

Rethinking benefits for better talent outcomes

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Prioritizing benefits to focus on diversity, equity and inclusion can help manufacturing companies gain a competitive edge in attracting top talent, enhancing productivity and innovation, fostering a positive workplace culture, and ensuring a healthy workforce.

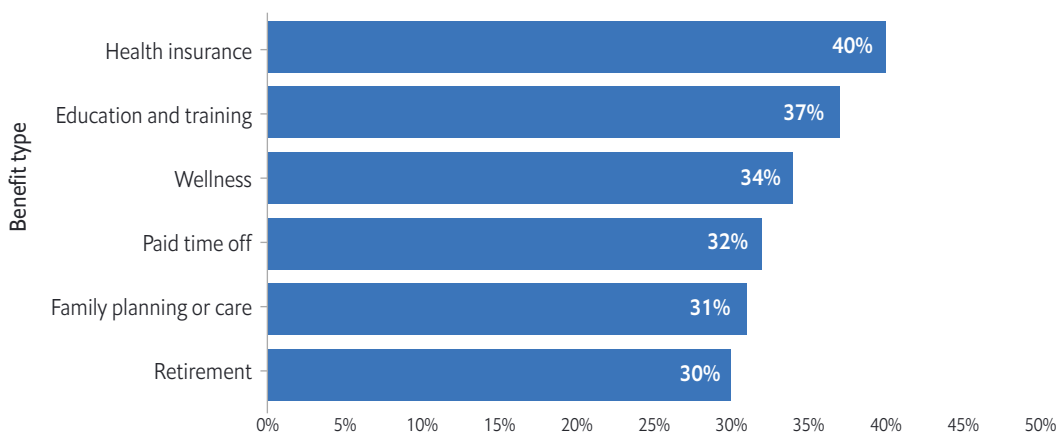
1. Improving recruitment and retention

Manufacturing companies face significant labor shortages and a constant need for skilled workers. There were nearly 500,000 unfilled positions in the industry in 2023, a critical recruitment gap that benefits have the potential to help address.¹

Nearly two-thirds of manufacturing workers in our 2023 Benefits 2.0 US worker survey would consider switching jobs for access to better benefits. Healthcare and education benefits were identified as the two most powerful levers for talent acquisition in the sector (see figure 1). Prospective hires see these benefits as vital for personal and professional well-being, and they know how costly accessing them can be.

Figure 1: Prioritizing healthcare and education benefits

Percentage of manufacturing workers who would consider switching jobs for better access to benefits

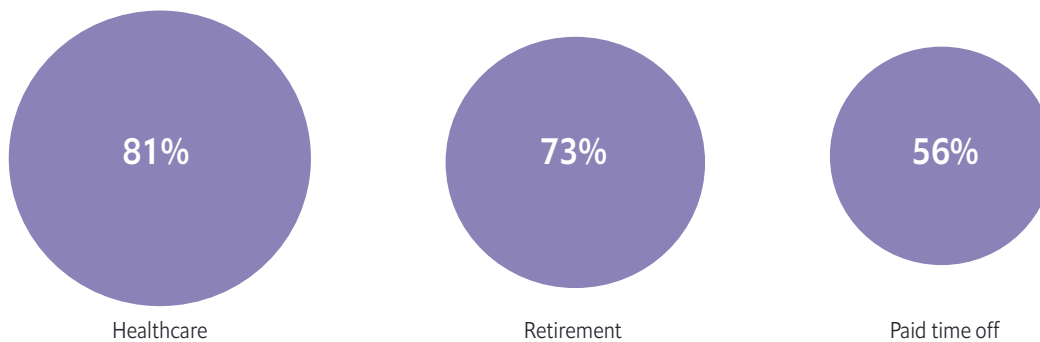


Source: Economist Impact, 2023. Benefits 2.0 survey.

When it comes to benefits, one size does not fit all. Companies should consider offering varied benefit packages as part of an effective talent strategy. Younger professionals, for example, find appeal in education perks, but their more experienced counterparts place a premium on quality health and retirement benefits (see figure 2).

Figure 2: Health and retirement benefits are highly valued by older workers

Top benefits considered important for job selection, % of manufacturing workers Gen X and older



Source: Economist Impact, 2023. Benefits 2.0 survey.

2. Boosting productivity and engagement

The demanding work environment in manufacturing can create persistent productivity challenges. Our survey reveals several gaps in wellness benefits and paid time off, which are directly associated with worker satisfaction, engagement and productivity.

Wellness benefits are particularly rewarding, with four in five manufacturing workers crediting them with improving their health and well-being. However, disparities can limit their effectiveness among junior workers, who reported lower access to these programs. Only about half of this group (55%) saw positive health and well-being impacts (compared with 75% of senior workers), fueling feelings of burnout and disengagement at a rate five times higher than their senior counterparts.

Paid time off, although common, is frequently underutilized as a tool to support productivity, prevent burnout and help workers recharge. In the manufacturing sector, more than a third of workers say that their company culture is not conducive to taking time off.

Two-thirds of junior workers say they lack sufficient time off to manage their mental health effectively (versus just 23% of CxOs). Meanwhile, black workers in the sector face significantly more obstacles in taking advantage of their vacation days (23% cannot do so, compared with just 7% of white workers).

23%

of black workers struggle to use all their vacation days, compared with just 7% of white workers

Making efforts to ensure that paid time off and wellness benefits are fully utilized, not merely available, holds significant potential for keeping workers engaged, productive and thriving.

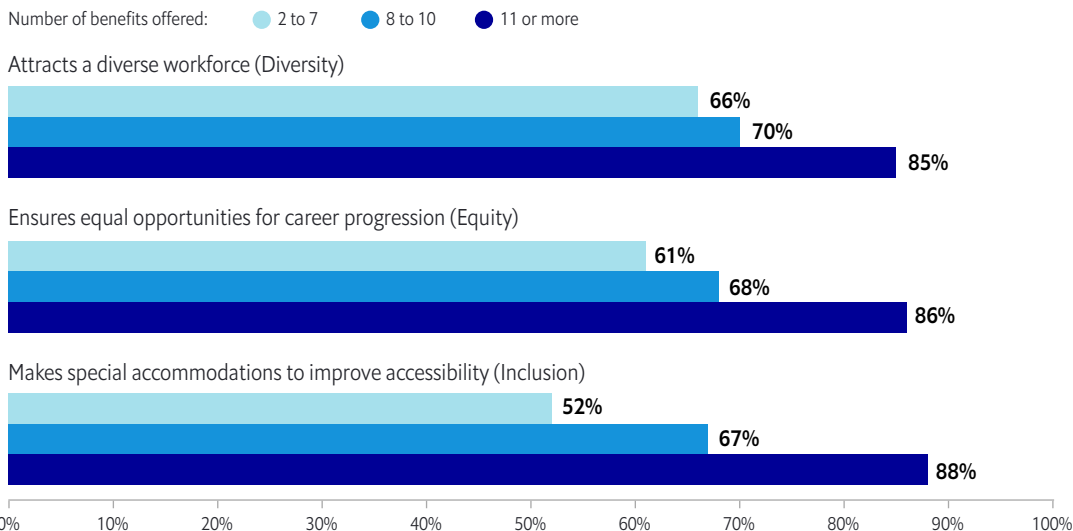
3. Progress on diversity, equity and inclusion (DEI)

DEI remains an ongoing challenge for the manufacturing sector, especially when it comes to the issues of gender diversity and minority experiences. Manufacturing in the US remains male dominated, with only 30% of the workforce made up of women, far short of the 47% average rate across the US.² Further, minority groups including American Indians, Alaska Natives, Hawaiians, Pacific Islanders and mixed race individuals routinely exhibit far lower optimism about their company's values compared with their peers.

Failure to move the needle on DEI puts companies at risk of low morale, stagnating team performance and the loss of skilled workers. Our survey suggests that benefits can be a tool for achieving better DEI outcomes: the data show a consistent, positive link between these.

Figure 3: The number of benefits offered is directly tied to key DEI indicators

Percentage of manufacturing workers who say their company...



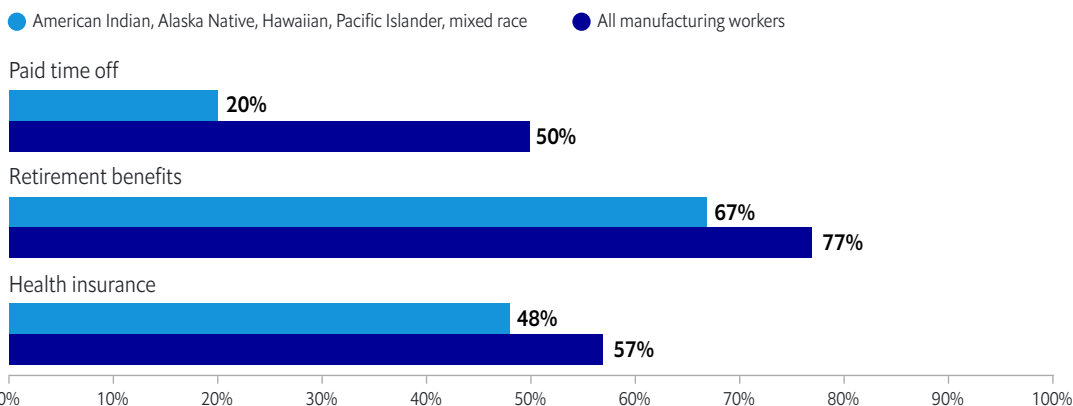
Source: Economist Impact, 2023. Benefits 2.0 survey.

Ensuring that benefits are inclusive can have significant impacts. For instance, offering caregiving benefits—to both men and women—can facilitate greater participation of women in the sector. Our survey reveals that nearly half of workers (45%) who desire caregiving benefits currently lack access, doubling the likelihood of absenteeism.

Ensuring that benefits are equally accessible is another vital part of the solution, especially with respect to minority groups. Our survey data highlight that those from American Indian, Alaska Native, Hawaiian, Pacific Islander or mixed race backgrounds are less satisfied with their paid time off (20% vs 50% overall), retirement benefits (67% vs 77%) and health insurance (48% vs 57%).

Figure 4: Those from smaller minority groups are less satisfied with their benefits

Percentage who are satisfied



Source: Economist Impact, 2023. Benefits 2.0 survey.

References

- 1 <https://www.bls.gov/news.release/empfit.nr0.htm>
- 2 <https://www.commerce.gov/news/blog/2022/10/manufacturing-opens-more-doors-women#:~:text=Some%20facts%20about%20women%20in,for%20women%20who%20are%20employed>

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