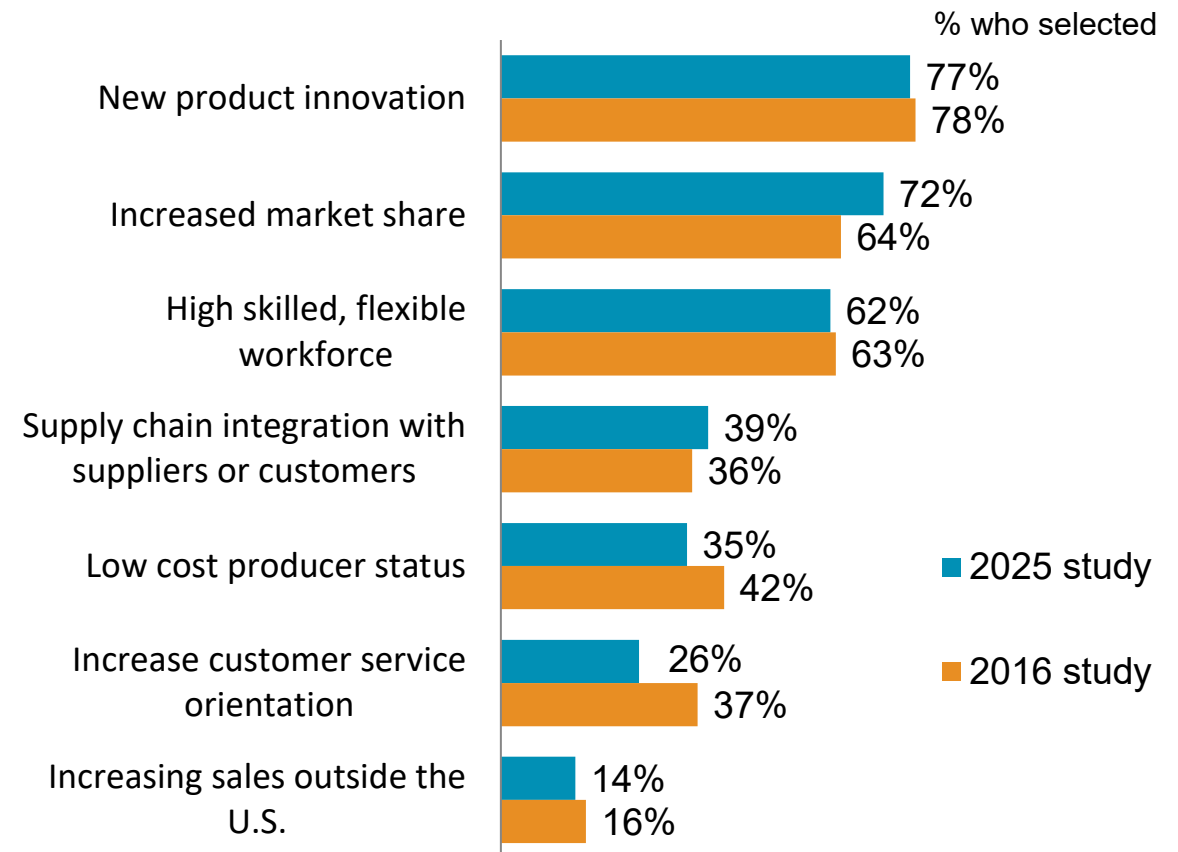


Innovation, growth, and talent agility lead the way for future business success

Skilled, flexible workforces have remained a top strategic priority for 60% of baking manufacturers over the past decade

Note: Multiple responses accepted

Which of the following will be most important to your company's future business success over the next 5 years?

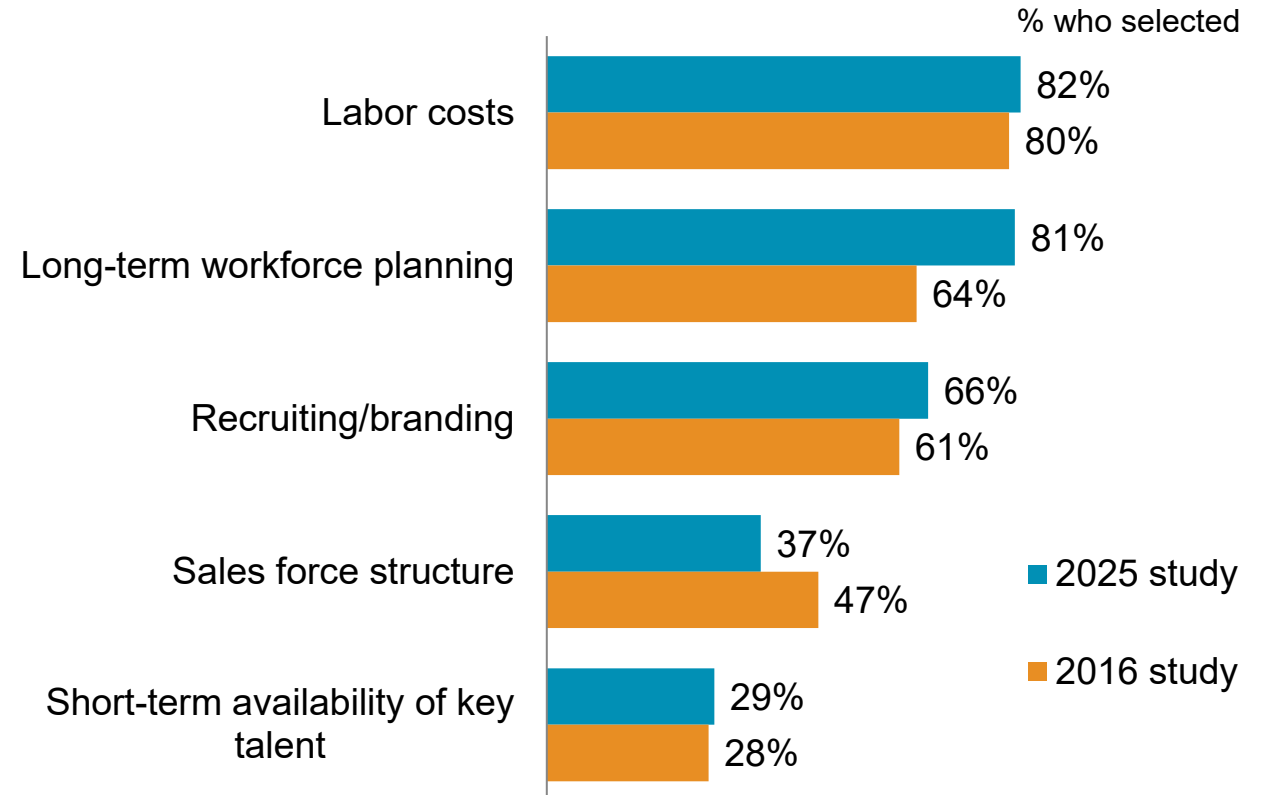


Sharp rise in focus on long-term workforce planning since 2016

17% increase in baking manufacturers considering long-term workforce planning since 2016 and labor costs also remain a dominant strategic driver

Note: Multiple responses accepted

What workforce-related factors does your company consider when setting its corporate strategy?



Key Takeaways: Assessing Workforce Impact on Business Strategy

Changing nature of production work

- Concerns about labor costs continue to impact production – 82% of bakers (held steady compared to 2016)
- A significant increase in baking manufacturers are focused on redesigned or streamlined production lines and flexible work arrangements in 2025

Initiatives tied to 5-year business success

- Innovation, growth, and talent agility lead the way – top for 5-year business success
- Skilled, flexible workforces have remained a top strategic priority for 60% of baking manufacturers over the past decade

Important workforce-related factors in setting corporate strategy

- Sharp rise in focus on long-term workforce planning since 2016
- 17% increase in baking manufacturers considering long-term workforce planning since 2016 and labor costs also remain a dominant strategic driver





From Now to 2030: Understanding the Extent of the Workforce Gap

Workforce gaps persist across key roles in 2025

6 in 10 companies report serious shortages in hourly maintenance and engineering roles - still high, though improved from 78% in 2016

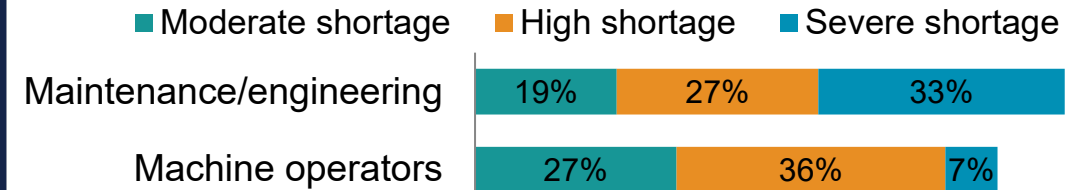
4 in 10 companies face ongoing machine operator shortages, mirroring 2016 levels

Sanitation workers are the highest shortages among all hourly production roles

Note: Based on a 5-Point Scale where 1='No Shortage' and 5='Severe Shortage'; respondents provided w/ 'Don't Know' response option.
*not including independent contractors; general hourly production and transportation positions not included in 2016 study.

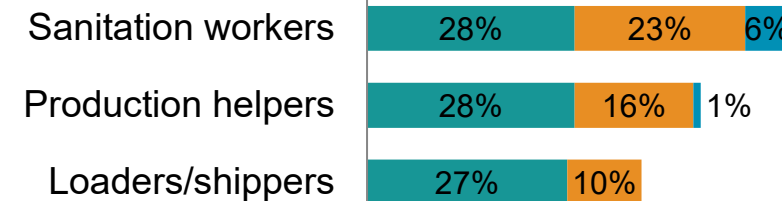
What is the extent of your company's recurring skills shortage among these hourly employee segments TODAY?

SKILLED Production:



| % 'high' or 'severe' | |
|----------------------|------------|
| 2025 study | 2016 study |
| 60% | 78% |
| 43% | 40% |

Production:



| | |
|-----|-----|
| 29% | n/a |
| 17% | n/a |
| 10% | n/a |

Transportation:



| | |
|-----|-----|
| 17% | n/a |
|-----|-----|



2030 Outlook: Talent demands expected to rise across key hourly roles

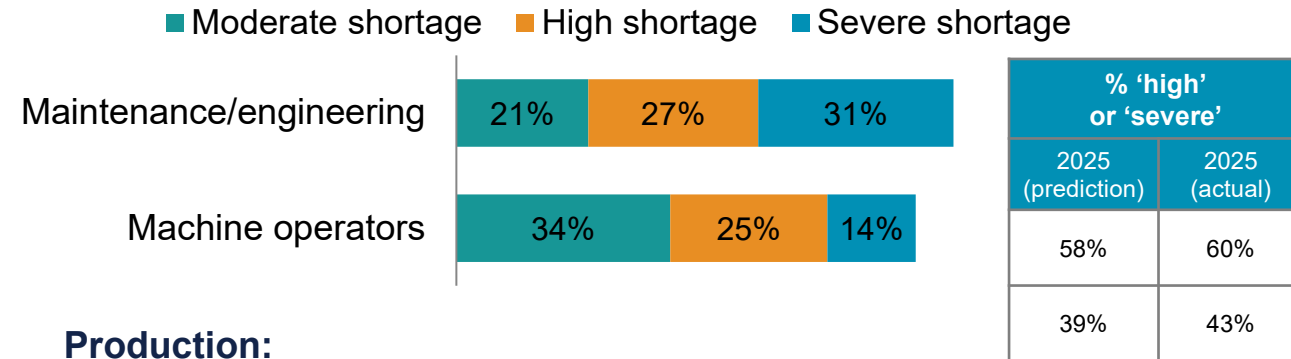
Engineering and maintenance roles remain a top concern for baking manufacturers, with a growing need for production helpers and drivers

Baking companies predict a 6% increase in a high or severe shortage of production helpers and drivers to occur in the next 5 years

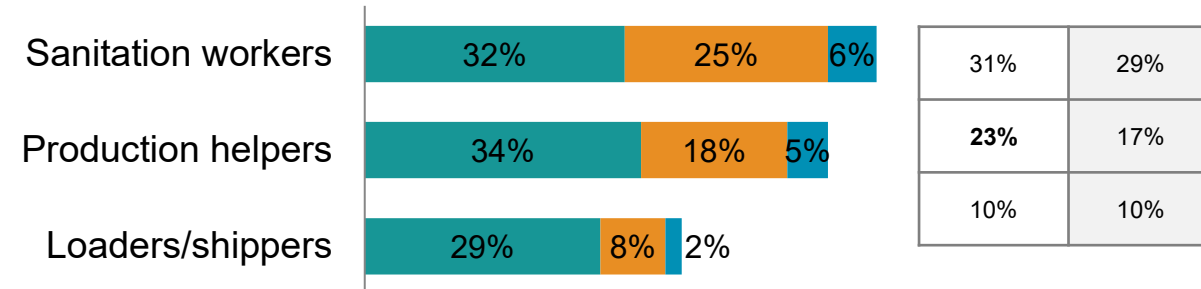
Note: Based on a 5-Point Scale where 1='No Shortage' and 5='Severe Shortage'; respondents provided w/ 'Don't Know' response option.
 +% figures in chart represent percent increase in 'high' or 'severe' shortages in 2030 over current skills shortage levels.
 'Maintenance/Engineering' = defined as PLC's, techs, boiler, ammonia refrigeration; 'Machine Operators' = defined as skilled production, mixer or oven operators

By 2030, what do you predict will be the extent of your company's skills shortage among these hourly employee segments?

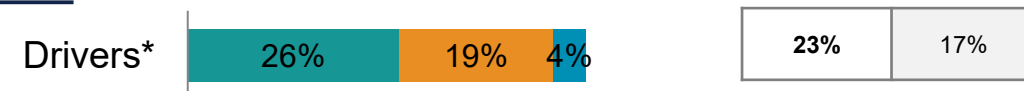
SKILLED Production:



Production:



Transportation:



Salaried roles in Engineering/Maintenance and Production Management lead 2025 shortage concerns

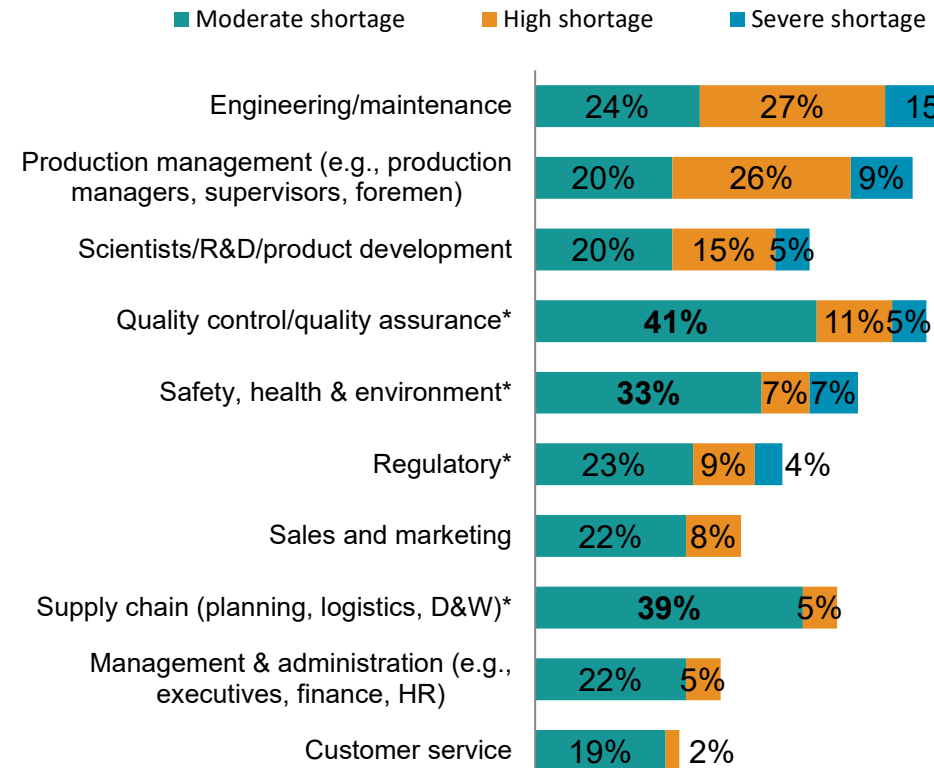
Moderate shortages are also emerging in QA, Supply Chain, and Safety roles, signaling growing pressure for these employee segments

Note: Based on a 5-Point Scale where 1='No Shortage' and 5='Severe Shortage'; respondents provided w/ 'Don't Know' response option.

*New job category in 2025

What is the extent of your company's recurring skills shortage among these SALARIED employee segments TODAY?

SALARIED Positions:



| % 'high' or 'severe' | |
|----------------------|------------|
| 2025 study | 2016 study |
| 42% | 59% |
| 35% | 22% |
| 20% | 21% |
| 16% | n/a |
| 14% | n/a |
| 13% | n/a |
| 8% | 8% |
| 5% | n/a |
| 5% | 5% |
| 2% | 2% |



2030 Forecast: Pressure mounts on salaried talent pipelines

Baking manufacturers predict that Engineering/Maintenance roles will remain in critical shortage

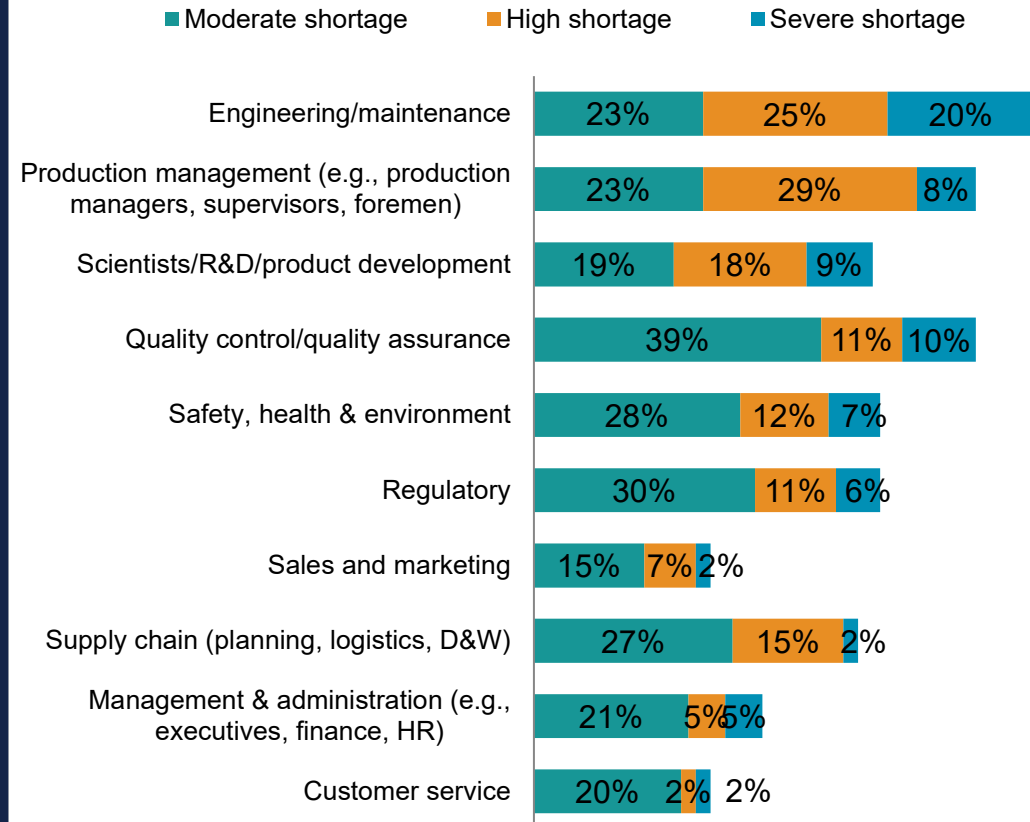
Nearly 4 in 10 companies anticipate continued gaps in Production Management

Sharp increases are projected in shortages for Supply Chain and R&D/Product Development roles

Note: Based on a 5-Point Scale where 1='No Shortage' and 5='Severe Shortage'; respondents provided w/ 'Don't Know' response option.
*New question in 2025

By 2030, what do you predict will be the extent of your company's skills shortage in the following **SALARIED** positions?

SALARIED Positions:



| % 'high' or 'severe' | |
|----------------------|---------------|
| 2030 (prediction) | 2025 (actual) |
| 45% | 42% |
| 37% | 35% |
| 27% | 20% |
| 21% | 16% |
| 19% | 14% |
| 17% | 13% |
| 9% | 8% |
| 17% | 5% |
| 10% | 5% |
| 4% | 2% |



Key Takeaways: Understanding the Extent of the Workforce Gap

Maintenance/engineering

- 6 in 10 baking companies reported 'high' or 'severe' company shortages in 2025 hourly maintenance/engineering positions (down from 78% in 2016)
- Continued 'high' to 'severe' shortages of hourly engineering/maintenance positions predicted for 2030

Machine operators

- 4 in 10 companies report 'high' or 'severe' shortages for 2025 hourly machine operators (similar to 2016)
- 4 in 10 predict 'high' to 'severe' shortages of hourly machine operators by 2030

Other hourly production

- Hourly sanitation workers highest shortages of other hourly production workers in 2025
- Higher shares of companies predict 'high' to 'severe' shortages among hourly production helpers and drivers by 2030

Salaried positions

- 2025 shortages among salaried bakery production positions is led by Engineering/Maintenance and Production Management roles
- Continued 'high' to 'severe' shortages of salaried engineering/maintenance and production management are predicted by 2030
- Significant shares of reported 2025 'moderate' shortages signal concern for QC/QA, Supply Chain and Safety/Health/Environment salaried positions
- Significant jumps in shortages among salaried Supply Chain and R&D/PD positions are predicted for 2030





The following slides focus exclusively on hourly, skilled production roles, specifically:

Maintenance/Engineering

(e.g., PLCs, technicians, boiler systems, ammonia refrigeration)

Machine Operators

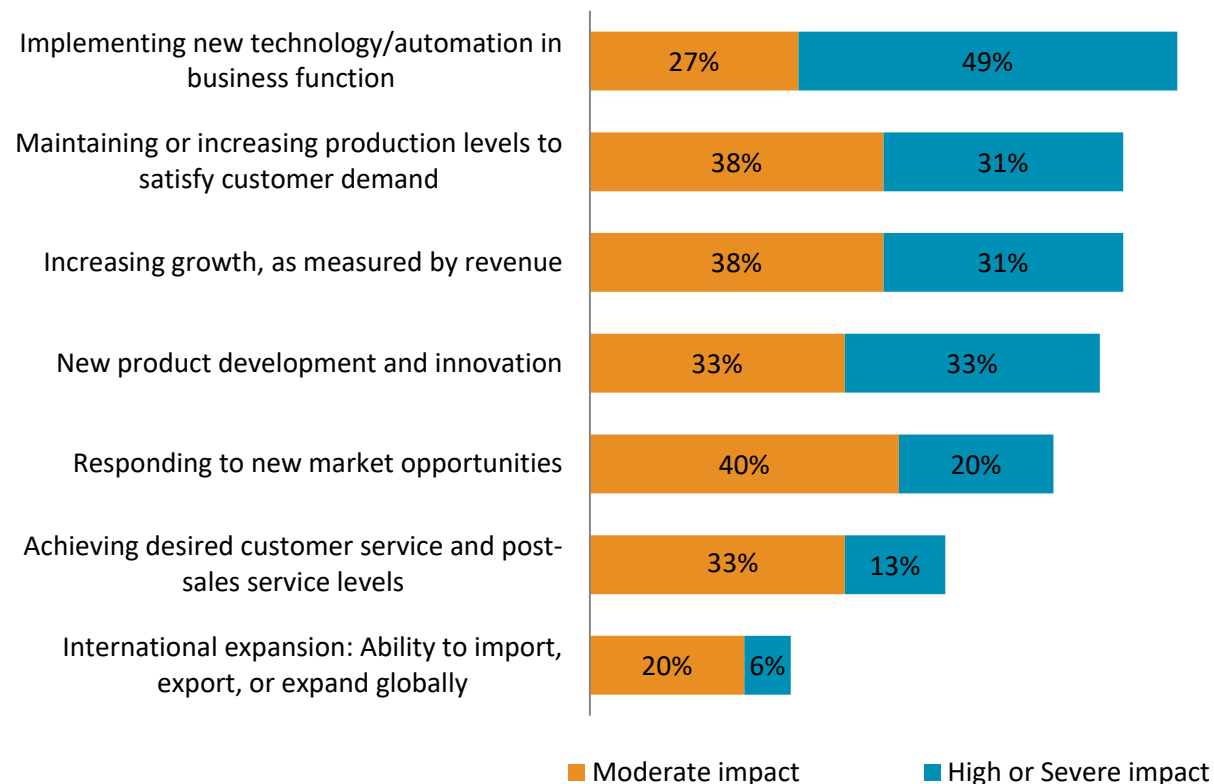
(e.g., mixers, ovens, and other skilled production functions)

Skills shortages within hourly, skilled production positions are the most impactful on a company's ability to implement new technology or automation

Baking companies reported maintaining or increasing production levels and increasing growth to be the other areas of the business most affected by skills shortages

Note: Based on a 5-point scale where 1='No impact' and 5='Severe impact'; Respondents provided option of 'Don't Know'.

To what extent are the following areas of your business affected by skills shortages within your hourly, skilled production positions? (i.e., maintenance/engineering, machine operators)



Deficiencies in the digital skills of hourly skilled production positions significantly increased between 2016 and 2025

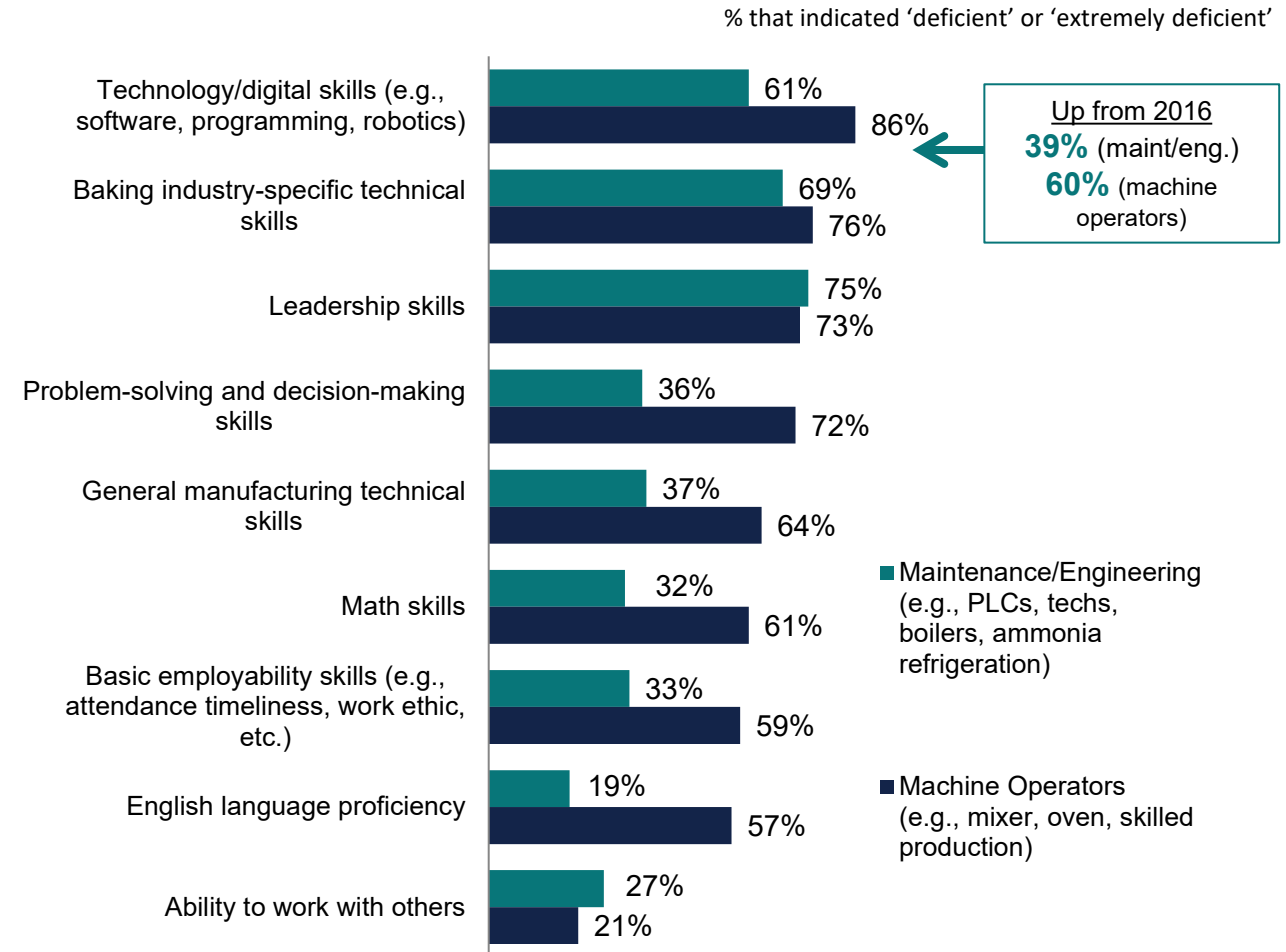
For both Maintenance/Engineering roles and Machine Operators, industry specific technical skills and leadership skills were identified as a challenge

Skills deficiencies for Machine Operator roles were reported in much higher percentages across all remaining skillsets except for the 'ability to work with others'

Note: Multiple responses accepted; Scale of 1='Extremely Deficient' to 4='Extremely Sufficient'; respondents provided option of 'Don't Know'

What is the extent of skills deficiencies among hourly, skilled production positions at hire or promotion into a new position?

(i.e., maintenance/engineering, machine operators)

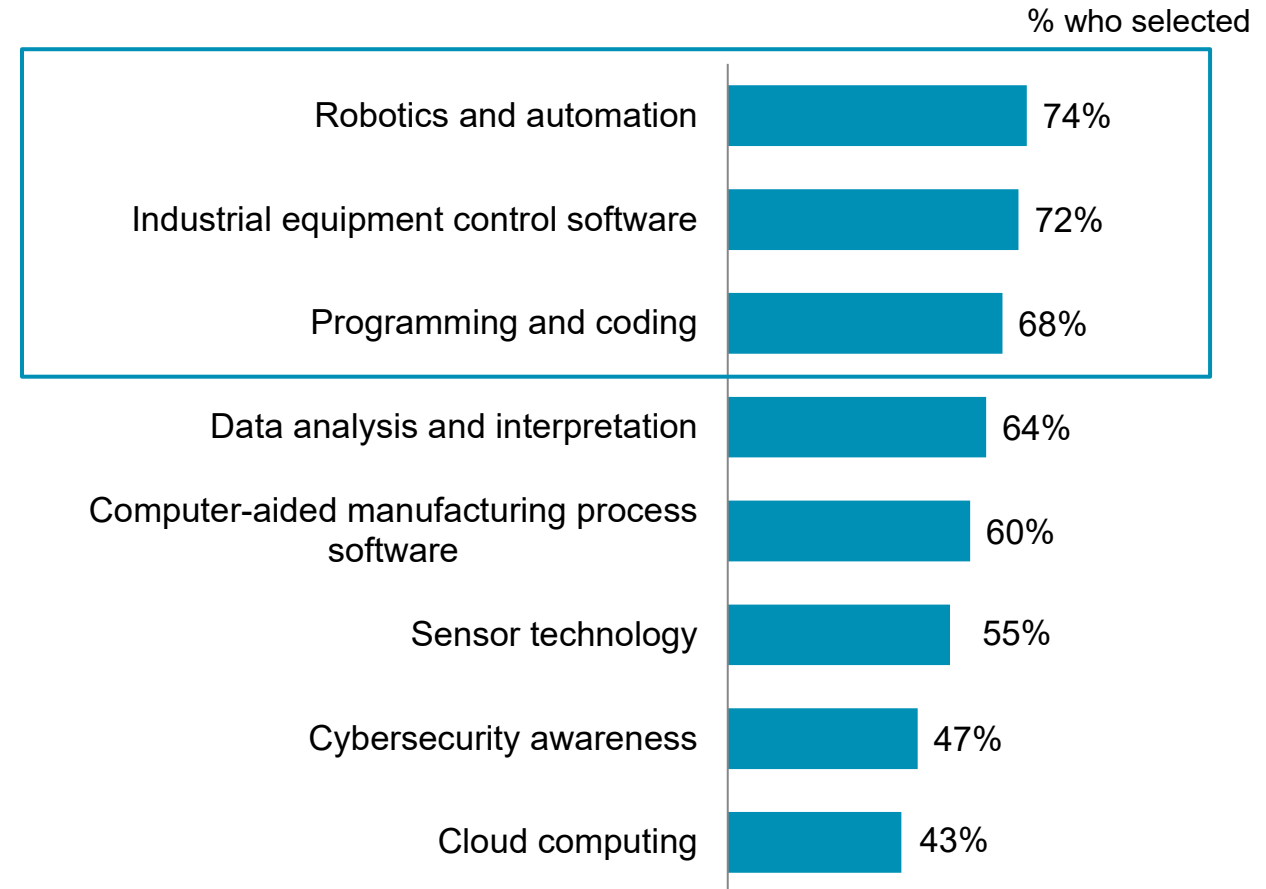


Tech skills shortage impacts hourly, skilled production positions

7 in 10 baking manufacturers cited Robotics and Automation, Industrial Equipment Control Software, Programming and Coding as the top 3 technology/ digital skills most lacking at hire or promotion

Note: Multiple responses accepted; new survey item in 2025

Which of the following technology/digital skills are most lacking at hire or promotion into a new position among hourly, skilled production positions? (i.e., maintenance/engineering, machine operators)





Closing the Gap: Understanding Recruitment Barriers and Best Practices Making an Impact

Half of baking company respondents identify the ‘top 5 recruitment issues’ as persistent and growing challenges

Recruitment challenges have remained largely consistent over the past nine years, particularly in attracting candidates to the baking industry, finding individuals with the right skills, and identifying strong candidate pools. However, since 2016, the severity of challenges related to skills gaps and candidate sourcing has notably increased.

To what extent do the following **RECRUITMENT-RELATED CHALLENGES** contribute to the skills shortage at your company for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

| SUMMARY: Top 5 Recruitment Challenges for hourly, skilled production positions (out of 16 areas) | % ‘moderate’ or ‘significant’ challenge | |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| | 2025 study | 2016 study |
| Finding & Developing Talent: Lack of qualified candidates in required geography | 92% (50% ‘significant’) | n/a (new item in 2025) |
| Branding: Competitive manufacturing environment (many similar jobs available in same geographic area) | 92% (48% ‘significant’) | n/a (new item in 2025) |
| Branding: Challenges making bakery manufacturing appealing to qualified candidates | 92% (46% ‘significant’) | 95% (58% ‘significant’) |
| Finding & Developing Talent: Candidates do not have the skills we need | 90% (54% ‘significant’) | 93% (37% ‘significant’) |
| Finding & Developing Talent: Difficulties identifying candidate pools for hourly, skilled production positions | 88% (54% ‘significant’) | 89% (39% ‘significant’) |

Note: Based on a 3-point scale where 1=‘Not a Challenge’, 2=‘Moderate Challenge’ and 3=‘Significant Challenge’; respondents provided ‘Don’t Know’ response option.



Top 'finding & developing talent' challenges highlight ongoing gaps in skills, location, candidate visibility

The top three recruitment challenges cited by baking manufacturers were lack of candidates in required locations, candidates lacking necessary skills, and difficulty identifying viable candidate pools

The remaining recruitment challenges were still considered moderate to significant by a majority of respondents, reinforcing that workforce recruitment remains a persistent concern across the industry.

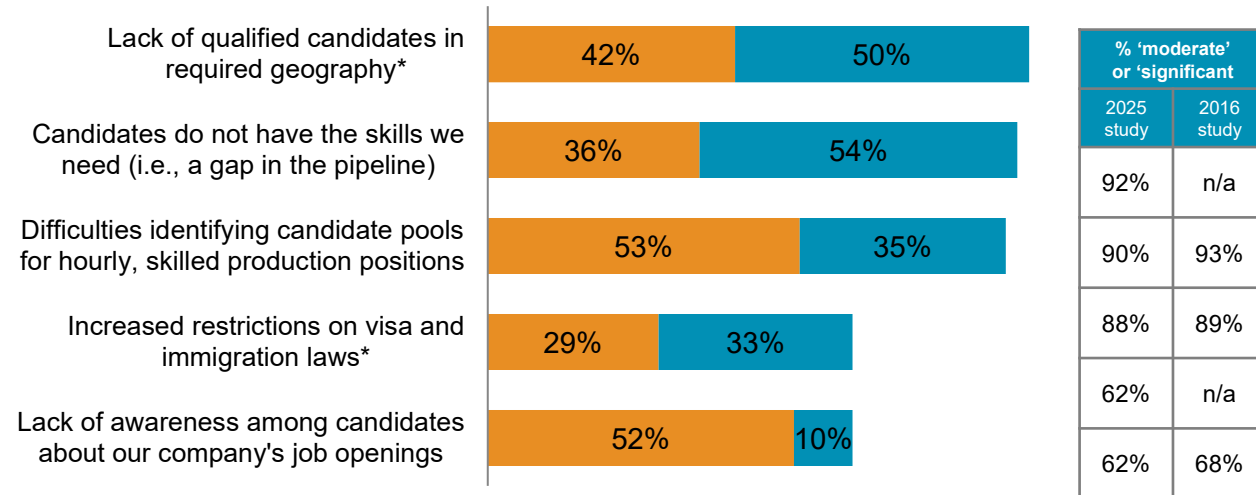
*New item in 2025; Note: Based on a 3-point scale where 1='Not a Challenge', 2='Moderate Challenge' and 3='Significant Challenge'; respondents provided 'Don't Know' response option.

To what extent do the following RECRUITMENT-RELATED CHALLENGES contribute to the skills shortage at your company for hourly, skilled production positions?

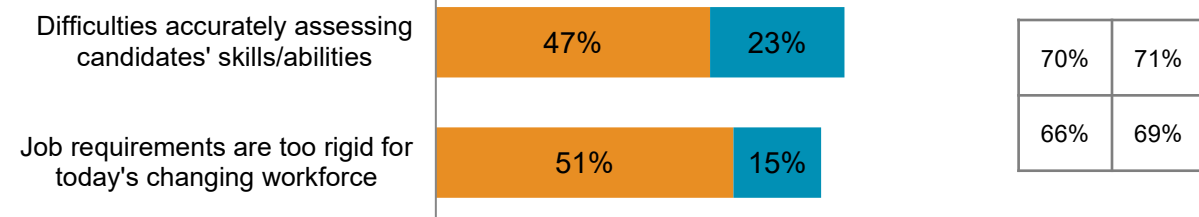
(i.e., maintenance/engineering and machine operators)

Finding and developing candidates:

■ Moderate challenge
■ Significant challenge



Qualifications/job requirements:



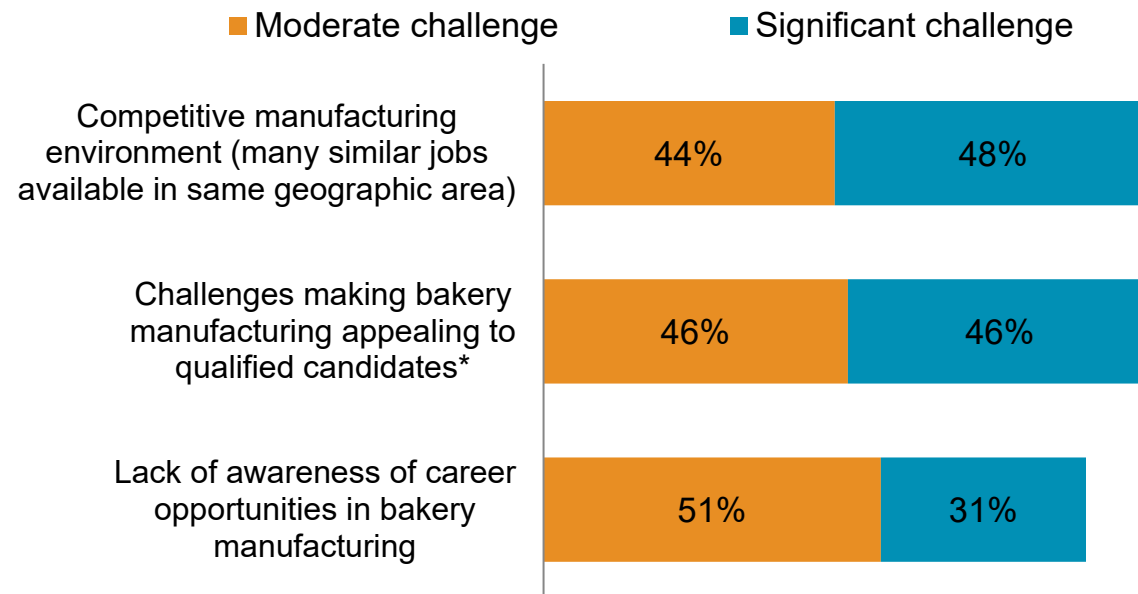
Top employer branding challenges – competitive market and industry appeal remain persistent obstacles

For nine years, baking companies have consistently identified these branding-related recruitment challenges, and they have remained significant over time, signaling a long-standing need for stronger employer and industry branding strategies

*e.g., shift work, plant environment, manual work, workplace culture
Note: Based on a 3-point scale where 1='Not a Challenge', 2='Moderate Challenge' and 3='Significant Challenge'; respondents provided 'Don't Know' response option.

To what extent do the following **RECRUITMENT-RELATED CHALLENGES** contribute to the skills shortage at your company for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Employer/industry branding:



| % 'moderate' or 'significant' | |
|-------------------------------|------------|
| 2025 study | 2016 study |
| 92% | n/a |
| 92% | 95% |
| 82% | 89% |



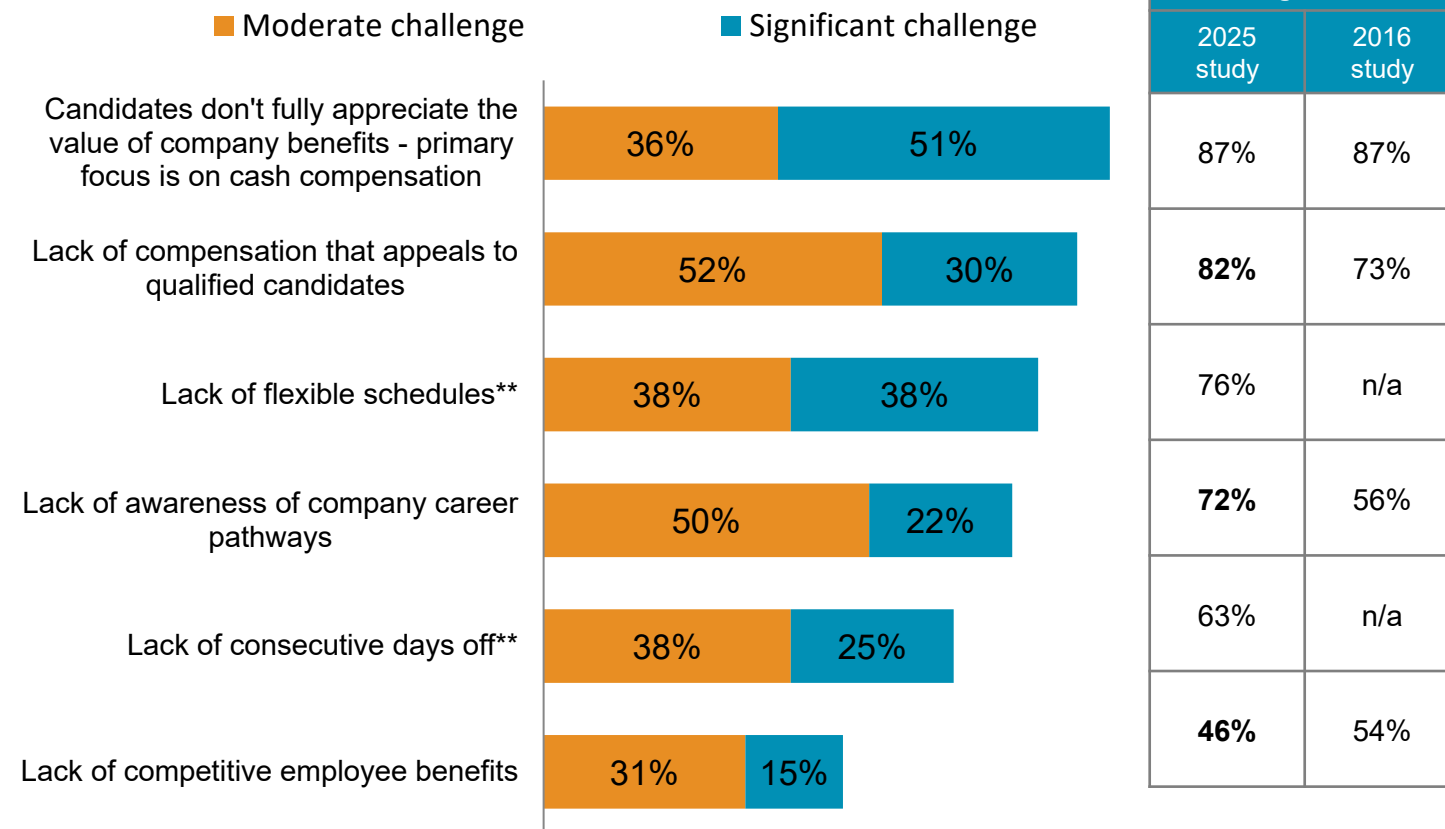
Top benefits and scheduling challenges reported by baking companies are benefits and compensation

Over the 9-year study period, concerns have remained consistently high around these issues however, 2025 data shows an increase in concerns related to low awareness of career pathways, signaling growing urgency around advancement visibility.

*New item in 2025; Note: Based on a 3-point scale where 1='Not a Challenge', 2='Moderate Challenge' and 3='Significant Challenge'; respondents provided 'Don't Know' response option.

To what extent do the following **RECRUITMENT-RELATED CHALLENGES** contribute to the skills shortage at your company for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Company benefits & work schedules:

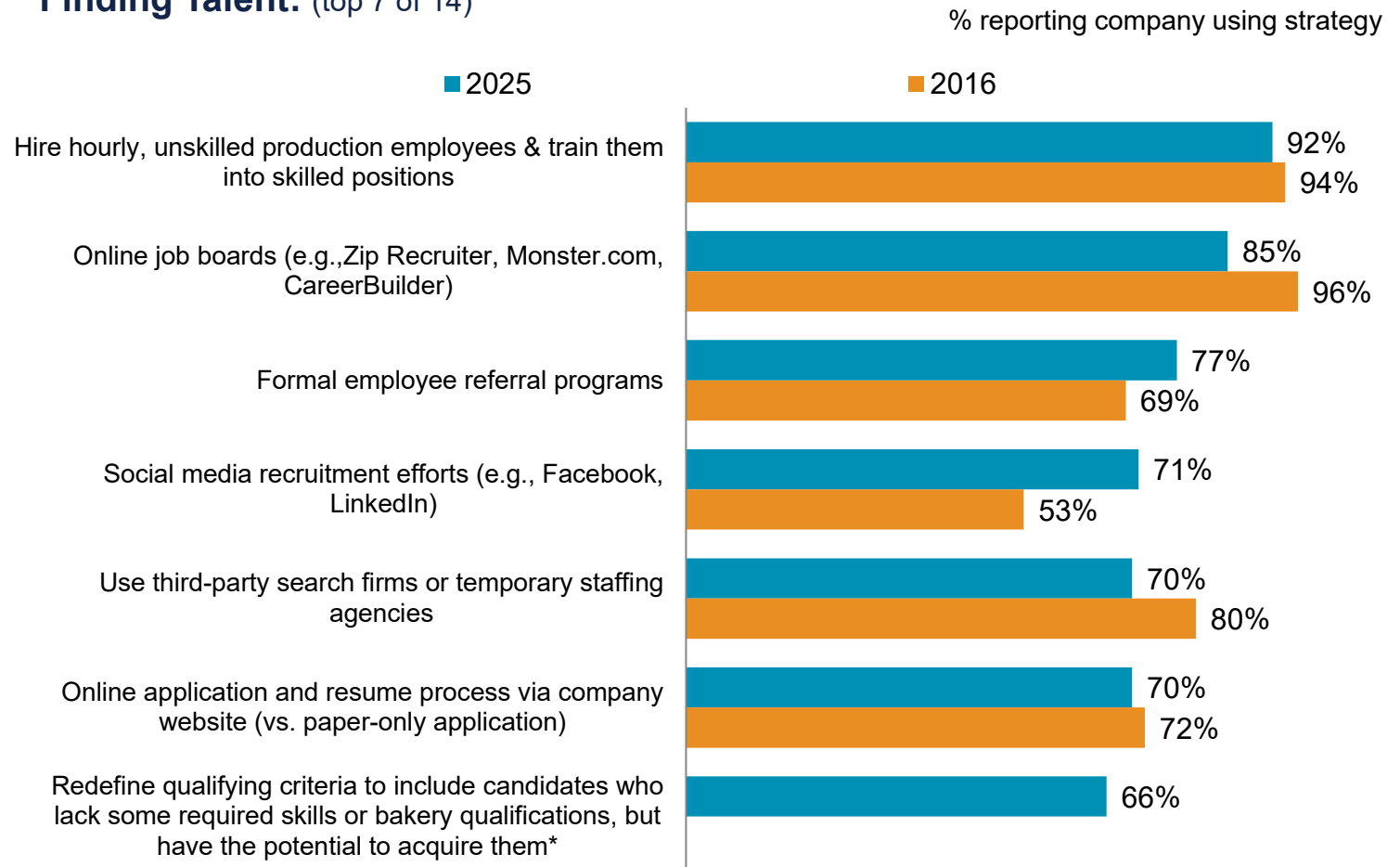


Shifts in talent acquisition have occurred with social media recruitment on the rise as traditional channels decline

Top strategies for recruitment include hiring unskilled employees and training them into skilled production roles, using online job boards (significantly decreased since 2016), and using formal employee referral programs (also notably down from 2016 levels)

Which of the following **RECRUITMENT-RELATED STRATEGIES** is your company currently using to address the skills shortage for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Finding Talent: (top 7 of 14)



*New item in 2025

Note: Respondents provided response option of 'Don't Know'. (top 7 of 14)

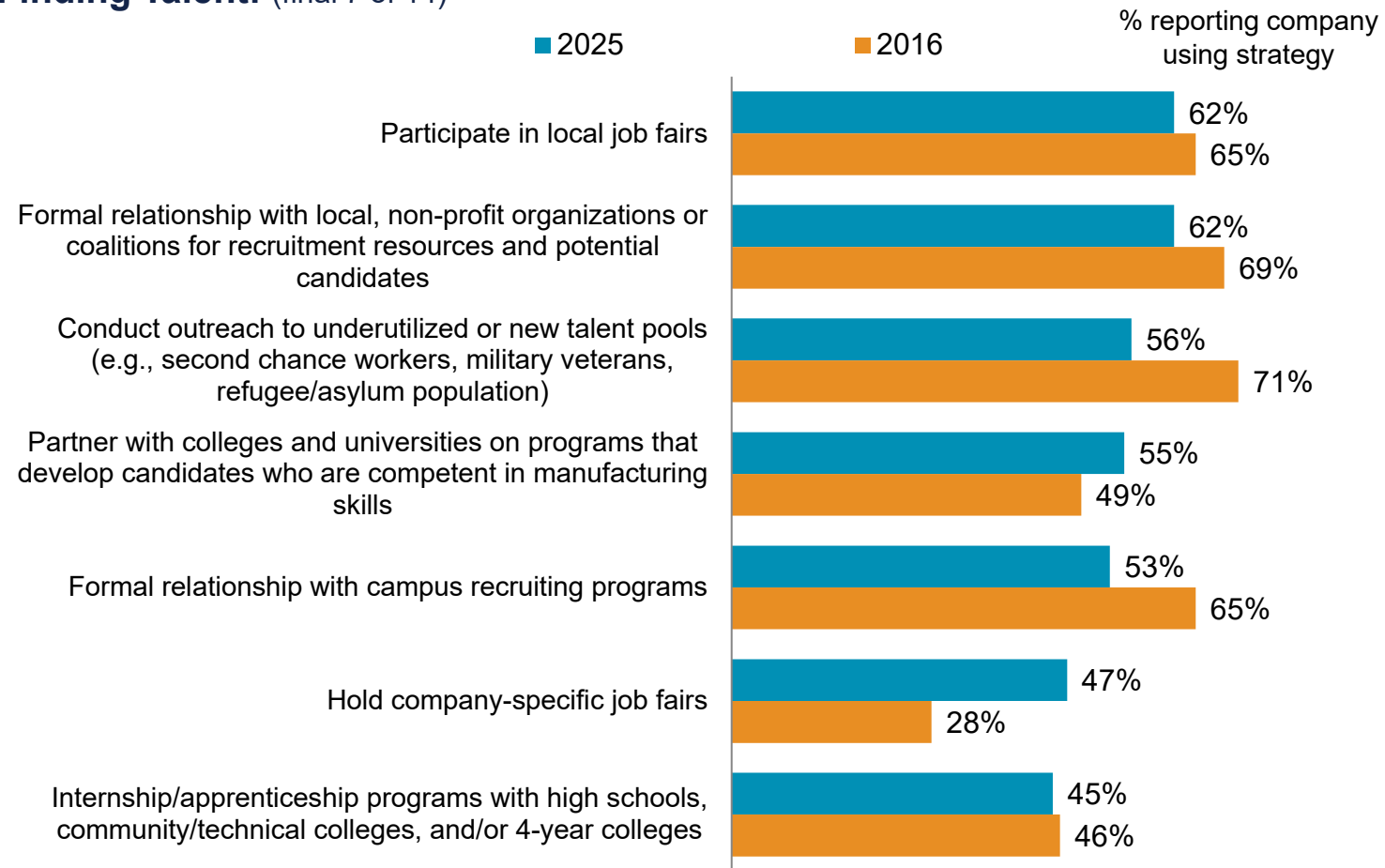


Hiring channels evolve as university partnerships and company specific job fairs gain ground

Local job fairs remain a steady channel for recruitment since 2016 while fewer companies reported conducting outreach to underutilized talent pools and campus recruiting programs

Which of the following **RECRUITMENT-RELATED STRATEGIES** is your company currently using to address the skills shortage for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Finding Talent: (final 7 of 14)



Note: Respondents provided response option of 'Don't Know'. [other 7 of 14]



Workplace culture takes center stage in baking employer branding strategies

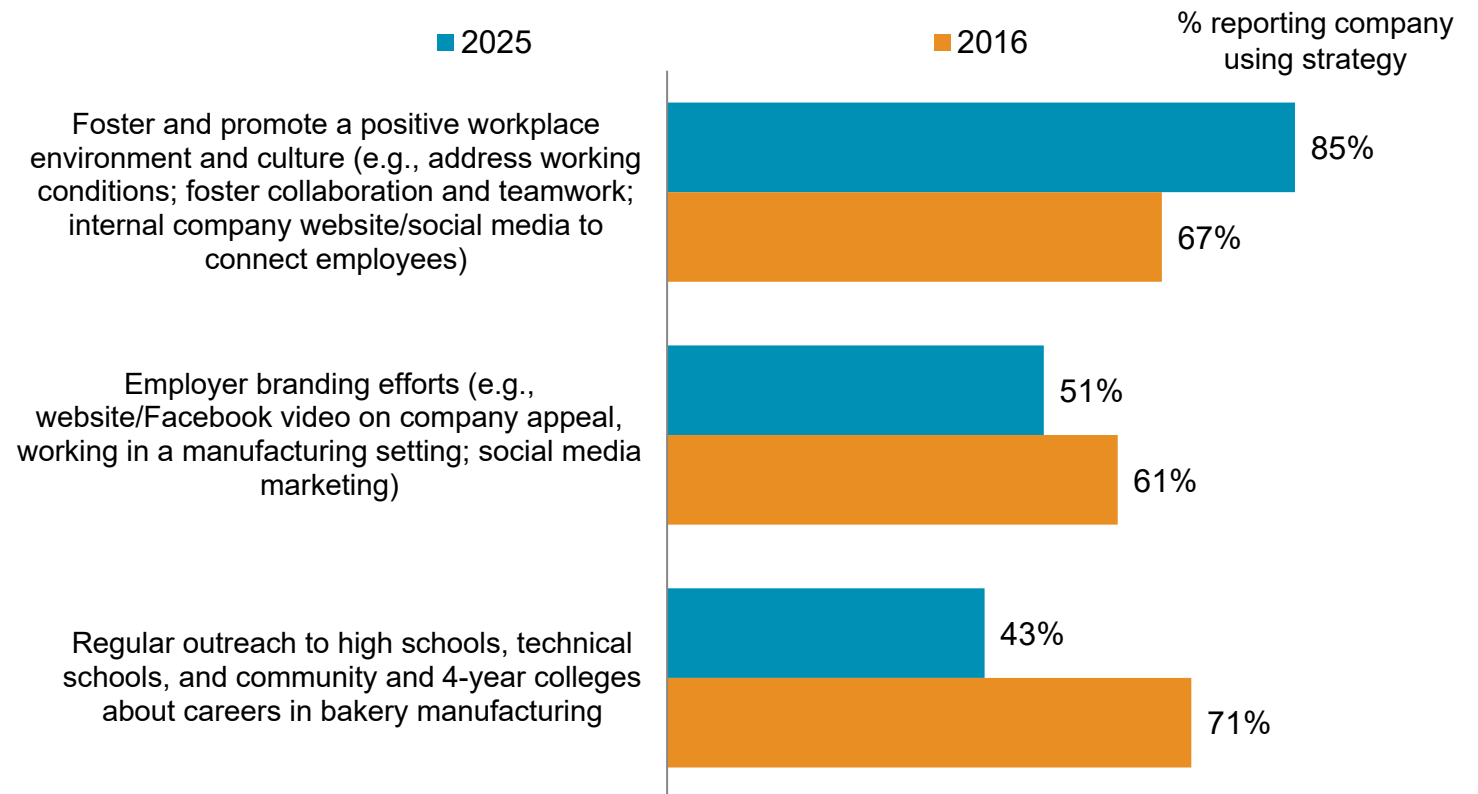
Nearly 20% more companies reported that they are using branding to promote a positive workplace environment and culture than in 2016

In contrast, employer branding efforts declined by 10%, suggesting a strategic shift from broad messaging to more targeted culture-focused branding

Note: Respondents provided response option of 'Don't Know'.

Which of the following **RECRUITMENT-RELATED STRATEGIES** is your company currently using to address the skills shortage for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Employer/Industry Branding:



Competitive employee benefits programs and starting salaries lead the recruitment strategies

A fast-rising tactic is offering consecutive days off, now ranked as the third most-used benefits strategy, cited by nearly 7 in 10 companies

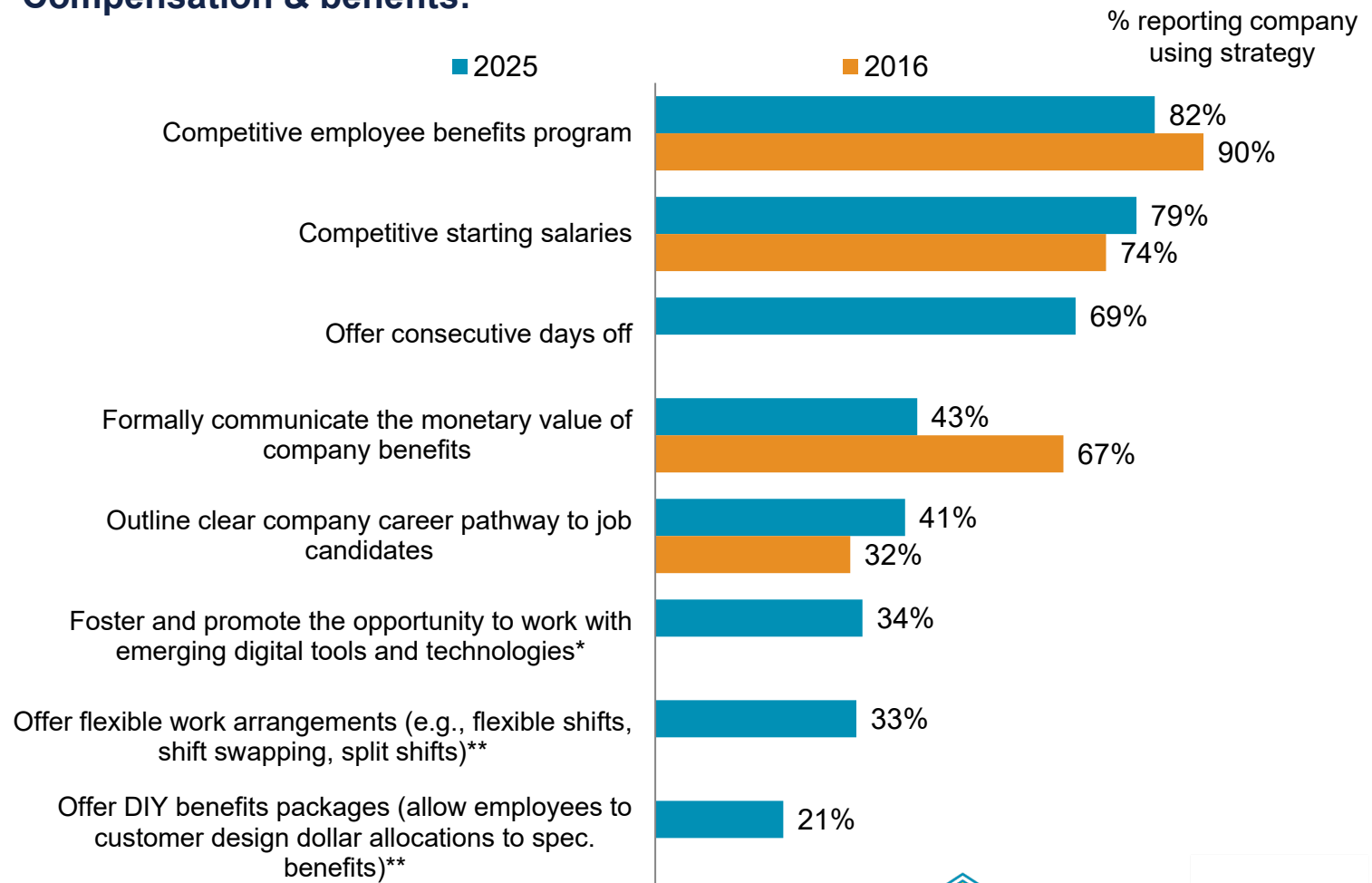
One-third to 40% of companies reported adopting clear career pathways, promoting work with digital tools and flexible scheduling options

*New items in 2025; **New items in 2022

Note: Respondents provided response option of 'Don't Know'.

Which of the following **RECRUITMENT-RELATED STRATEGIES** is your company currently using to address the skills shortage for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Compensation & benefits:



2025 Industry Branding: Reported Challenges vs. Strategies Implemented

| BRANDING CHALLENGES | % 'moderate' or 'significant' challenge | BRANDING STRATEGIES | % 'implementing/ currently using' strategy | % gap between challenge and strategy use: |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------|
| Competitive manufacturing environment (many similar jobs available in same geographic area) | 92% | Employer branding efforts (e.g., website/Facebook video on company appeal, working in a manufacturing setting; social media marketing) | 51% | 41% |
| Lack of awareness of career opportunities in bakery manufacturing | 82% | Regular outreach to high schools, technical schools, and community and 4-year colleges about careers in bakery manufacturing | 43% | 39% |
| Challenges making bakery manufacturing appealing to qualified candidates (e.g., shift work, plant environment, manual work, workplace culture) | 92% | Foster and promote a positive workplace environment and culture* | 85% | 7% |
| | | Foster and promote the opportunity to work with emerging digital tools and technologies | 34% | 58% |

*(e.g., address working conditions; foster collaboration and teamwork; internal company website/social media to connect employees)

Note: Challenges and Strategies used to address the skills shortage for hourly, skilled production positions (i.e., maintenance/engineering, machine operators)



2025 Benefits and Schedules: Reported Challenges vs. Strategies Implemented

| BENEFITS/SCHEDULES CHALLENGES | % 'moderate' or 'significant' challenge | BENEFITS/SCHEDULES STRATEGIES | % 'implementing/ currently using' strategy | % gap between challenge and strategy use: |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------|
| Candidates don't fully appreciate the value of company benefits - primary focus is on cash compensation | 87% | Formally communicate the monetary value of company benefits | 43% | 44% |
| Lack of compensation that appeals to qualified candidates | 82% | Competitive starting salaries | 79% | 3% |
| Lack of flexible schedules | 76% | Offer flexible work arrangements (e.g., flexible shifts, shift swapping, split shifts) | | 43% |
| Lack of consecutive days off | 63% | Offer consecutive days off | 69% | (-6%) |
| Lack of awareness of company career pathways | 72% | Outline clear company career pathway to job candidates | 41% | 31% |
| Lack of competitive employee benefits | 46% | Competitive employee benefits program | 82% | (-36%) |
| | | Offer DIY benefits packages that allow employees to custom design a portion of their own dollar allocations to specific employee benefits | 21% | 25% |

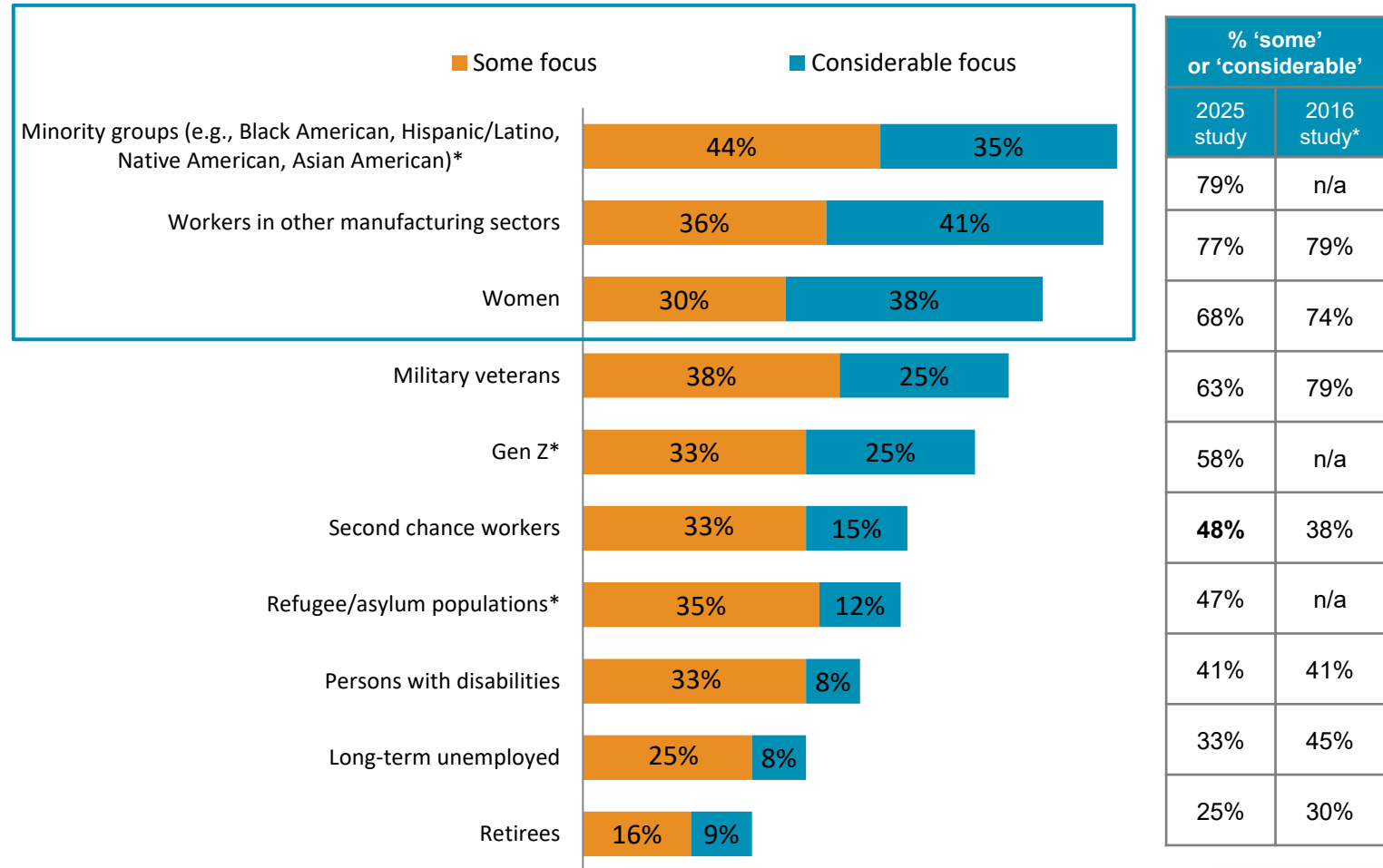
Note: Challenges and Strategies used to address the skills shortage for hourly, skilled production positions (i.e., maintenance/engineering, machine operators)



Expanding awareness of baking careers across all talent pools

Baking employers are ensuring all potential talent pools are informed about career opportunities in the baking sector

To what extent does your company focus recruitment efforts on driving awareness of baking industry employment opportunities among the following diverse populations and workforce-related segments?



*New items in 2025

Note: Based on a 3-point scale where 1='Not a Focus', 2='Some Focus' and 3='Considerable Focus'; respondents provided 'Don't Know' response option.

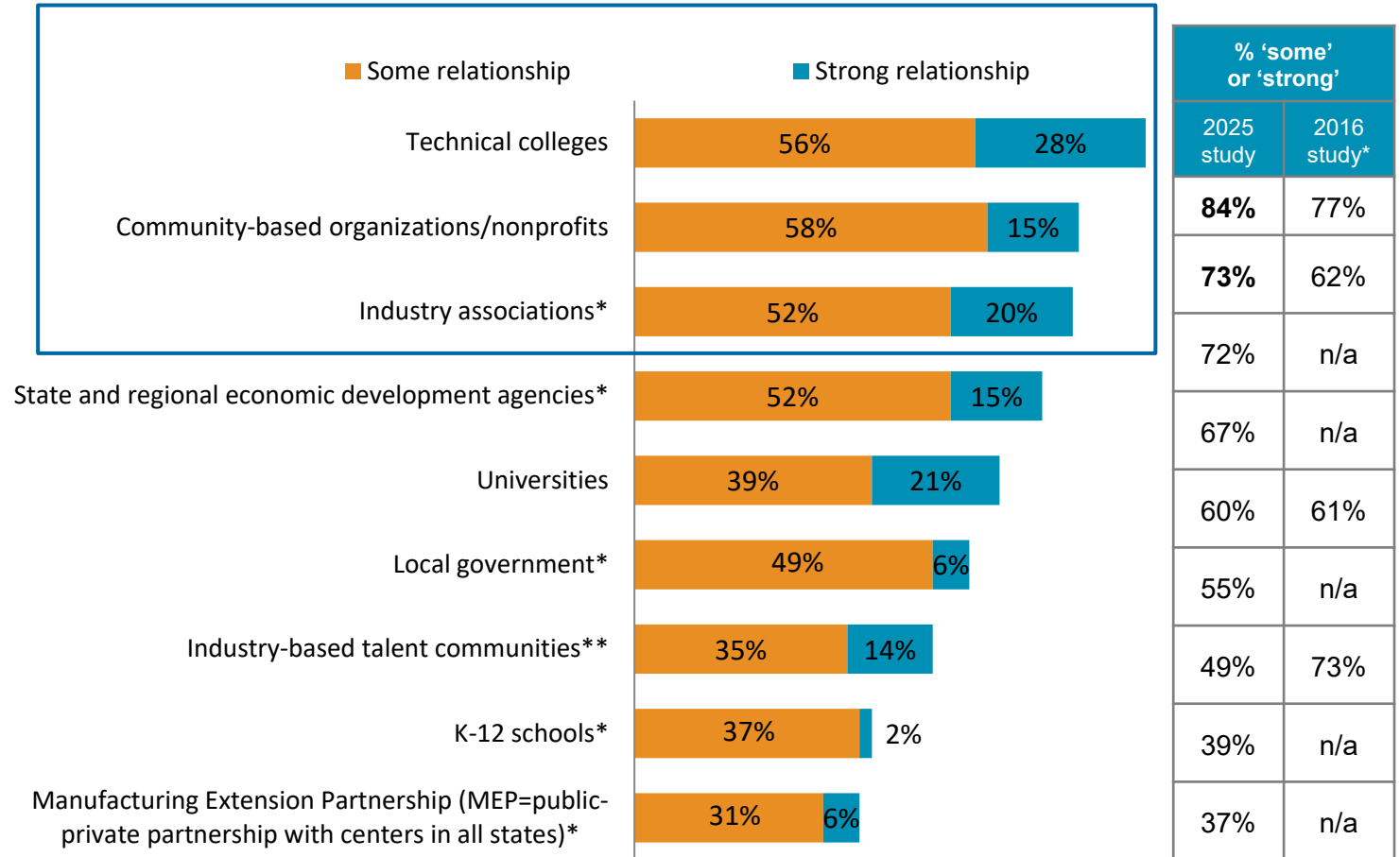


Growing emphasis on strategic partnerships for talent development

Baking companies are increasingly turning to technical colleges, community-based organizations and nonprofits, and industry associations as key partners in recruitment and workforce development efforts.

*New items in 2025; **Industry-based online talent communities=(a place created for targeted individuals to engage with company reps and other job seekers to develop a sustainable talent pipeline; ex. Company-specific talent communities and/or monitoring existing talent communities such as LinkedIn Groups, Glassdoor) Note: Based on a 3-point scale where 1='Not a Focus', 2='Some Focus' and 3='Considerable Focus'; respondents provided 'Don't Know' response option.

What is your company's focus with education, non-profit and government organizations to acquire/develop hourly, skilled production employees?
(i.e., maintenance/engineering and machine operators)



Key Takeaways: Understanding Recruitment Barriers and Best Practices Making an Impact

2025 Top 5 recruitment-related challenges among hourly, skilled production positions:

Finding Talent

- Lack of qualified candidates in required geography
- Candidates do not have the skills companies need
- Difficulties identifying talent pools for these positions

Branding

- Competitive manufacturing environment (many similar jobs available in same geographic area)
- Challenges making bakery manufacturing appealing to qualified candidates

2025 Top recruitment best practices: (used by 75% or more of companies)

Finding Talent

- Hire hourly, unskilled production employees & train them into skilled positions
- Online job boards (e.g., Monster.com, CareerBuilder)
- Formal employee referral programs

Employer Branding

- Foster and promote a positive workplace environment and culture (nearly 20% increase from 2016)

Salary/Benefits

- Competitive employee benefits program
- Competitive starting salaries



Key Takeaways: Understanding Recruitment Barriers and Best Practices Making an Impact

2025 Top opportunities to improve recruitment efforts: (used by fewer than 60% of companies)

Finding Talent

- Conduct outreach to underutilized or new talent pools
- Develop formal relationships with colleges and universities for recruitment resources and potential candidates, including campus recruiting programs
- Develop internship/apprenticeship programs with high schools, community/technical colleges and/or 4-year colleges
- Hold company-specific job fairs (virtual or in-person)

Employer Branding

- External employer branding efforts (e.g., website/Facebook video on company appeal, working in a manufacturing setting; social media)
- Regular outreach to high schools, technical schools, and community and 4-year colleges about careers in baking manufacturing
- Foster and promote the opportunity to work with emerging digital tools and technologies

Benefits/Work Schedules

- Formally communicate the monetary value of company benefits
- Offer flexible work arrangements to new hires (e.g., flexible shifts, shift swapping, split shifts)
- Outline clear company career pathway to job candidates



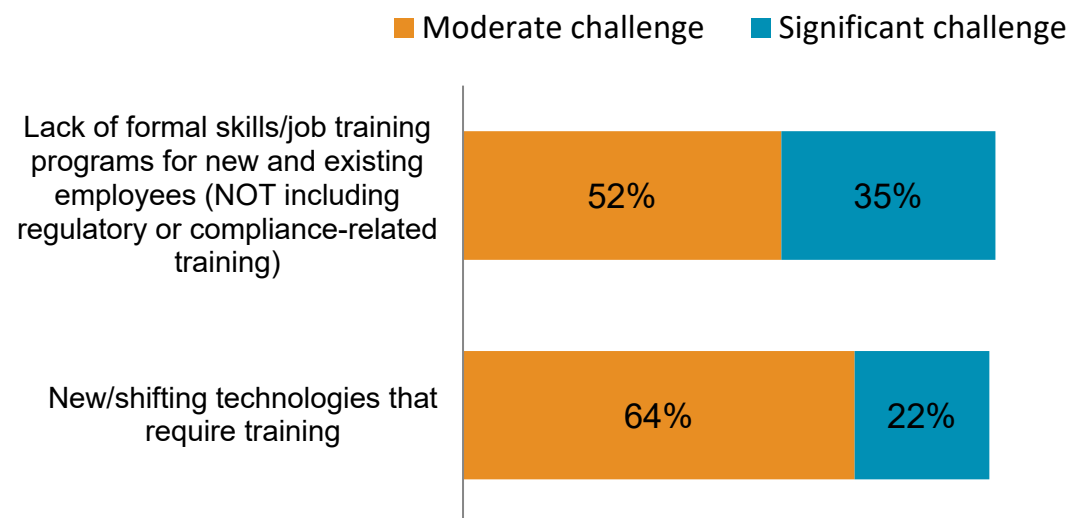


From Skills Gap to Skills Growth: Building the Workforce Through Development-Driven Training

Lack of formal training programs and the rise of new technologies remain top training concerns

In nearly a decade, employers have consistently identified these as moderate to significant challenges for the company

To what extent do the following TRAINING-RELATED CHALLENGES contribute to the skills shortage at your company for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)



| % 'moderate' or 'significant' | |
|-------------------------------|------------|
| 2025 study | 2016 study |
| 87% | 87% |
| 86% | 81% |

*New item in 2025; Note: Based on a 3-point scale where 1='Not a Challenge', 2='Moderate Challenge' and 3='Significant Challenge'; respondents provided 'Don't Know' response option.

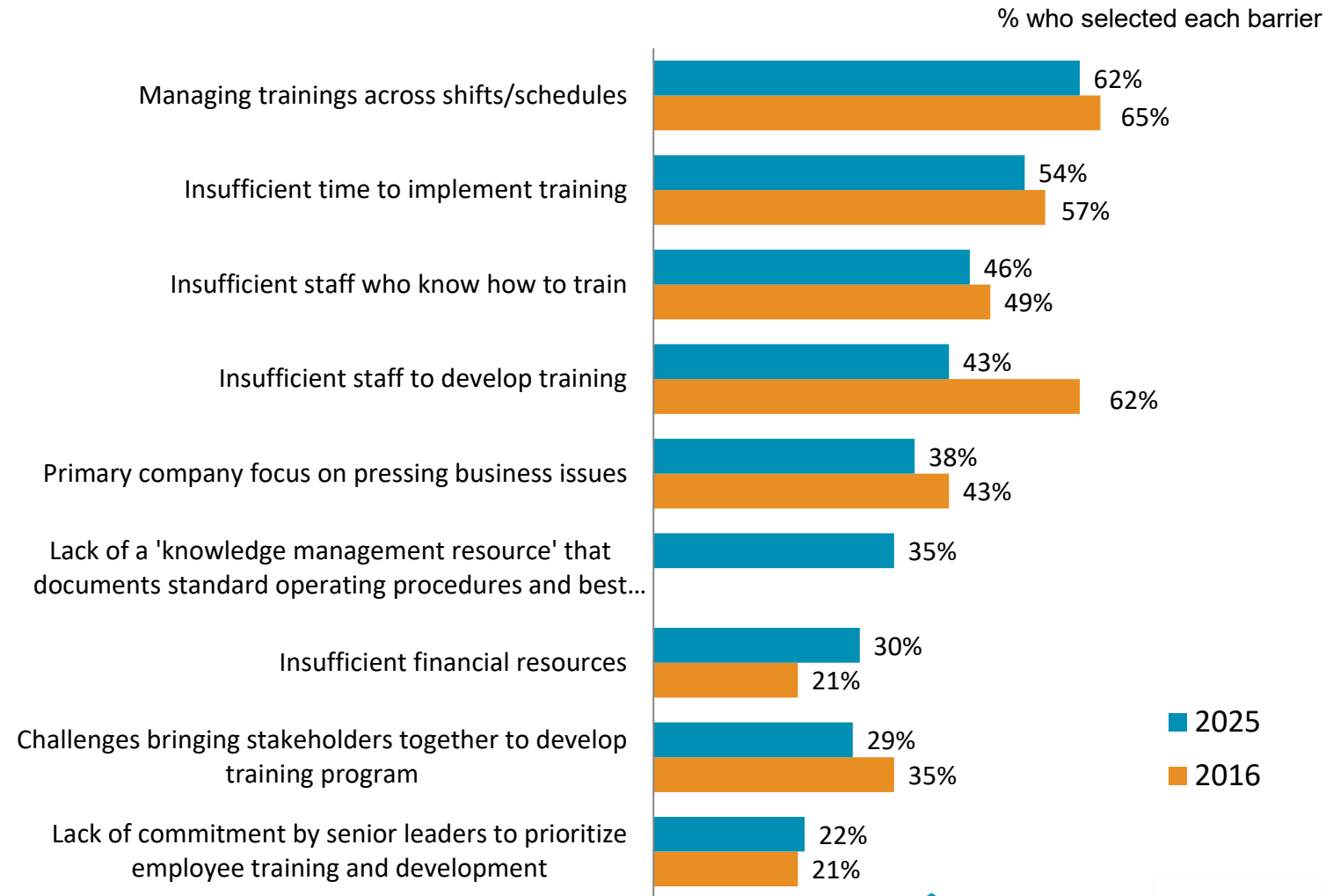


Key barriers to implementing formal training programs remain consistent

Baking employers continue to report managing trainings across shifts and schedules, lack of time to implement programs, and insufficient training staff as the main challenges

While concerns about staffing to develop training declined, a new challenge emerged in the lack of a dedicated company resource to document standard operating procedures

What are the barriers to implementing formal skills/job training programs for hourly SKILLED production positions? (i.e., maintenance/engineering and machine operators)



*New item in 2025



Evolving Training Strategies for Maintenance and Engineering Roles

Core training strategies in use remain consistent, with some notable shifts in 2025:

- Increased use of formal skills training programs
- Decreased reliance on on-the-job experience and peer shadowing

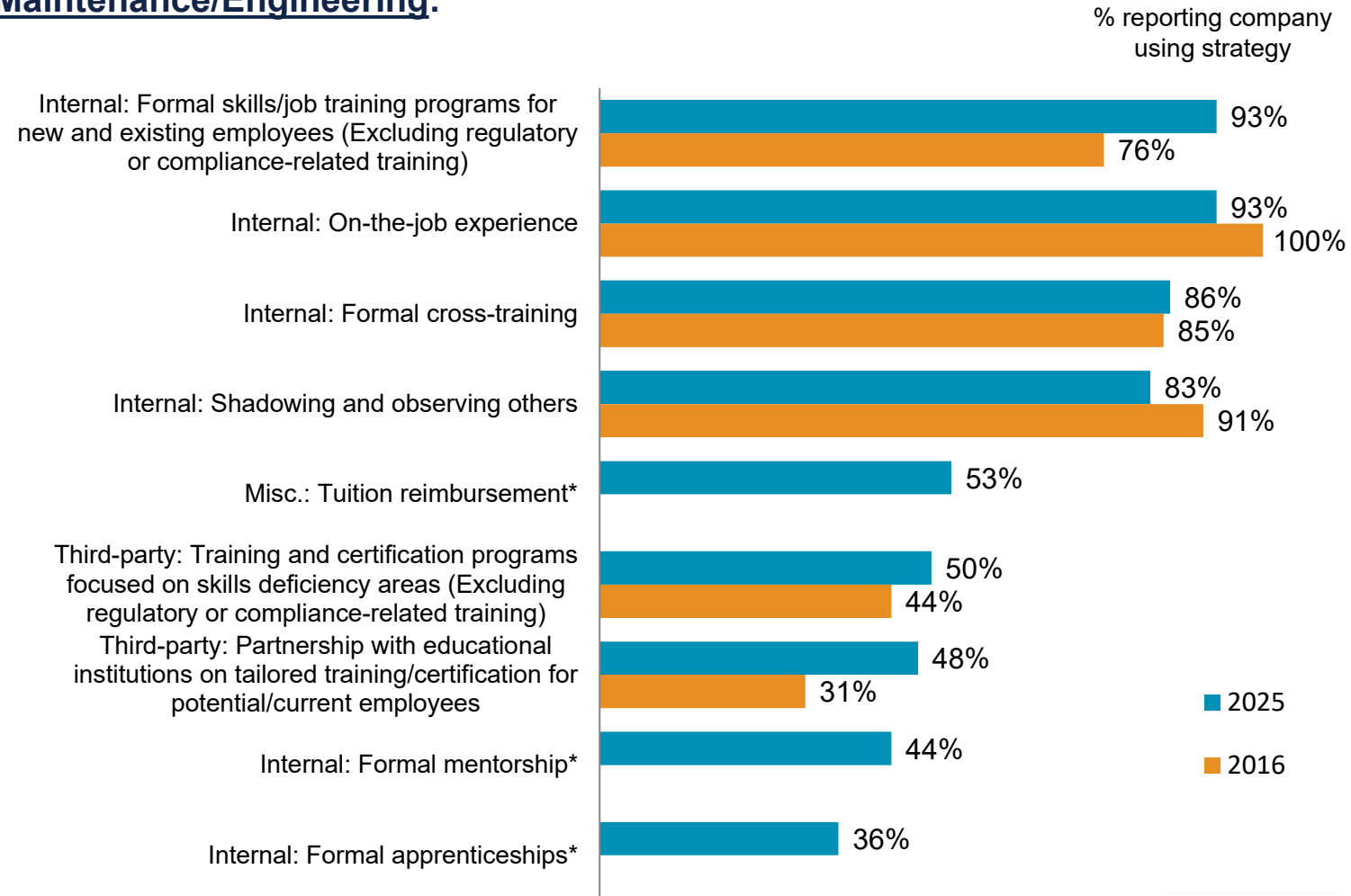
Newly emerging or rising strategies include tuition reimbursement, formal mentorships and apprenticeships

*New items in 2025

Internal=developed and run in-house; Third party (provided by third party either in-house or off-site)

Which of the following **TRAINING-RELATED STRATEGIES** is your company currently using to address the skills shortage for hourly, maintenance/engineering?

Maintenance/Engineering:



Top training strategies for Machine Operators continue to be on-the-job experience, formal skills training programs, shadowing others, and formal cross-training

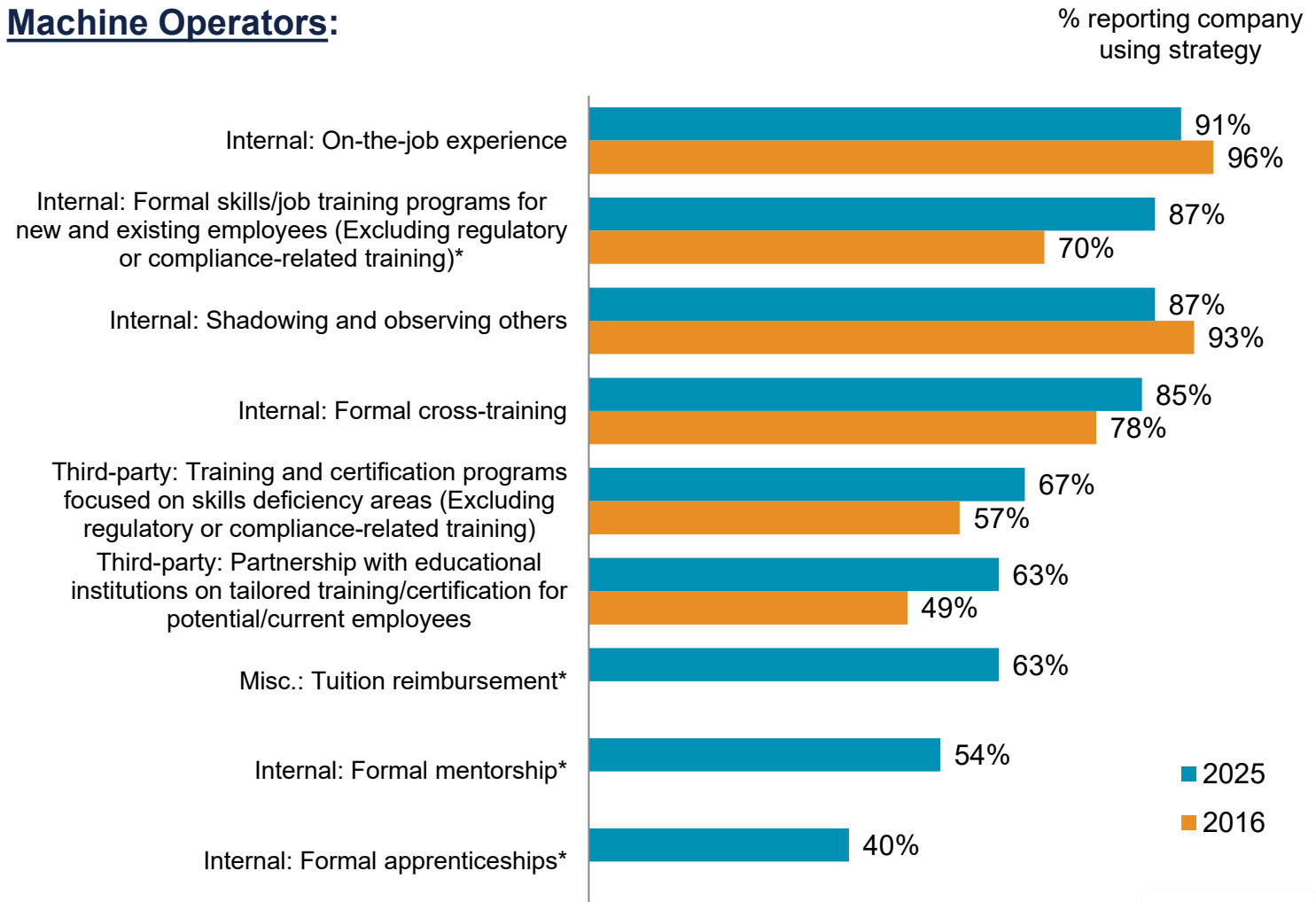
New or rising approaches in 2025 include tuition reimbursement, formal mentorships and apprenticeships, expanded use of training/certification programs and partnerships with educational institutions

*New items in 2025

Internal=developed and run in-house; Third party (provided by third party either in-house or off-site)

Which of the following TRAINING-RELATED STRATEGIES is your company currently using to address the skills shortage for hourly, machine operators?

Machine Operators:

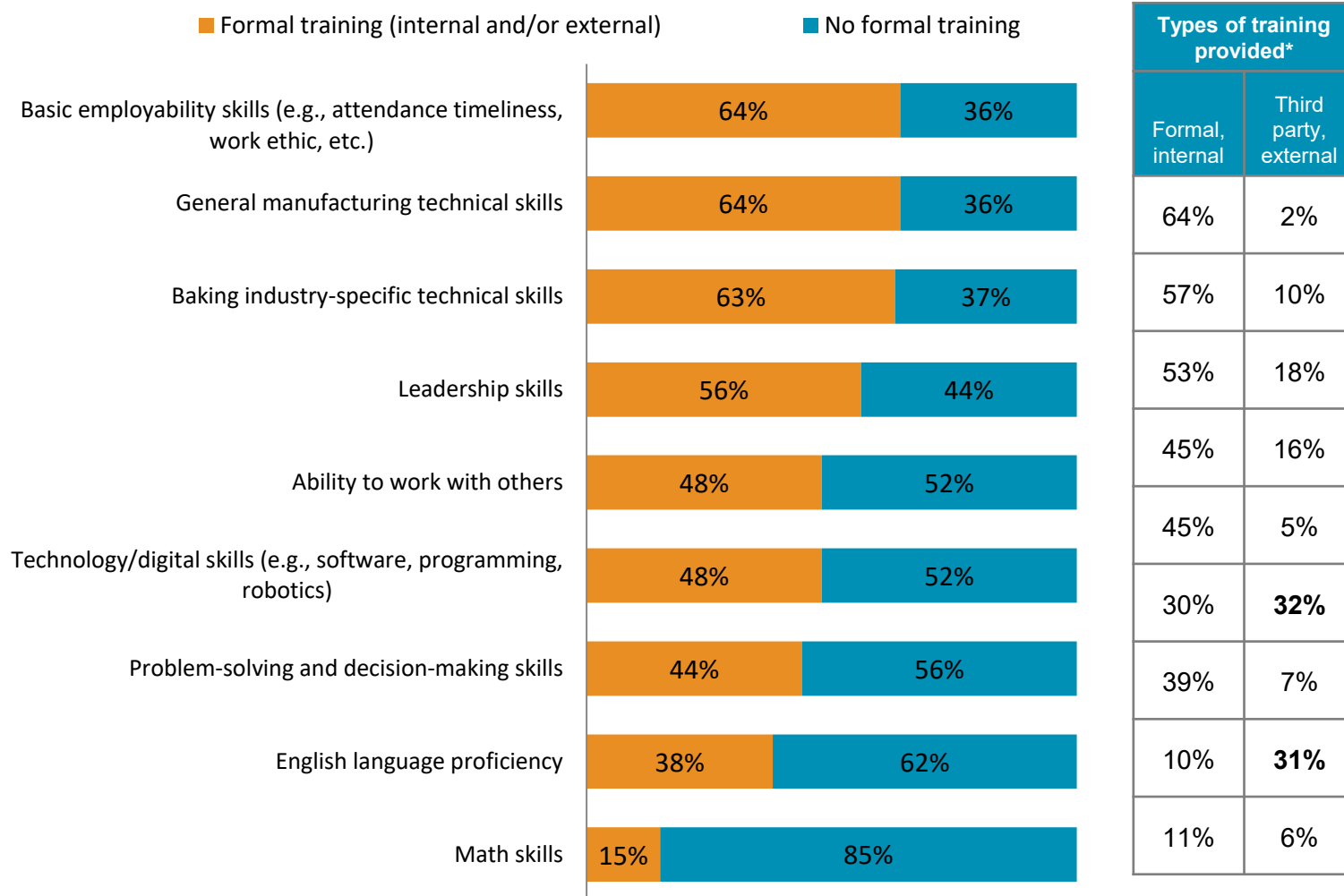


More than 6 in 10 companies report they provide formal, internal training for hourly, skilled production staff in basic employability, general manufacturing and baking industry specific technical skills

Only about half of companies provide internal training in technology and digital skills which is the most commonly cited area of skill deficit

*Multiple responses accepted

Does your company provide formal internal and/or external training to hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)



2025 Training: Reported Skills Deficiencies vs. Formal Training Implemented

| Skills Area | Skills deficiencies at hire or promotion | | % reporting company has formal training programs (internal or external) |
|----------------------------------------------------------------------------|------------------------------------------|-------------------|-------------------------------------------------------------------------|
| | Maintenance/Engineering | Machine Operators | |
| Technology/digital skills (e.g., software, programming, robotics) | 61% | 86% | 48% |
| Baking industry-specific technical skills | 69% | 76% | 63% |
| Problem-solving and decision-making skills | 36% | 73% | 44% |
| Leadership skills | 75% | 72% | 56% |
| General manufacturing technical skills | 37% | 64% | 64% |
| Math skills | 32% | 61% | 15% |
| Basic employability skills (e.g., attendance timeliness, work ethic, etc.) | 33% | 59% | 64% |
| English language proficiency | 19% | 57% | 38% |
| Ability to work with others | 27% | 21% | 48% |

Note: Needed Skills and Skills Deficiencies at Hire or Promotion among hourly, skilled production positions (i.e., maintenance/engineering, machine operators) & % with Training Programs



Key Takeaways: Building the Workforce Through Development-Driven Training

2025 Top 5 training-related challenges:

- Managing trainings across shifts/schedules
- Insufficient time to implement training
- Insufficient staff who know how to train
- Insufficient staff to develop training
- Primary company focus on pressing business issues

2025 Top training best practices: (used by 85% or more companies)

Internal training

- On-the job experience
- Formal skills/job training programs
- Shadowing & observing others
- Formal cross-training

Top skills of training focus:

- Basic employability skills, general manufacturing technical skills, baking industry-specific skills



Key Takeaways: Building the Workforce Through Development-Driven Training

2025 Top opportunities to improve training efforts: (used by 70% or fewer companies)

Internal training

- Formal mentorship
- Formal apprenticeships

Third-party training

- Training and certification programs focused on skills deficiency areas
- Partnership with education institutions on tailored training/certification

Top gaps in skill development

- Technology/digital skills, problem-solving, leadership, math skills





From Turnover to Tenure: Empowering Workforce Stability Through Effective Retention

Retention challenges for skilled hourly roles remain consistent with 2016

70% to nearly 90% of baking employers continue to cite the same top five company retention challenges for hourly, skilled production positions – showing consistency with the 2016 baseline data

There has been a notable decline in undertrained first-line supervision

Note: Based on a 3-point scale where 1='Not a Challenge', 2='Moderate Challenge' and 3='Significant Challenge'; respondents provided 'Don't Know' response option.

To what extent do the following RETENTION-RELATED CHALLENGES contribute to the skills shortage at your company for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

| SUMMARY: Top 5 Retention Challenges for hourly, skilled production positions (out of 9) | % 'moderate' or 'significant' challenge | |
|-----------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| | 2025 study | 2016 study |
| Difficult working hours/shifts | 85% (32% 'significant') | 90% (57% 'significant') |
| First-year retention issues | 85% (29% 'significant') | 80% (27% 'significant') |
| Challenging manufacturing environment | 85% (26% 'significant') | 80% (28% 'significant') |
| Mismatch between skills and job requirements | 81% (22% 'significant') | 78% (10% 'significant') |
| Undertrained first-line supervision | 75% (31% 'significant') | 83% (25% 'significant') |



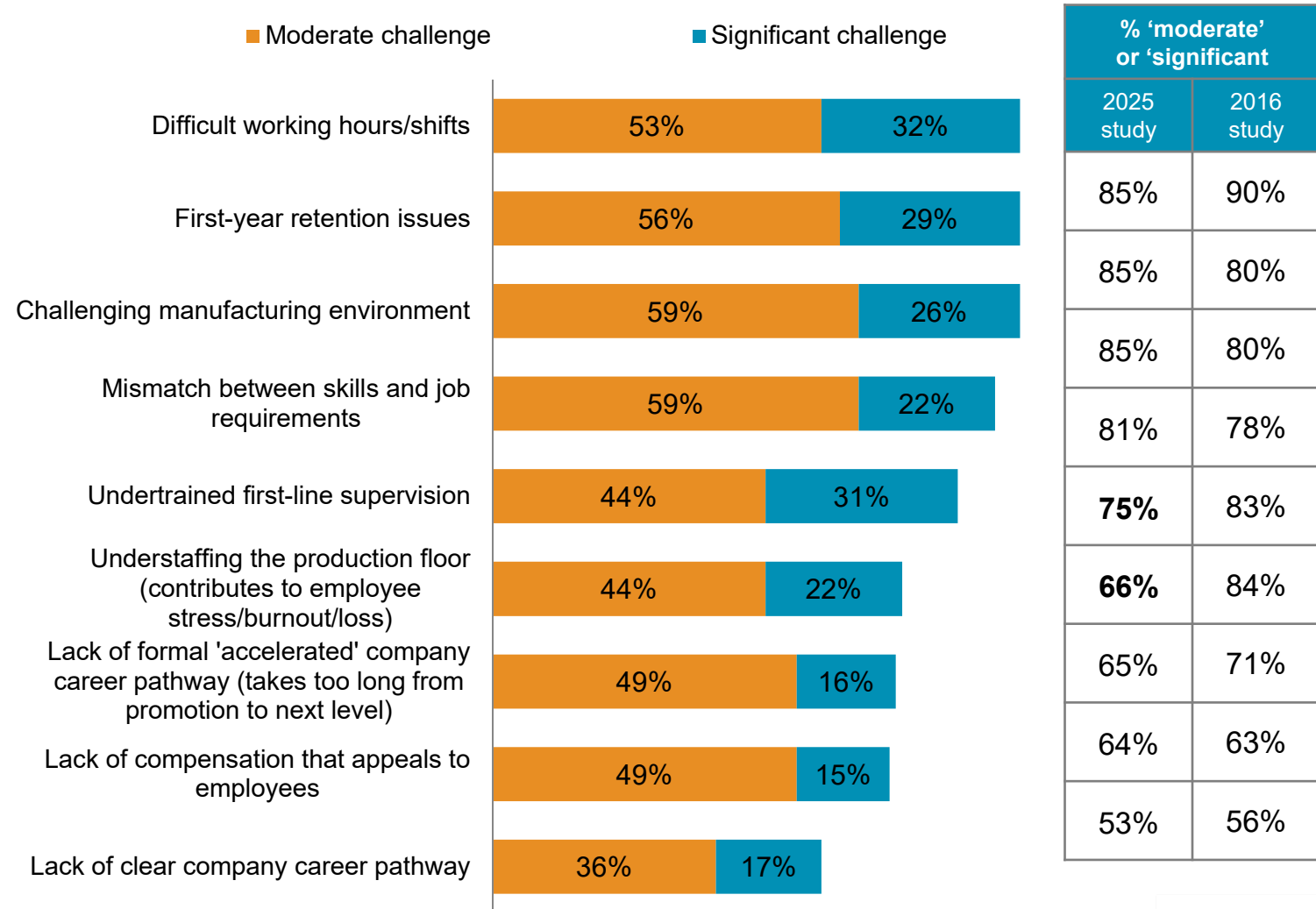
Core retention challenges remain steady – led by scheduling, early turnover, and work environment

9 key retention challenges have remained consistent, with the most frequently cited being difficult working hours, first-year retention issues, and challenging environments

There was a decline in concern around undertrained first-line supervisors and understaffing on the production floor

*New item in 2025; Note: Based on a 3-point scale where 1='Not a Challenge', 2='Moderate Challenge' and 3='Significant Challenge'; respondents provided 'Don't Know' response option.

To what extent do the following **RETENTION-RELATED CHALLENGES** contribute to the skills shortage at your company for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)



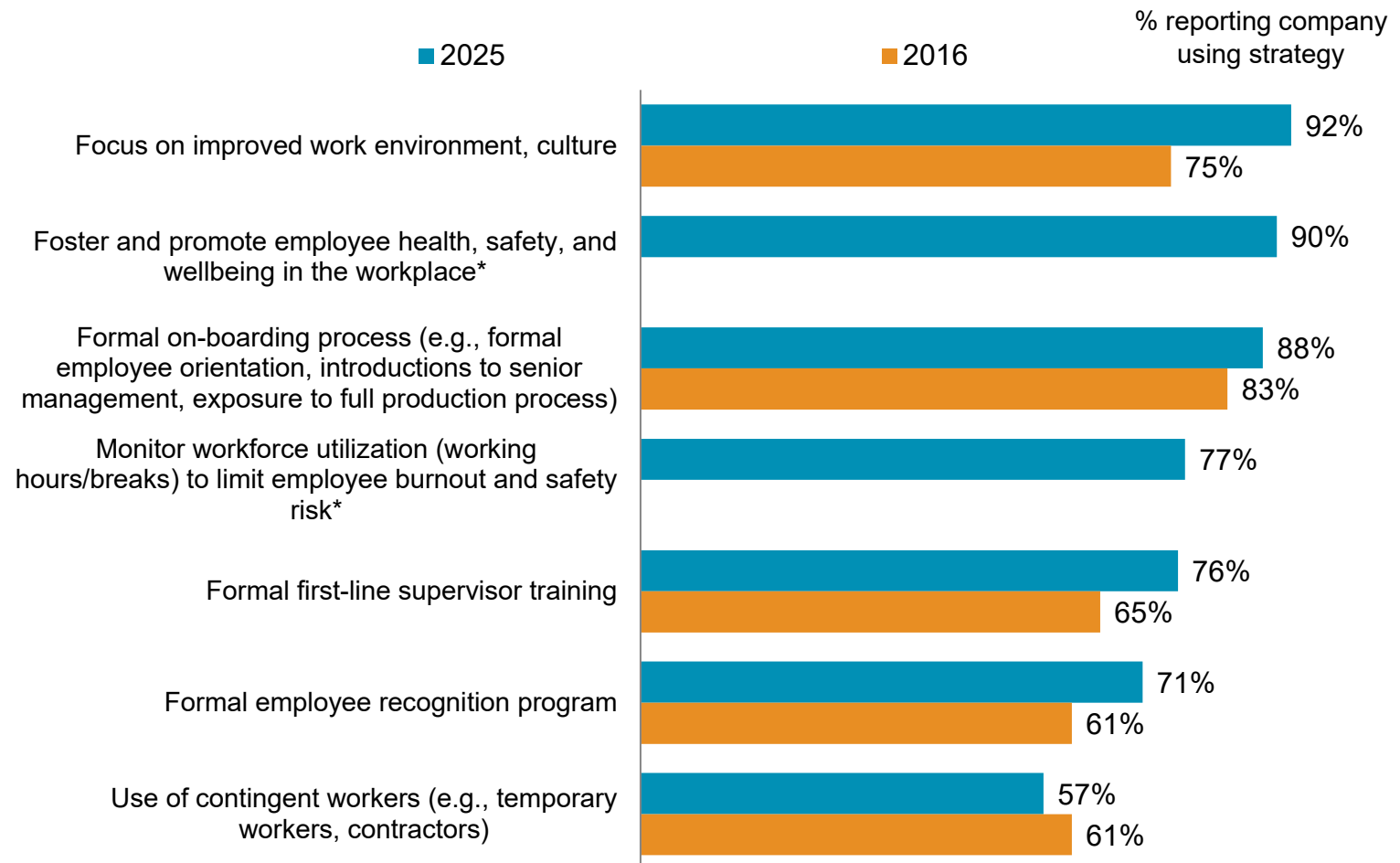
Retention strategies prioritize work environment, employee wellbeing, and formal onboarding process

Compared to 2016, there is a significant increase in emphasis on improved workplace environment, training for first-line supervisors, formal employee recognition programs

*New item in 2025. Note: Respondents provided response option of 'Don't Know'. [top 7 of 15]

Which of the following **RETENTION-RELATED STRATEGIES** is your company currently using to address the skills shortage for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Top Strategies: (top 7 of 15)

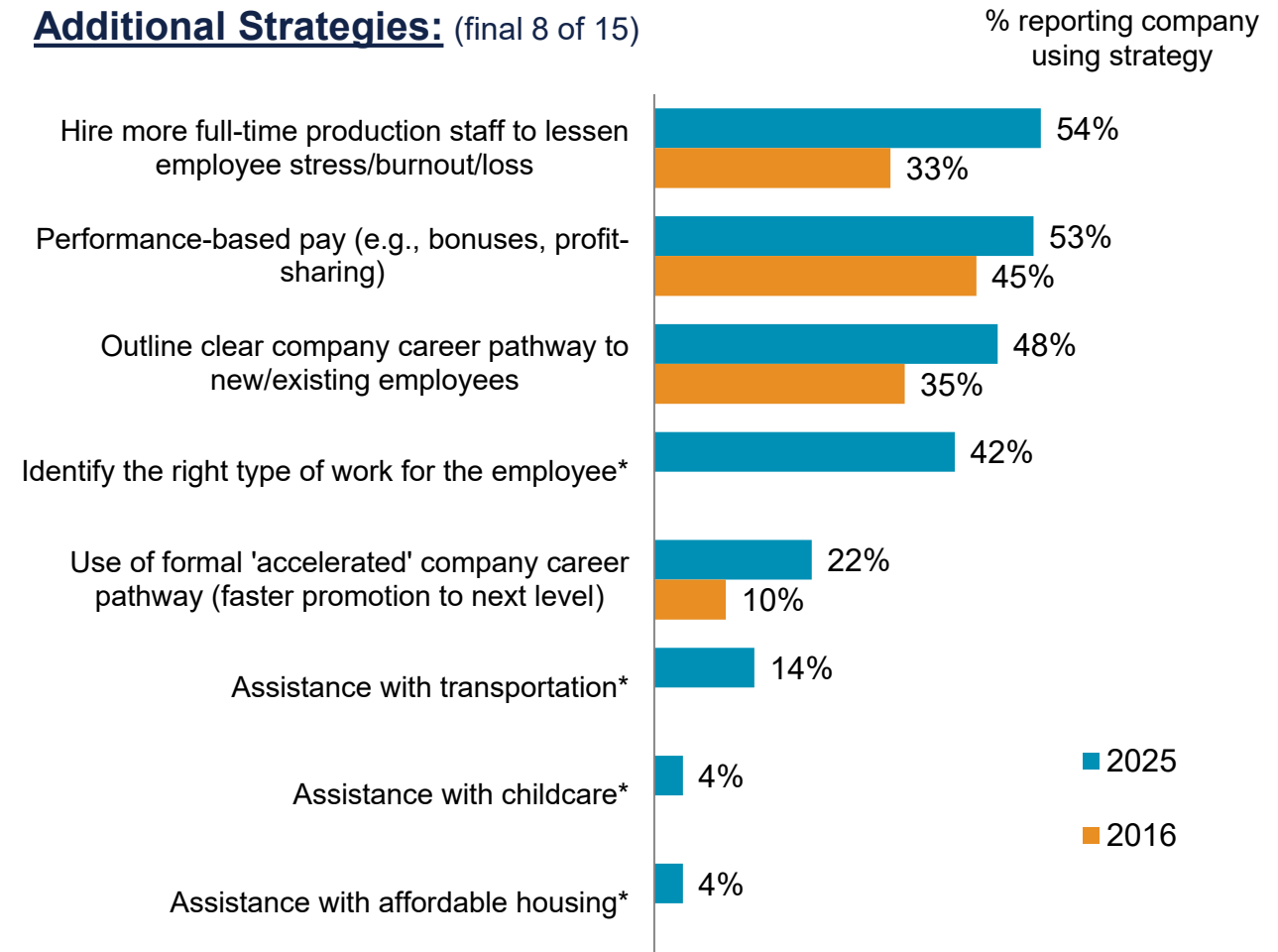


Significant % increase in 2025 companies Hiring More Full-Time Production Staff to Ease Employee Burnout, use of Performance-Based Pay, Outlining Clear Company Career Pathways, and Use of Formal 'Accelerated' Career Pathways

*New item in 2025. Note: Respondents provided response option of 'Don't Know'. [remaining 8 of 15]

Which of the following **RETENTION-RELATED STRATEGIES** is your company currently using to address the skills shortage for hourly, skilled production positions? (i.e., maintenance/engineering and machine operators)

Additional Strategies: (final 8 of 15)



2025 Retention: Reported Challenges vs. Strategies Implemented

| RETENTION CHALLENGES | % 'moderate' or 'significant' challenge | RETENTION STRATEGIES | % 'implementing/ currently using' strategy | % gap between challenge and strategy use: |
|---------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------|
| Challenging manufacturing environment | 85% | Focus on improved work environment, culture | 92% | (-0.7) |
| | | Foster/promote employee health, safety, & wellbeing in the workplace | 90% | (-0.5) |
| | | Formal employee recognition program | 71% | 14% |
| Difficult working hours/shifts | 85% | Monitor workforce utilization (working hours/breaks) to limit employee burnout and safety risk | 77% | 8% |
| | | Assistance with transportation | 14% | 71% |
| | | Assistance with childcare | 4% | 81% |
| | | Assistance with affordable housing | 4% | 81% |
| First-year retention issues | 85% | Formal on-boarding process | 88% | (-0.3) |
| Mismatch between skills and job requirements | 81% | Identify the right type of work for the employee | 42% | 41% |
| Undertrained first-line supervision | 75% | Formal first-line supervisor training | 76% | (-0.3) |
| Understaffing the production floor (contributes to employee stress/burnout/loss) | 66% | Hire more full-time production staff to lessen employee stress/burnout/loss | 54% | 12% |
| | | Use of contingent workers (e.g., temporary workers, contractors) | 57% | 9% |
| Lack of compensation that appeals to employees | 64% | Performance-based pay (e.g., bonuses, profit-sharing) | 53% | 11% |
| Lack of formal 'accelerated' company career pathway (takes too long from promotion to next level) | 65% | Use of formal 'accelerated' company career pathway (faster promotion to next level) | 22% | 43% |
| Lack of clear company career pathway | 53% | Outline clear company career pathway to new/existing employees | 48% | 5% |

*(e.g., formal employee orientation, introductions to senior management, exposure to full production process)

Note: Challenges and Strategies used to address the skills shortage for hourly, skilled production positions (i.e., maintenance/engineering, machine operators)



Key Takeaways: Empowering Workforce Stability Through Effective Retention

2025 Top 5 retention-related challenges :

- Difficult working hours/shifts
- First-year retention issues
- Challenging manufacturing environment
- Mismatch between skills and job requirements
- Undertrained first-line supervision

2025 Top current retention best practices: (used by 70% or more companies)

- Focus on improved work environment, culture*
- Foster and promote employee health, safety and wellbeing in the workplace
- Formal on-boarding process
- Monitor workforce hours/breaks to limit employee burnout
- Formal first-line supervisor training
- Formal employee recognition program

*Increase statistically significant in use of recruitment strategy from 2016 baseline study



Key Takeaways: Empowering Workforce Stability Through Effective Retention

2025 Top opportunities to improve retention efforts: (used by 4% to 42% of companies)

Career path

- Identify the right type of work for the employee
- Provide formal 'accelerated' company career path

Formalized programs

- Assistance with transportation, childcare, affordable housing

*increase statistically significant in use of recruitment strategy from 2016 baseline study





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