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Trends & Insights Report:
Food & Beverage Plant Turnover

Introduction

The future of food and beverage manufacturing is full of promise. Innovation in automation, data analytics, and systems is opening new doors for efficiency, product development, and market expansion. But as the industry evolves, one challenge continues to threaten progress: high turnover at the plant level.

Across the U.S., manufacturers are struggling to retain talent and fill critical roles. This instability not only disrupts operations but also drives up costs, slows production, and impacts product quality. The issue isn't going away. In fact, it's growing. U.S. manufacturing could need as many as 3.8 million new employees by 2033, and nearly half of those roles may remain unfilled if employers can't close the skills and applicant gaps.[1]

In this Trends & Insights Report, we'll explore the key shifts happening in manufacturing, examine how today's environment contributes to high turnover, and outline actionable solutions to improve retention and prepare your workforce for what's ahead.

Inside this edition

The State of Plant Turnover: How Did We Get Here?

The state of plant turnover is dire, and there's potential for it to get worse. With trade uncertainty, evolving workforce expectations, and increasing operational challenges, manufacturers are struggling to retain talent on the plant floor. But before we can move forward, it's critical to understand how we got here.

1960s–1970s: Manufacturing's Golden Era

This was the heyday for manufacturing in the U.S. Jobs were stable, wages and benefits were strong, and advancement opportunities were within reach. Turnover was low, in part because plant workers had a voice in operations and felt pride in their work. Management and workers operated as partners with mutual respect, and rewards for a job well done were abundant.

- **Food and beverage manufacturing during this time:** This era saw the rise of large-scale, standardized production of packaged goods to meet growing consumer demand.

1980s–1990s: Stability, Camaraderie, and Long-Term Careers

Manufacturing jobs remained highly desirable. Employees often spent decades at the same facility, creating deep bonds and strong teamwork. New hires were quickly welcomed and mentored. Formal training systems were rare because turnover was low and knowledge was passed down peer-to-peer. Advancement remained common, with high performers often trained into engineering or leadership roles.

- **Food and beverage manufacturing during this time:** This period saw consolidation among major brands, leading to larger, more complex operations.

> Manufacturing wasn't perfect during this time period, but the prospect for leadership and job opportunities, combined with low turnover, made manufacturing plants a desirable place to work.
>
> ***Dan Nugent*, Organizational Capability Consultant**

Turnover By The Numbers

- The current manufacturing turnover rate is 28.6%, compared to the U.S. average of 13.5%.[2]
- In a recent National Association of Manufacturers survey, 48% of respondents said attracting and retaining a quality workforce was their primary business challenge.[3]
- Nearly one-third of the manufacturing workforce is over 55, indicating the labor shortage will likely get worse as older generations retire.[4]

2000s: Globalization and the Digital Shift

Globalization and a rapid wave of new technology reshaped the manufacturing floor. Companies began formalizing processes with SOPs, documentation, and digital tools. Training became more structured, and the workforce became more educated. Workers became skeptical of advanced technology because many had been performing their jobs well for a long time without it.

- **Food and beverage manufacturing during this time:** This period introduced greater automation, ERP systems, and increased regulation around safety and quality.

> This is when turnover began to really rise. Many legacy workers struggled to adapt to new systems, which created friction and made manufacturing jobs lose some of their appeal.
>
> ***Geoff Olsen*, Supply Chain Practice Director at Catena Solutions**

COVID-19 to Today: A Fragile System Under Strain

During the pandemic, U.S. manufacturing output fell at a 43% annual rate, and hours worked dropped 38%.[5] High turnover surged, creating a vicious cycle: overworked employees quit, leaving others stretched too thin, which led to more departures. Camaraderie faded and mentorship suffered. The floor got louder, more stressful, and harder to manage. Which brings us to today. Despite attempts to improve retention, most companies lack the strong cultural and operational foundation that once supported workforce stability.

- **Food and beverage manufacturing during this time:** The industry faces trade uncertainty, labor shortages, supply chain volatility, and growing pressure to innovate while maintaining workforce continuity.

> The way things used to work in manufacturing isn't coming back. Instead of trying to recreate the past, companies need to focus on building the systems and tools that will move them forward. Success starts with designing for the future, not reacting to the present.
>
> ***Paul Owen*, Human Capital Practice Director at Catena Solutions**

A Deeper Dive into Today's Turnover Problems

Today's turnover crisis stems from shifts in workforce expectations, job design, and a growing disconnect between leadership and employees. As the industry evolves, outdated workforce strategies are fueling instability on plant floors. Here's what's driving the problem.

Everyone's hiring from the same pool
Food and beverage companies are often competing for the same group of frontline workers. For many job seekers, pay is the deciding factor in accepting and staying at a job. Case in point: Research shows 28% of supply chain workers would switch jobs for a $1-2/hour raise.[6]

Research shows **28% of supply chain workers** would switch jobs for a $1-2/ hour raise.

"Hourly pay matters. If a plant down the road is offering even $3 more per hour for the same kind of work, some employees won't think twice about leaving," said Robert Acree, Food Manufacturing Operations Consultant.

The work is physically demanding
Plant jobs take a toll on the body. Employees are often on their feet for 8–12 hours, standing on concrete floors and making repetitive motions. Physical fatigue and the constant risk of injury are major drivers of turnover, especially for new or older employees.

Flexibility is hard to offer
Younger generations of workers increasingly value flexible hours and work-life balance, which are hard to implement on a plant floor. Unlike desk jobs, front-line manufacturing roles require physical presence and shift coverage, making it difficult for companies to accommodate evolving workforce expectations.

High pressure, high stakes
Today's plants are fast-paced, high-speed environments. A single decision or misstep can disrupt production and impact safety. That pressure can be overwhelming, especially for newer employees who may not want that level of responsibility without sufficient support.

Disconnect between corporate and the floor
Many plant employees feel alienated from company leadership. Communication gaps and a lack of transparency contribute to disengagement and mistrust. This makes it harder to build loyalty, foster collaboration, and retain long-term talent.

Skill gaps are widening
Modern plant environments are increasingly complex, requiring more advanced knowledge. Yet finding workers with the right skills remains a huge challenge. For example, demand for simulation and simulation software skills in manufacturing has grown 75% in the past five years.[1] This demand is outpacing training investments at many organizations, leaving employees underprepared and overwhelmed.

Career paths are no longer linear
Unlike in decades past, few workers today expect to stay in the same role or company for long. Careers are more fluid, and job-hopping is common. This cultural shift means even satisfied workers are more likely to leave for different opportunities.

The job isn't what employees expect
Many new hires, especially younger workers, don't fully understand the nature of the work until they're already on the floor. The fast pace, physical strain, and lack of flexibility often come as a surprise, and that mismatch in expectations leads to high early-stage turnover.

"Once you get workers in the door, teach them that it can be a lifelong opportunity, and show them the opportunities for advancement, you have a better shot at retention," said Acree. "But it's difficult to get new employees to conceptualize that."

Disorganized systems create friction
Many manufacturing environments still rely on outdated communication and training methods. Without clear processes, documentation, or standardized onboarding, employees become frustrated, misinformed, or disengaged. That disorganization becomes another reason to leave.

Solutions for Reducing Turnover

Dan Nugent

Organizational Capability Consultant

For insights into creating a strategy to address plant turnover, we met with Dan Nugent, a manufacturing workforce expert with more than 35 years of experience and a strong track record of driving substantial supply chain value in food and beverage enterprises.

Tapping into his extensive involvement working in manufacturing environments, he shared his recommendations below for reducing turnover at food and beverage plants.

How to Reduce High Turnover at Food and Beverage Manufacturing Plants

1. **Offer competitive pay and benefits**
   Competitive pay and benefits are baseline requirements to attract and retain high caliber frontline workers at food and beverage manufacturing plants, and, conversely, a top source of turnover when not in place. After several years of high inflation, frontline workers in manufacturing are struggling to make ends meet. To attract and retain talented employees, you must understand what other top-tier companies in your area pay and ensure your compensation levels are in the upper third and ideally the upper quartile.

2. **Invest in frontline leadership**
   Frontline team leaders in food and beverage manufacturing play a pivotal role in driving engagement and reducing turnover. But today's younger workforce often views manufacturing differently than past generations, and many of the team leaders in place lack the skills needed to lead effectively. However, there's an opportunity to attract and develop great frontline leaders by:

   - Placing a high value on frontline leadership experience within the overall organization.
   - Implementing strong onboarding and continuous development programs tailored to these roles.
   - Establishing career paths where frontline leadership roles serve as key feeder roles to other desirable leadership roles within the organization.

3. **Deploy digitally connected frontline worker applications**
Today's frontline workforce is increasingly digitally savvy. Outside of work, they use a range of apps to connect with others and boost personal productivity. On the shop floor, however, they're often met with outdated processes, systems, and tools, and have limited access to the critical information they need to succeed.

   Fortunately, several frontline, worker-centric digital applications are now designed specifically for food manufacturing environments. Paired with mobile devices, these tools enable communication, collaboration, and problem-solving across shifts, lines, and plants. They also support the shift to paperless operations through digital forms, with features to escalate and track issues. These tools play a key role in developing and managing skills.

4. **Design processes for high turnover**
Even under the best conditions, higher turnover is a fact of life in manufacturing today. Your organization and systems must be designed to handle it effectively. Key areas of focus should include:

   Standard work: Well-documented standard work (SOPs and work instructions) is essential to deliver best-in-class operational performance. Without it, what's the foundation for performance-based training? In an environment where turnover limits workforce experience, clear and accessible SOPs are critical for efficiently onboarding large numbers of new hires each month.

   High impact, accelerated onboarding: My work with medium- and large-tier manufacturers has shown that a well-structured, intensive, two-week onboarding process can equip new hires with the skills needed to perform effectively. This approach combines knowledge-based and skill-based training with a strong emphasis on on-the-job learning led by certified trainers.

   An effective and sustainable system of training: A performance-based training system for frontline workers should focus on the tasks required for success in each role. The core work process includes:

   - A job analysis process to map out the duties and tasks of each role (the "what").
   - A structured process to capture best practices as SOPs, ideally using digital tools (the "how").
   - A robust on-the-job training process delivered by certified trainers.
   - A valid method to assess and confirm competent performance on the job.

   These elements are typically supported by broader processes such as Training Design and Development, Knowledge Management, Skill Matrices, and Training Effectiveness. Together, these systems build the operational stability needed to thrive in a high-turnover environment.

> While working with Catena Solutions, Dan streamlined operations, strengthened training, and cut down time at a global food and beverage manufacturer that was facing rising turnover and production slowdowns. Learn more about the project.

Keeping plant workers isn't easy, but you don't have to do it alone.

Catena Solutions is here to help. We're dedicated to the food and beverage industry, with 30+ years of expertise supporting local, national, and global CPG brands.

With our network of industry experienced consultants, we focus on driving growth, optimizing operations, and navigating industry challenges.

For more information, visit us at **catenasolutions.com**.

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