

Toyota faces stiff challenge becoming preferred Triad manufacturing employer

Richard Craver - Nov 12, 2023



Contractors have finished installing a new water tower at the Toyota electric vehicle battery manufacturing site in Liberty.
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Toyota Motor Co.'s commitment to a nearly \$14-billion, 5,100-job electric-vehicle battery plant in Liberty will challenge the training and mobility of the Triad's manufacturing workforce as never before.

Toyota will build lithium batteries for hybrid and electric vehicles in what has become by far the biggest single capital investment in North Carolina history.

Production is set for early 2025. It will be increased in a phased approach, with line launches planned through 2030 to reach full production.

All of which will test how far Triad residents are willing to commute for starting hourly pay of \$18 for logistics employees, \$23 for production and quality employees and a range of \$20.30 to \$41.50 for maintenance and facilities employees.

As invigorating as having 5,100 Toyota jobs sounds, economists say there are likely to be an additional hundreds, if not thousands, of other positions linked to the plant if not on the megasite campus.

“Toyota obviously has great confidence in its ability to recruit workers for the plant, but how challenging will it be for it to become the preferred advanced manufacturing employer for the Triad?” asked John H. Boyd, founder and principal with global site-selection firm The Boyd Co. of Boca Raton, Fla.

Toyota is facing a tight Triad job market with an ever-expanding number of advanced manufacturers. Those include Avgol Americas, Boom Supersonic, Deere & Co., Egger Wood Products and Honda among many others.

Boyd’s firm has assisted in identifying viable sites for Toyota facilities ranging from Canada to Kentucky to Mexico.

“Given the vast number of new hires needed, it will be a very challenging human-resources exercise, but well within the capabilities of Toyota who has an enviable track record in staffing and retaining in locations throughout North America and the world,” Boyd said.

Ripple effect

The main Toyota hiring focus thus far has been on production assessment, machine operators, quality and internal logistics and maintenance workers.

Some economists have theorized that as Toyota attracts its Triad workforce from other employers, it will free up jobs closer to home.

“Current workers transitioning and improving their economic circumstances with new positions at Toyota will create a larger economic pie in the Triad, as well as create new opportunities for workers re-entering the workforce and those moving into manufacturing jobs from the lower-paid positions in the retail and hospitality sectors,” Boyd said.

Citing Toyota’s Georgetown, Ky., campus as an example, Boyd said it is Toyota’s largest advanced manufacturing plant in the world employing some 8,000 workers even though it’s a town of roughly 38,000.

“Across the board, I can say Toyota is considered an ‘employer of choice’ in all these markets given the work environment, compensation and esprit de corps that the company brings to the recruiting table,” Boyd said.

Boyd added that skeptics shouldn't discount the appeal of people, particularly from the Northeast, willing to migrate to the Triad for an employer such as Toyota.

Toyota is banking on that. Now, it just needs to happen. Given the region's storied manufacturing history, there's reason to believe it will.

Toyota's continued expansion of their Triad-area battery plant "really goes a long way to validate the idea that the Triad is a good place to manufacture high value-added products," said Mark Vitner, chief economist with Piedmont Crescent Capital. "The region's legacy in manufacturing means there is a supply of skilled workers as well as a network of training schools. There are also a number of existing factories and greenfield sites to attract suppliers."

Toyota EV goals

The automaker plans to have an electrified option available for every Toyota and Lexus model globally by 2025.

Takero Kato, president of the BEV Factory business unit, said in June that the manufacturer projects a full lineup of 30 electric vehicles available in 2026.

"The next-generation battery EVs will adopt new batteries through which we are determined to become a world leader," Kato has said.

Toyota disclosed in May its latest advances in solid-state battery development, which can hold more energy than liquid electrolyte batteries and can boost driving range to more than 600 miles between charges.

Keith Debbage, a UNCG professor who is an expert on regional economic development issues, said the speed of the Toyota expansion decision "is linked to the fact that Toyota has been slow to embrace electric vehicles and is now playing catch-up. Given the recent slowdown in demand for EV's largely linked to concerns about both range and the limited charging network in the U.S., we will have to wait and see if this decision ultimately pays off for Toyota."

Debbage added that "I am not sure our community has fully grasped the magnitude of the forthcoming change. My calculations suggest that we should expect a combined total of \$40 billion in capital investment, nearly 30,000 new direct jobs and an additional 50,000 spin-off jobs with wages well above the region average over the next five years or so.

"It will be difficult and it will be a challenge, but it sure beats moaning about the ongoing loss of jobs in textiles, tobacco and furniture."