

INDUSTRY USE CASE

The Manufacturing Sector



The top 3 challenges for HR professionals in the Australian and New Zealand manufacturing sector

Manufacturing is one of Australia's and New Zealand's largest and most important industries, underpinning economic growth, innovation and employment across both countries. Yet despite its significance, manufacturers continue to face increasing workforce and operational pressures.

As organisations embrace digital transformation, automation and artificial intelligence, they must also strengthen cyber resilience while continuing to improve productivity in an environment of constrained budgets and resources. HR leaders are increasingly being asked to balance innovation with workforce capability, operational efficiency and organisational resilience.

This report explores the workforce challenges shaping the manufacturing industry today and how leading organisations are responding.

The top three challenges facing HR leaders in manufacturing are:

1

Cyber and data threats

2

Expanding and adopting AI across the organisation

3

Reduced budgets and resources

Cyber and data Threats

With 30% of manufacturing HR leaders citing cyber and data threats as a top workforce challenge, protecting sensitive information and building resilience are no longer optional — they're business-critical priorities.

As manufacturing environments become more connected through automation, digital systems and AI, cybersecurity becomes harder to separate from day-to-day operations. Employees across production, operations, engineering and corporate functions all play a critical role in protecting sensitive information, maintaining compliance and reducing organisational risk.

For HR leaders, that raises a practical challenge: how do you maintain consistent training, policy awareness and compliance across multiple sites and operational teams, while making sure security does not rely on ad hoc processes or assumptions?

30%

Manufacturing HR leaders
cite cyber and data threats
as biggest challenges

Expanding and adopting AI across the organisation

While manufacturers continue to invest in artificial intelligence, expanding AI beyond isolated use cases remains a significant organisational challenge. In fact, **23% of manufacturing organisations identify expanding and adopting AI as one of their biggest workforce challenges.**

Expectations remain high. In 2025, **40% of organisations expected AI to deliver transformational change, yet only 17% reported achieving it.** While individual adoption continues to grow, with **87% of HR professionals saying AI works effectively for them personally**, organisation-wide adoption remains limited. **Just 22% say AI is being used extensively across their organisation, and only 27% feel fully prepared to meet leadership expectations.**

This points to a wider readiness gap. For manufacturing HR leaders, the challenge is not whether people are experimenting with AI. It's whether the organisation has the workforce data, connected processes, governance and visibility needed to embed AI consistently across production, operations and teams.

23%

Manufacturing organisations say expanding and adopting AI is their biggest workforce challenge.

22%

Say AI is being used extensively across their manufacturing organisation

27%

Feel fully prepared to meet leadership expectations

Reduced budgets and resources

As economic pressure continues to shape decision-making, many manufacturing organisations are being asked to do more with less. In fact, **22% identify reduced budgets and resources as one of their biggest workforce challenges.**

For HR leaders, that pressure shows up quickly across hiring and onboarding. **The average cost per hire is now \$17,382, while new employees take approximately 32 days to reach productivity.** At the same time, recruitment delays and slow onboarding can create unnecessary drag on operations, limiting workforce availability, reducing production capacity and increasing pressure on existing teams.

In a sector where efficiency, output and workforce continuity matter, reducing the time and effort it takes to attract, hire and onboard the right people has become a practical way to improve both workforce performance and operational resilience.

22%

Identify reduced budgets and resources as one of their biggest workforce challenges.

\$17,382

Average cost per new hire

32 days

Average employee to reach productivity

So what does it all mean?

While each challenge presents its own complexity, they are closely connected. The ability to strengthen cyber resilience, scale AI more confidently and improve efficiency under tighter budgets all depends on having stronger workforce visibility, more consistent processes and better control across learning, data, recruitment and onboarding.

For manufacturing organisations, these pressures are intensified by connected systems, multiple sites, operational complexity and ongoing pressure to maintain productivity. As a result, many HR leaders are looking for a more connected approach that helps them reduce risk, improve decision-making and build a workforce that is more agile and prepared for change.

With the right foundations in place, organisations can take a more proactive approach to compliance, planning and workforce readiness, helping ensure they have the systems, insights and people processes needed to support operational continuity.

Strengthen workforce cyber resilience with secure foundations

HOW

Build a security-conscious workforce by embedding compliance, learning and governance into everyday operations, supported by secure cloud foundations. Manufacturing organisations need more than awareness alone to reduce risk. They need a practical way to deliver mandatory training, track policy acknowledgement and maintain visibility across multiple sites and operational teams. At the same time, they need confidence that the platform supporting those processes is designed with security in mind from the ground up.

ELMO helps HR leaders strengthen workforce compliance and readiness through structured learning and governance, while supporting that effort with strong cloud security foundations including encryption at rest and in transit, data sovereignty for ANZ customers and greater visibility into systems and data flows.

RESULTS

Using Forrester's Total Economic Impact™ (TEI) methodology, the independent study modelled results based on a representative organisation with 500 employees. The study identified measurable improvements in workforce governance and compliance, including:

\$727,000

Through centralised learning content and streamlined training delivery.

Compliance Visibility

Through centralised tracking of mandatory training and automated reminders.

Employee engagement

Through a more connected learning experience.

Workforce governance

With greater confidence in compliance reporting and workforce readiness.

Product: ELMO Learning

HR professionals in manufacturing organisations can use ELMO Learning to:

- ✓ Deliver and manage mandatory cybersecurity, safety and compliance training with ease.
- ✓ Monitor licences, certifications, and policy acknowledgements in a single centralised system.
- ✓ Track mandatory learning across multiple sites and operational teams with clear visibility.
- ✓ Build workforce capability through structured learning and development programs that support organisational goals.

By strengthening workforce compliance and governance, ELMO helps HR leaders reduce organisational risk while supporting a more resilient workforce. And because that learning and compliance activity sits on a platform designed with visibility, encryption and secure architecture in mind, organisations can build cyber resilience with greater confidence.

1. e-Learning Module

WH&S e-Learning Module

In Progress

Stay safe at work. This course teaches you everything you need to know about workplace health and safety. Quickly learn to spot risks, prevent accidents, and respond to emergencies, all from a user-friendly online platform. Complete this training to become a more confident and safety-aware member of your team.

▶ Resume

2. Policy Acknowledgements

WH&S Policy Acknowledgement

Not Yet Started

As part of this course you are required to read and acknowledge the policies disclosed. Please begin this section to access them.

▶ Start

Accelerate AI Adoption with stronger foundations

HOW

Support organisation-wide AI adoption by building stronger data foundations, connected processes and clearer workforce visibility.

Successfully adopting AI in manufacturing requires more than new tools. It requires a single source of truth for workforce data, better visibility across people, skills and compliance, and faster access to the information leaders need to make confident decisions. Without that foundation, AI adoption is more likely to remain fragmented, manual and difficult to scale.

RESULTS

Using Forrester's Total Economic Impact™ (TEI) methodology, the independent study modelled results based on a representative organisation with 500 employees. The study identified measurable improvements in efficiency, visibility and decision-making, including:

80% faster reporting giving leaders quicker access to workforce insights and more informed decision-making.

\$122,000 savings through the automation of routine HR administration tasks and reporting processes.

\$14,000 saved through improved reporting efficiency and the elimination of manual data retrieval and consolidation.

Faster workforce insights

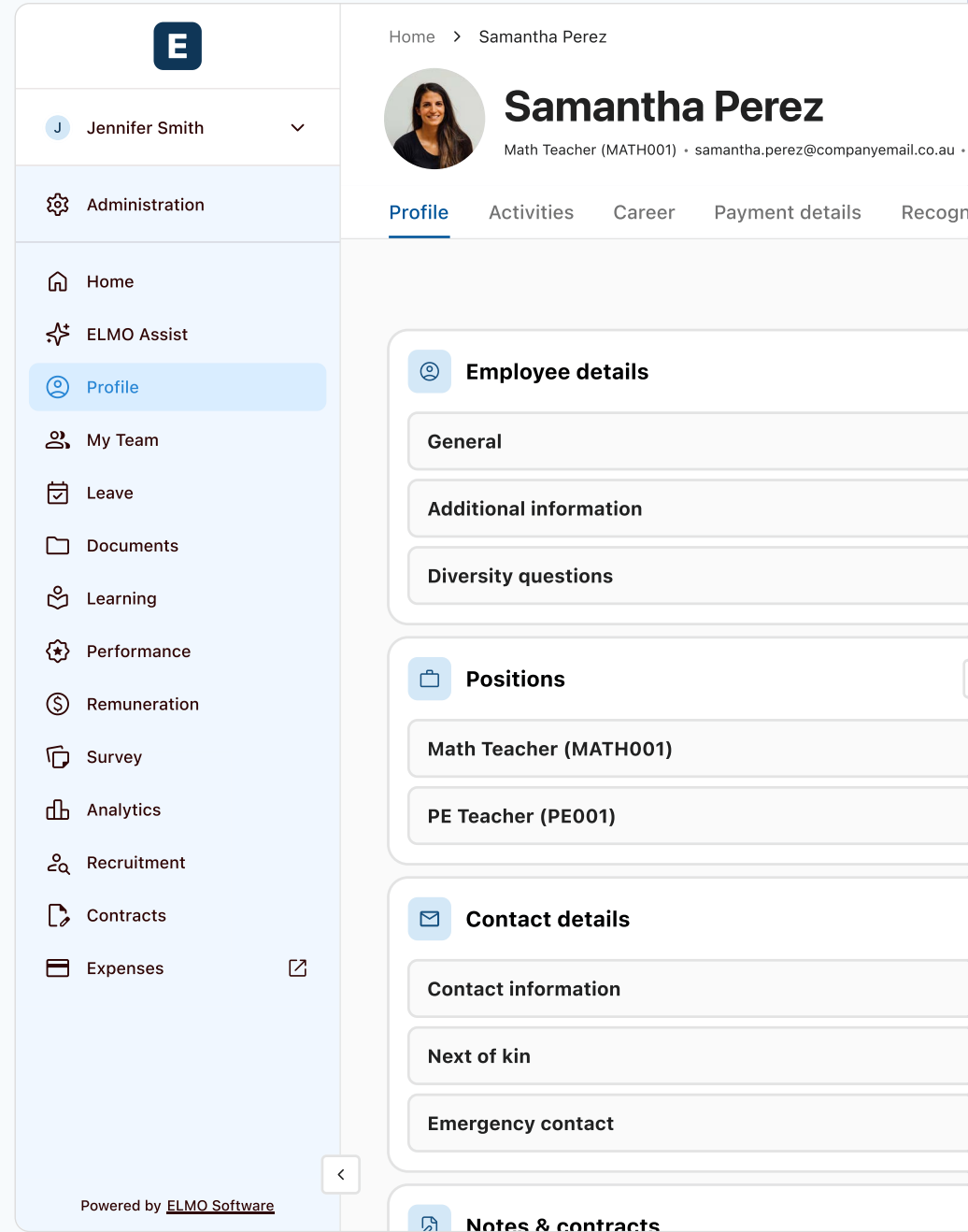
Supporting more confident planning, stronger governance and a more scalable approach to AI adoption.

Product: ELMO HR Core

HR teams in manufacturing can use ELMO HR Core to:

- ✓ Maintain a single source of truth across production, operations and corporate teams
- ✓ Improve visibility into workforce data, structures, compliance and readiness
- ✓ Reduce manual administration and fragmented reporting across sites
- ✓ Access AI-powered workforce insights, real-time dashboards and faster self-serve reporting to support planning and decision-making

By connecting workforce data and reporting in one place, ELMO helps HR leaders in manufacturing build the foundations needed to scale AI with greater confidence across the organisation.



Improve hiring efficiency and speed up workforce readiness

HOW

Create a more connected hiring and onboarding experience that helps manufacturing organisations reduce recruitment administration, shorten time to start and help new employees become productive sooner.

When budgets are tight, every delay in hiring carries a cost. Manufacturing organisations need a smoother path from attracting the right candidate to getting them ready to contribute with less friction. ELMO helps connect recruitment and onboarding in one flow, reducing manual effort, improving handovers and giving new hires a more structured path into the organisation.

RESULTS

Using Forrester's Total Economic Impact™ (TEI) methodology, the independent study modelled results based on a representative organisation with 500 employees. The study identified measurable improvements in hiring efficiency and onboarding, including:

\$38,000

Through streamlined applicant management and reduced recruitment administration.

Reduced manual effort

Through automated workflows and connected processes across hiring and onboarding.

Smoother handover

Between recruitment and onboarding for a more consistent employee experience.

Faster workforce readiness

Helping new hires move from offer to day one with less friction.

Product: ELMO Recruitment & Onboarding

HR teams in manufacturing can use ELMO Recruitment and Onboarding to:

- ✓ Automate recruitment workflows and accelerate contract creation
- ✓ Create a smoother handover from candidate to employee in one connected flow
- ✓ Reduce paperwork and manual follow-up before a new starter begins
- ✓ Give new hires a more structured and professional introduction to the organisation
- ✓ Support faster workforce mobilisation across sites, shifts and teams

By helping organisations move more efficiently from vacancy to day one, ELMO supports stronger workforce responsiveness in an environment where productivity, availability and operational continuity matter.

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Home > Contracts

Contracts

Contract Workflow Management

Contract status ▾

User type ▾

Show: Active ▾

Employee	User t
SP Samantha Perez samantha.perez@email.com	Empl
BC Brady Craig brady.craig@email.com	Onboa
KC Kathryn Calhoun kathryn.calhoun@email.com	Onboa
LF Luka Fletcher luka.fletcher@email.com	Empl
MH Mathew Horn mathew.horn@email.com	Empl
TA Teresa Acosta teresa.acosta@email.com	Empl
TM Trevor Martin trevor.martin@email.com	Onboa
TJ Taylor Johnson taylor.johnson@email.com	Onboa

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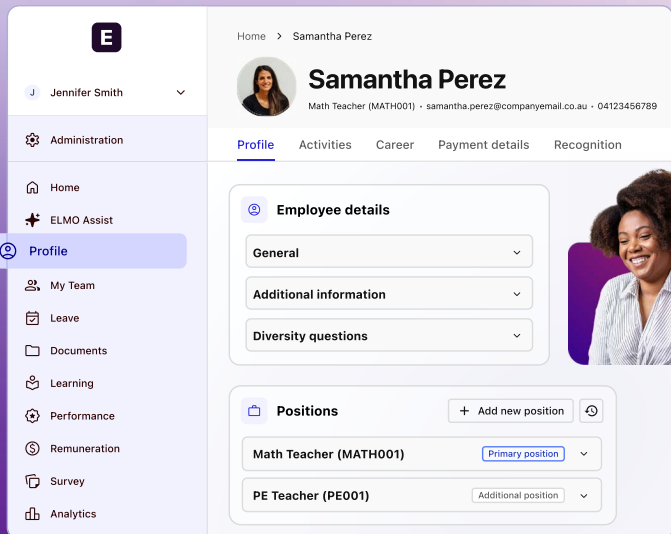
Building a more resilient manufacturing workforce

The workforce challenges facing manufacturing organisations are increasingly interconnected. Managing cyber and data risks, adopting AI at scale and improving efficiency under budget pressure all require accurate workforce data, clearer visibility and more connected people processes.

ELMO helps manufacturing organisations respond with a connected approach: Learning to strengthen workforce compliance and cyber resilience, HR Core and Insights to build the foundations for more confident AI adoption, and Recruitment and Onboarding to reduce hiring friction and speed up workforce readiness.

By bringing together learning, workforce data, reporting, recruitment and onboarding in one platform, ELMO helps HR leaders in manufacturing build a workforce that is more secure, more responsive and better equipped to support operational performance.

The Complete AI Workforce Platform™



HR Core Platform

AI Insights

Workforce Design

Recruitment & Onboarding

Payroll Partner Network

Performance & Remuneration

Learning & Content Library

Founded in 2002, the ELMO Group comprises ELMO Software, Breathe HR and Rotageek. ELMO Group is a multinational provider of people management solutions, trusted by over 18,000 organisations across Australia, New Zealand and the United Kingdom.

ELMO is The *Complete* AI Workforce Platform™. It unifies HR and Payroll on one connected data foundation and layers native AI to turn workforce data into insight and action. ELMO's mission is to get Australia and New Zealand's workforce ready for what's next and supports the full employee lifecycle, from recruitment and onboarding to learning, performance, payroll and more.

Backed by ISO-certified security, Australian-based data hosting and local experts who guide change throughout the journey, ELMO helps mid-sized organisations build the foundation for AI-ready workforces of tomorrow.