



**Gallagher**

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**DATA DRIVES DECISIONS™**

# MANUFACTURING

— 2024 —  
**WORKFORCE  
TRENDS  
REPORT  
SERIES**

Findings and insights from the 2024 Benefits Strategy & Benchmarking Survey

US EDITION



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# Introduction

The manufacturing industry is reinvigorating its culture and benefits to help ease the pinch of rising costs and an aging workforce. Companies have a clear-eyed view of the challenges they face in appealing to a new generation of workers. And this perspective motivates them to clearly define career paths while also considering innovative ways to bolster employees' wellbeing.

Wellbeing is at the center of [Gallagher Better Works<sup>SM</sup>](#), our comprehensive approach that aligns your people strategy with your overall business goals. It focuses on the full spectrum of organizational wellbeing — taking a strategic approach to investing in employee wellbeing at the right cost structures to support diverse workforce needs.

Part of our Workforce Trends Report Series, this addendum highlights key findings and implications based on 460 manufacturing organizations that participated in our 2024 Benefits Strategy & Benchmarking Survey. From broad insights to specific findings, you'll gain a practical perspective on trends and best practices to help you face your future with confidence.



**Tammy Olson**

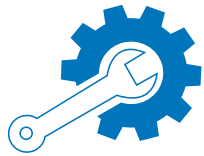
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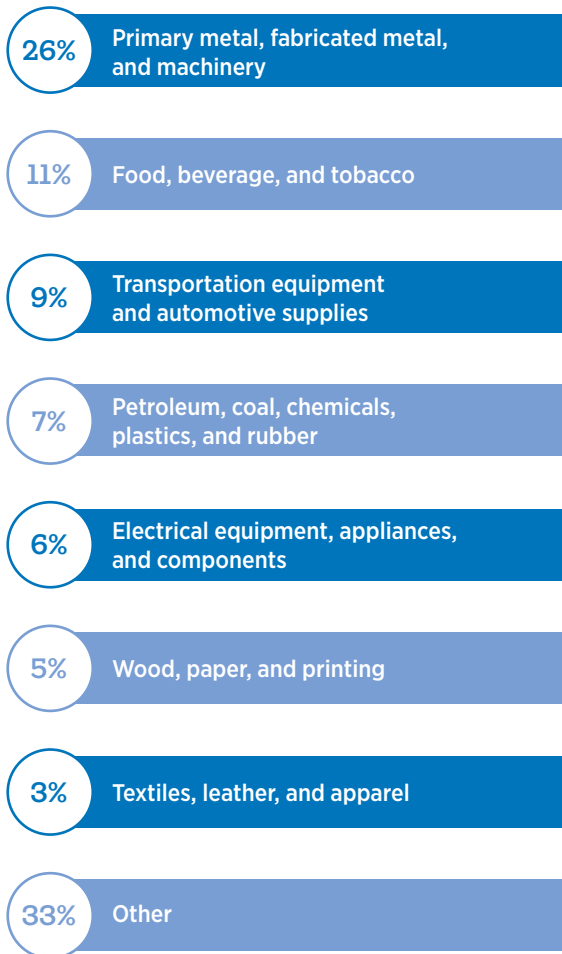
# Benefits Strategy & Benchmarking Survey Manufacturing Participant Profile



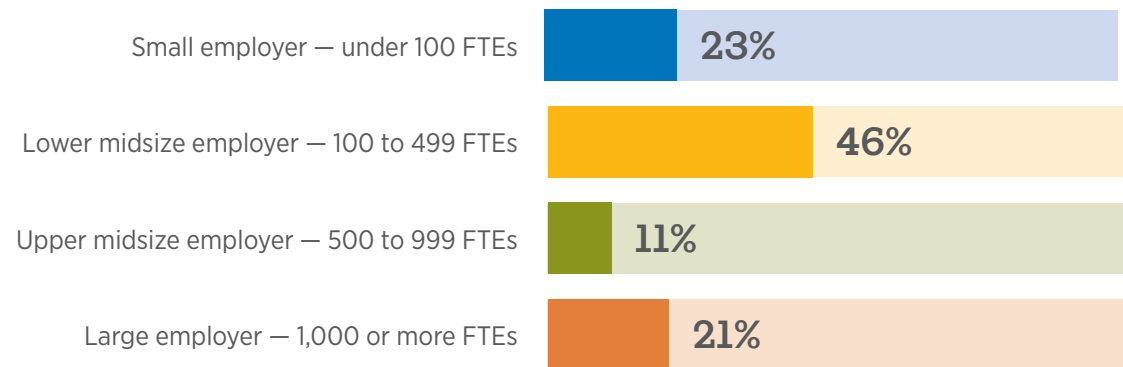
# 460

Manufacturing organizations

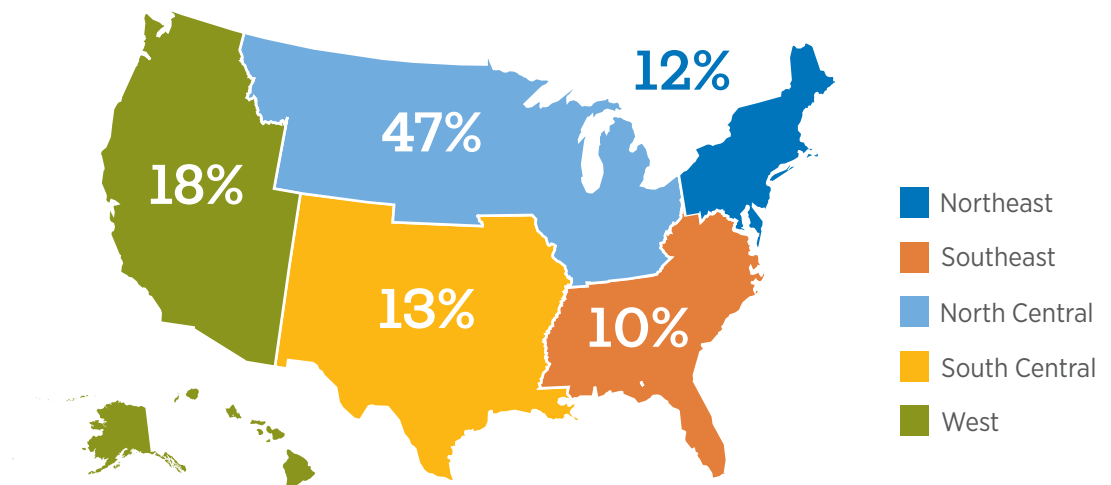
## Type of manufacturing organization



## Workforce size — full-time equivalents (FTEs)



## Geography



# Key Takeaways for Manufacturing Employers

## Organizational Wellbeing



Empowering managers to boost productivity and retain talent is key to maintaining desirable benefits while minimizing low-value services.

## Physical & Emotional Wellbeing



Health benefits that combine retention goals with the company's cultural values increase employee satisfaction and organizational strength.

## Career Wellbeing



Prioritizing the development of future leaders and improving internal communications builds organizational trust.

## Financial Wellbeing



Supportive benefits include enhanced resources that tackle employees' daily financial stressors, promoting interest in longer-term savings.

# Organizational Wellbeing

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## Workforce empowerment boosts productivity and talent retention.

To compete and excel, manufacturers need a robust and engaged workforce. But that's more difficult to come by as established workers retire and new employees are drawn to flexible environments.

Leaning into the resources at their disposal, organizations are putting managers in charge of workforce empowerment. Operating at the front line, they oversee all professional and personal duties that their jobs entail. The manager's role is to maintain productivity and retain talent, which is a high priority for many organizations.

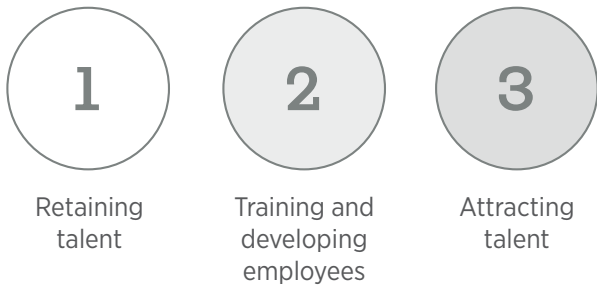
A key challenge is simultaneously navigating the increased cost of raw materials, shipping, and labor. To avoid passing on costs to customers and employees, manufacturers are reviewing contracts with a critical eye for opportunities to cut costs on low-value services.



## Top operational priorities



## Top HR priorities



More than  
**1 in 2**

Expect to add and/or upgrade their HR technology solutions by 2026

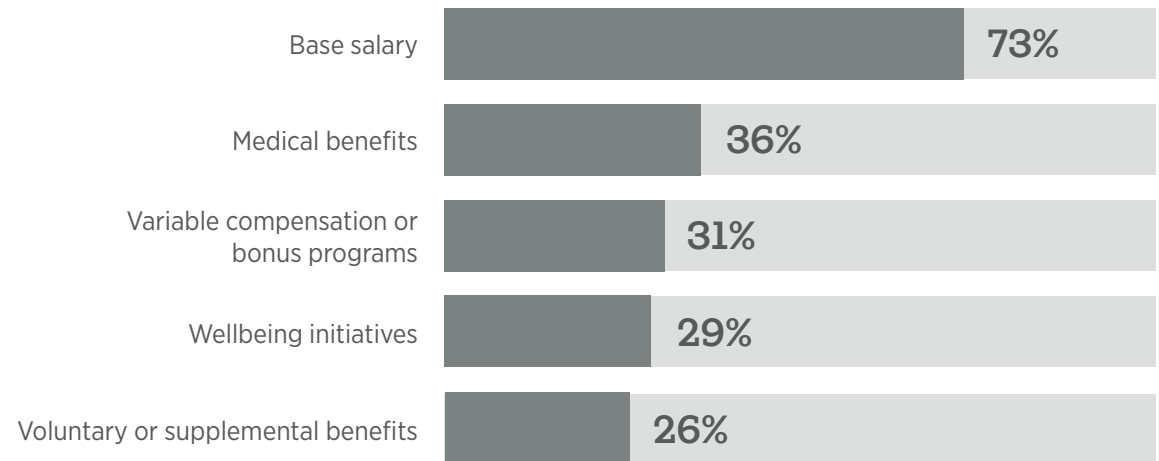
**1 in 2**

Expect to increase workforce headcount by 2025

**28%**

Experienced turnover of 25% or more in 2023

## Total rewards enhanced for 2024 to support employee recruitment and retention



# Physical & Emotional Wellbeing

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## Embedding company values in wellbeing initiatives increases their impact.

Recognizing the links between work culture and employee retention, manufacturers aim to embed company values within their physical and emotional wellbeing benefits. As part of this process, they're thinking outside the boundaries of vendor-provided options.

Understanding specific stressors that affect the workforce comes first. The next step is identifying the types of programs and resources that will enhance organizational wellbeing, while serving employee needs. Once these phases are complete, design and implementation follow.

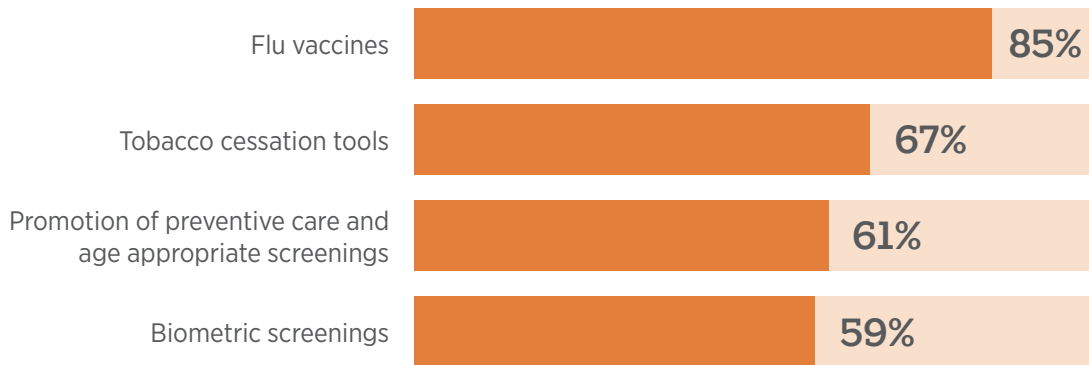
Some employers are developing high school mentoring programs in response to increased employee interest in social responsibility. They also serve as a feeder system for initiatives that recruit employees or transfer knowledge from retirees. Approaches that meet multiple objectives help to maximize the impact and minimize costs.



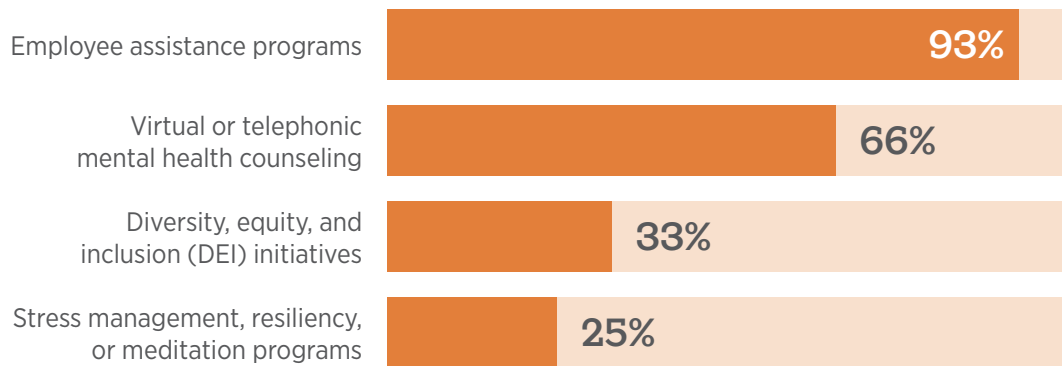


**35%** Apply at least one value-based health management tactic (e.g., reducing employee costs for prescription drugs to treat high-cost chronic conditions like cancer)

## Components of physical wellbeing initiatives



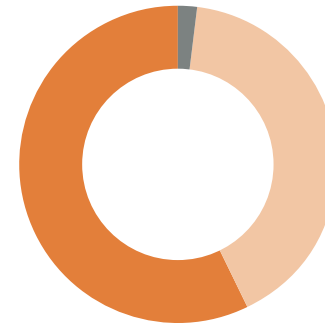
## Components of emotional wellbeing initiatives



Less than  
**1 in 4**

Have a comprehensive wellbeing strategy focused on whole-employee health

## Approach to paid time off (PTO)



**57%**  
Combined bank of days

**41%**  
Separate vacation, sick, and personal days

**2%**  
Unlimited PTO

**41%** Did not increase employee cost sharing at the most recent renewal

# Career Wellbeing

## Cultivating future leaders and building trust strengthens employee engagement.

Employee engagement is broadly seen by manufacturers as important for future success. There's also a consensus that career growth increases this metric. For this reason, many industry employers consider preparing future leaders a strategic priority.

An emphasis on growth opportunities aligns with efforts to empower managers who are prepared to direct interested employees to career-related initiatives. Employers are also looking to enhance their approach to workforce appreciation and recognition. An overarching theme for organizations is building trust, underscoring the message that employees are in the right place to build their careers.

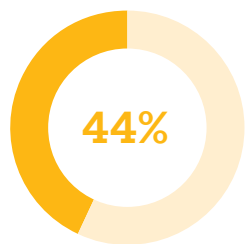
Continued investment in communications is a catalyst for success. Multiple internal channels are needed to reach dispersed employees who are busy on the line or selling to customers, and prioritizing effective methods is key.



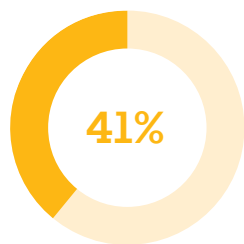
48%

Believe their workforce is highly engaged

### Tactics used to improve employee engagement



Support employees in developing and pursuing a career path

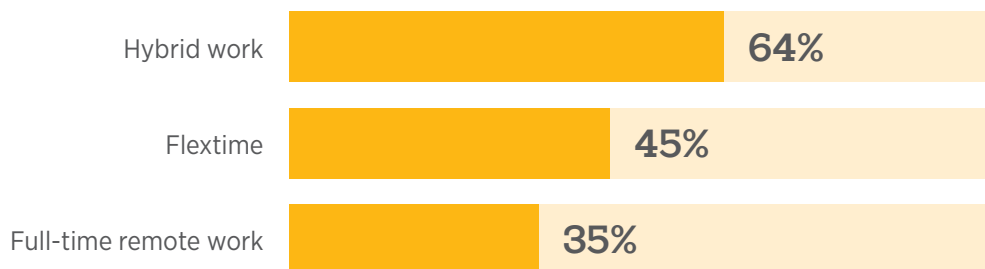


Communicate in a way that fosters trust and confidence

Nearly 3 in 5

Have conducted a survey to measure employee engagement since 2022

### Tactics used to address workplace flexibility



38%

Report that the key purpose of their current DEI initiatives or strategy is to align with the core values of the organization

### Top components of career wellbeing initiatives



Service awards or employee recognition



Ongoing performance feedback or coaching



Employee development training



Management or leadership development training



Peer-to-peer recognition

# Financial Wellbeing

## Daily living resources and next-gen health plans help build financial stability.

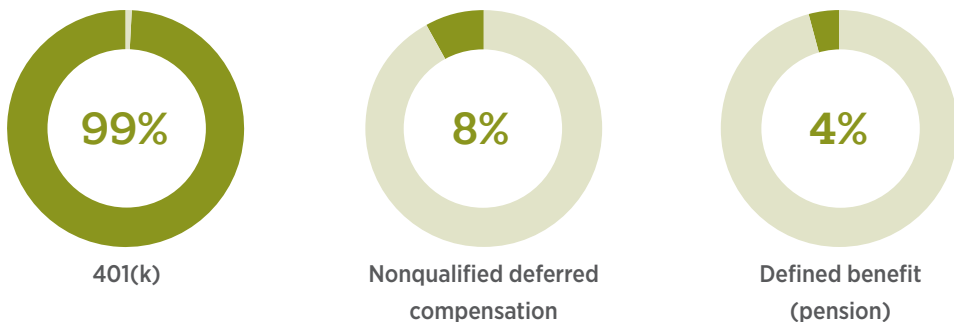
When saving and spending challenges compete, as they often do, financial wellbeing support can guide employees toward better decisions. Manufacturers are now offering more robust educational resources for improving financial stability and enabling emergency savings.

Strategies that address savings and investments, using retirement planning resources, complement guidance on near-term spending. Together, they help employees make more informed choices, now and in the future.

Interest in health plans that improve cost transparency and care access is increasing due to healthcare costs related to an older workforce. Next-gen health plans that offer concrete cost assessments allow employees to shop their options wisely, and may offer lower out-of-pocket expenses. For employers there's a need to consider whether their associated upfront costs will yield long-term savings, by reducing individuals' financial barriers to care.

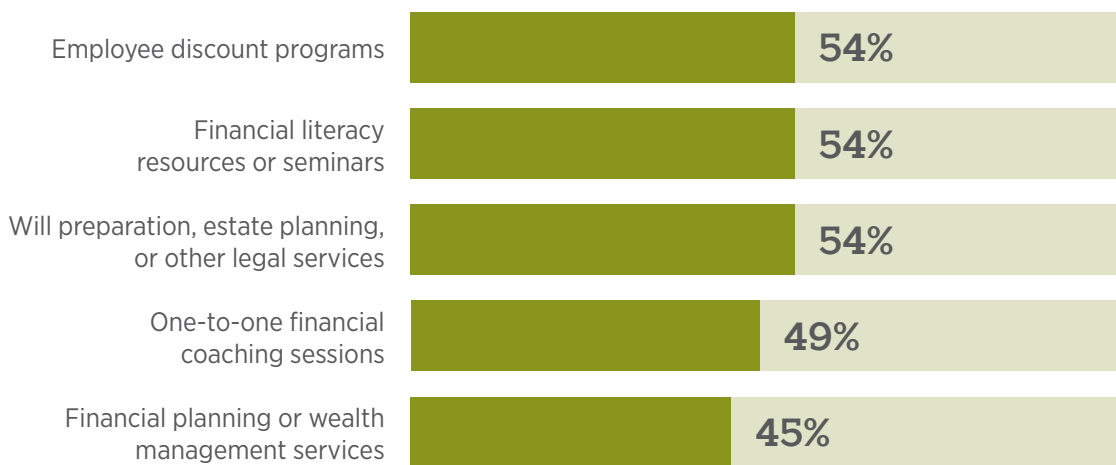


Most common active retirement plans offered



76% Offer tuition assistance

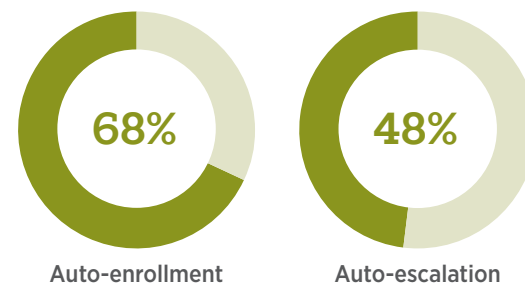
Components of financial wellbeing initiatives



84% Have a retirement program

More than 9 in 10 Match employee contributions

Methods used to promote better savings habits



# Final Remarks

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Cost control, attraction, and retention are recurrent themes for manufacturers in 2024. Recruiting new talent remains a priority as demands grow for highly skilled labor. However, challenges have surfaced due to perceptions that the industry offers limited flexibility for workers. Countering this image, employers have strengthened their focus on defining career paths, implementing succession planning, increasing transparency, and communicating more openly.

Rising concerns related to healthcare for aging workforces include escalating costs of musculoskeletal, cardiometabolic, and cancer-related conditions. Combined with inflation and continued supply chain issues, there's a greater need to manage finances without shifting more of the burden to employees. Encouragingly, more employers view health and wellbeing improvements as opportunities to control and optimize expenses.

There's also a trend toward embedding company values into cultural initiatives, which can enhance employee engagement and job satisfaction. Building trust by improving managers' effectiveness, preparing future leaders, and reinforcing internal communications shows a commitment to employee satisfaction, engagement, and financial stability. When employees feel appreciated and recognized, they're more productive and loyal. They're also more likely to build resiliency — helping to reduce burnout and improve employee engagement.

For additional insights and custom benchmarking on the latest trends impacting manufacturing employers, contact your local Gallagher consultant.

# About Gallagher

## Your people are your organization's greatest asset.

But daily hardships — like economic uncertainty, personal and family health concerns, and insufficient resources or staffing at work — can take a toll on your people and leave your business struggling with hindered productivity, heightened disengagement, and strained retention.

That's why every aspect of your benefits and compensation program needs to work in concert to promote overall employee wellbeing. Offering robust medical coverage and a competitive retirement plan isn't enough in today's hyper-competitive labor market.

As employees across all geographies, industries, and employer types navigate the ever-changing world, organizations must critically evaluate their people's experience in the workplace — finding unique ways to engage teams, establish authentic connections, and support employee wellbeing overall.

Doing so can help your business attract top talent, motivate employees, and shift the organizational culture so employees feel differently about their work. When organizations find ways to reduce burnout and increase productivity among their people, business performance can soar.

This is why employee wellbeing is at the center of Gallagher Better Works<sup>SM</sup> — a comprehensive approach for strategically investing in benefits, compensation, retirement, employee communication, and workplace culture so you can support your people's physical and emotional health, financial confidence, and career growth at the right cost structures.

From evaluating the demographics of your workforce to surveying and analyzing competitor trends, Gallagher offers you data-driven insights — allowing you to make the most of your investment in talent, deliver a better people experience, and reduce organizational risk.

Even in times of uncertainty, Gallagher's consultants are here to help you optimize your profitability with a strategy rooted in the wellbeing of your people — so you can face the future with confidence.



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