



# Trends in attracting and retaining talent in the North American Manufacturing sector

EY 2024 Work Reimagined Survey



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# Perspectives on Manufacturing sector macro trends

## Disruptions are at the forefront of the market



- Uptick in recent **M&A deals driven by geopolitical trends** forces, new technologies and industrial restructuring.
- Sector leaders agree that market disruptions are becoming more frequent and impactful.
- To compete with innovating changes in the industry, **business transformation** remains top of mind for executives.

## AI and other technological advances



- Manufacturing, Chemicals & Industrial Products has revolutionized through Manufacturing 4.0.
- Some companies are slower to implement a connected enterprise way of working compared to competitors.
- The need for efficient technological advancements forces companies to explore shop-floor reimagination strategies.
- Manufacturing, Chemicals & Industrial Products employees are becoming increasingly likely to utilize and work alongside GenAI technologies.

## Role disruption/skill challenges



- Continuous **talent shortages and retention** issues prevail across the industry.
- Due to increasing reskilling efforts, Manufacturing, Chemicals & Industrials sector employees are beginning to develop marketable skills, making them potential target hires for other industries.
- There is an increased emphasis on labor relations and regulations.

## Shifting demographics, and attracting the right talent



- **The aging workforce** is worsening labor shortages.
- There is a prominent increase and emphasis on **diversity, equity and inclusion (DEI) to increase employee belonging and retention.**
- Compliance and sustainability/safety remain top of mind, furthering the need to upskill in this space.
- There is an increased focus on employee health and wellbeing, revealing risk as expectations continue widening between employees and employers.

Let's make this practical and take the 5 question Talent Advantage Quiz

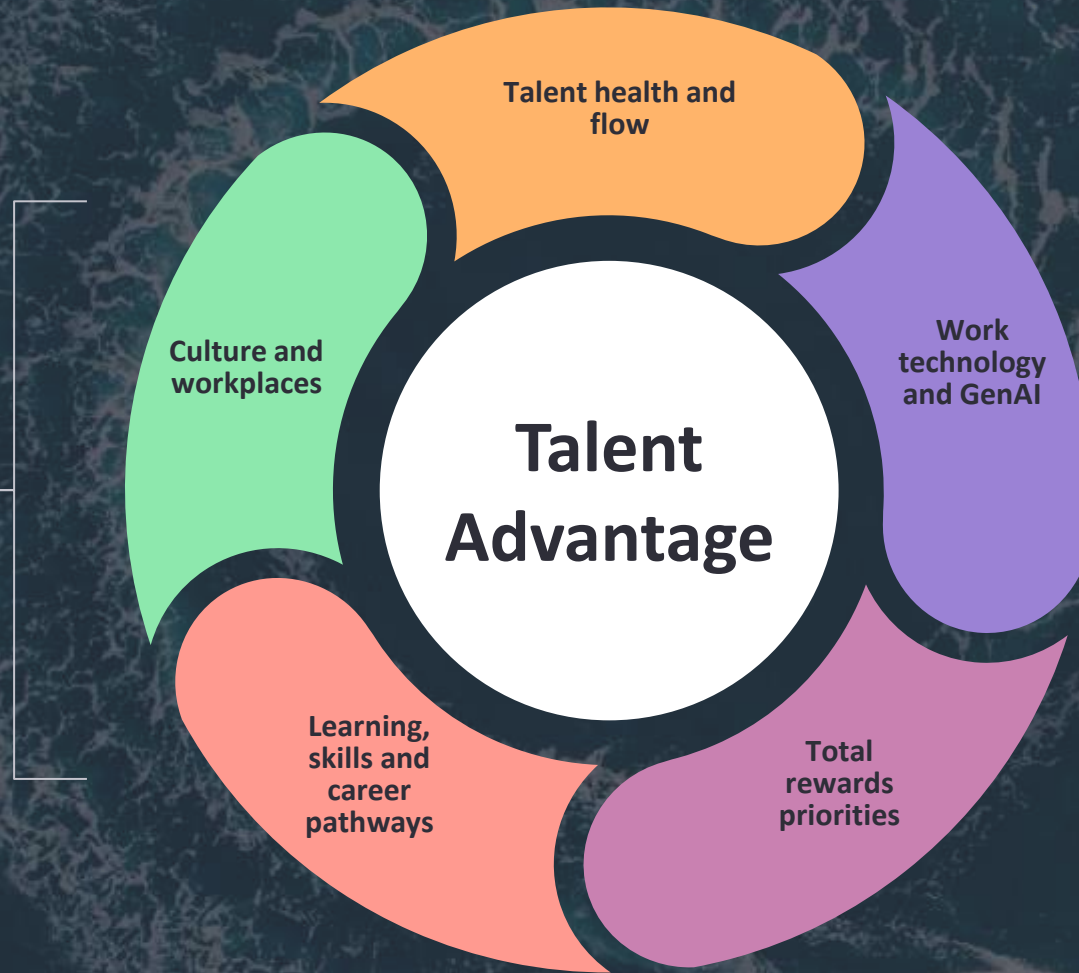
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**The EY 2024 Work Reimagined Survey** unveils how work is increasingly disconnected from old ideas of career, reward and workplace and identifies the new drivers defining business and Talent Advantage

A data-driven methodology:

The **five key dimensions** of a Talent Advantage:



## The prize:

### Talent Advantage and business outcomes

Companies with more strategic people capabilities are more likely to agree:

**7.8x**

company has successfully navigated external pressures.

**6.5x**

productivity has significantly improved in the past two years.

**5.8x**

significantly overperforming in current economic conditions.



# Talent health and flow: health is critical, and flow is expected

**Talent health** is the measure from 0-100 of overall conditions for successful outcomes in a company’s environment using employees’ likelihood to recommend their employer to friends and family. There are three drivers: **culture, reward and development**.



Drivers of talent health are distributed between the three pillars with a bit more weight on culture at ~40%.

There is large variation by sector and geography and less variation per generation and gender. Range is as follows:

- ▶ **Sector: 25** (68 for Technology vs. 43 for Government & Public Sector).
- ▶ **Geography: 46** (75 for India vs. 29 for Japan).
- ▶ **Generation: 10** (58 for millennials vs. 48 for boomers).
- ▶ **Gender: 6** (58 for males vs. 52 for females).

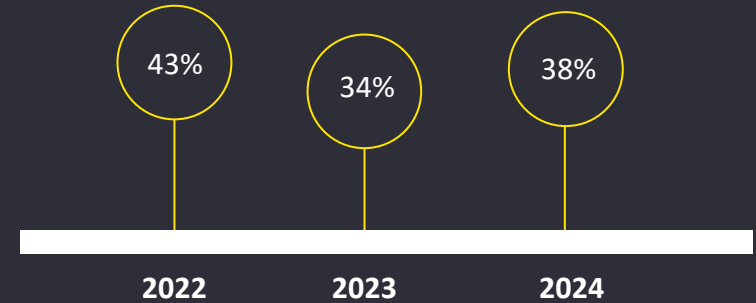


n=16,049 with removal of 7.5% outlying observations for model fit; r=0.4675

See appendix for full breakdown by geography, generation and gender.

**Talent flow** is the measure of employees that are willing to quit and those interested in joining a company. **Talent flow is foundational and is not tied to talent health.**

Employee willingness to quit (next 12 months):



**Talent flow** is spread between current industry, new sectors, business start ups and gig work, raising the bar for employers on potential competing opportunities.

**Interest in cross-sector talent varies by 2x:**

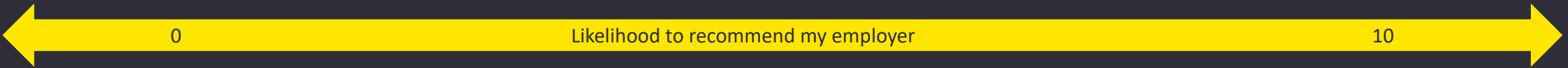
69% of employers would hire from Manufacturing, Chemicals & Industrial products while only 35% would hire from Government & Public Sector.





# Talent health: how we measured employee satisfaction

Connect key drivers of why employees promote their employer as a great place to work



**20 variables explored to identify 12 drivers of Net Promotion:**

✓ Salary programs (i.e., base, bonus, incentives)	Reward
✓ Benefits (i.e., retirement, health, other pre-requisites)	
✓ Total reward package flexibly meets my personal needs	
✓ Total comp is designed to reward individual and team perf.	
✓ Training and development programs	Development
✓ Confidence that current skills will remain relevant in three years	
✓ Opportunities to move around internally	
✓ Challenging work that builds skills	
✓ Supportive employer	Culture
✓ Team connection	
✓ Caring leadership	
✓ Empowering managers	

Using relative importance scores of each variable, responses were weighted and rescaled from zero to 100 to create the talent health score.

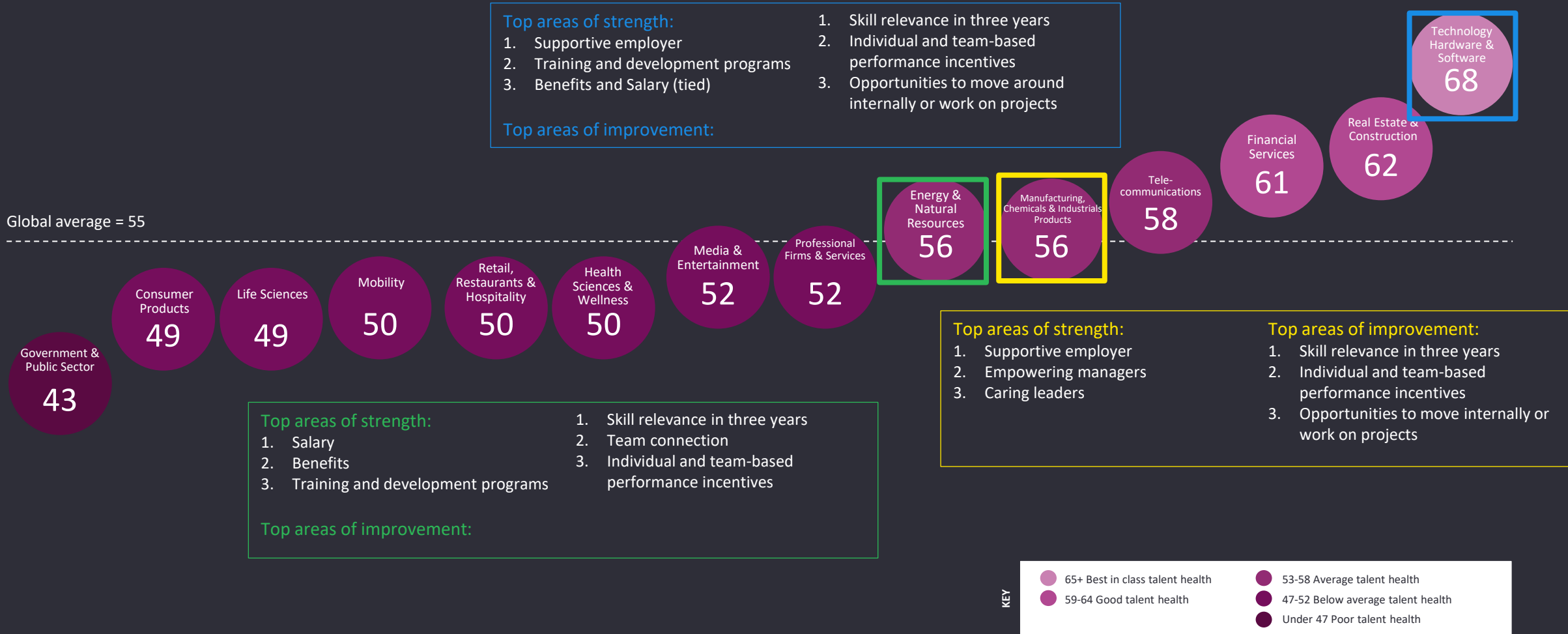


Note: Other variables were excluded based on low relative importance score (linear regression) and low correlation with eNPS as an outcome variable. However, some may have relationships with primary drivers (e.g., team connection is likely to have a relationship with time in the workplace).



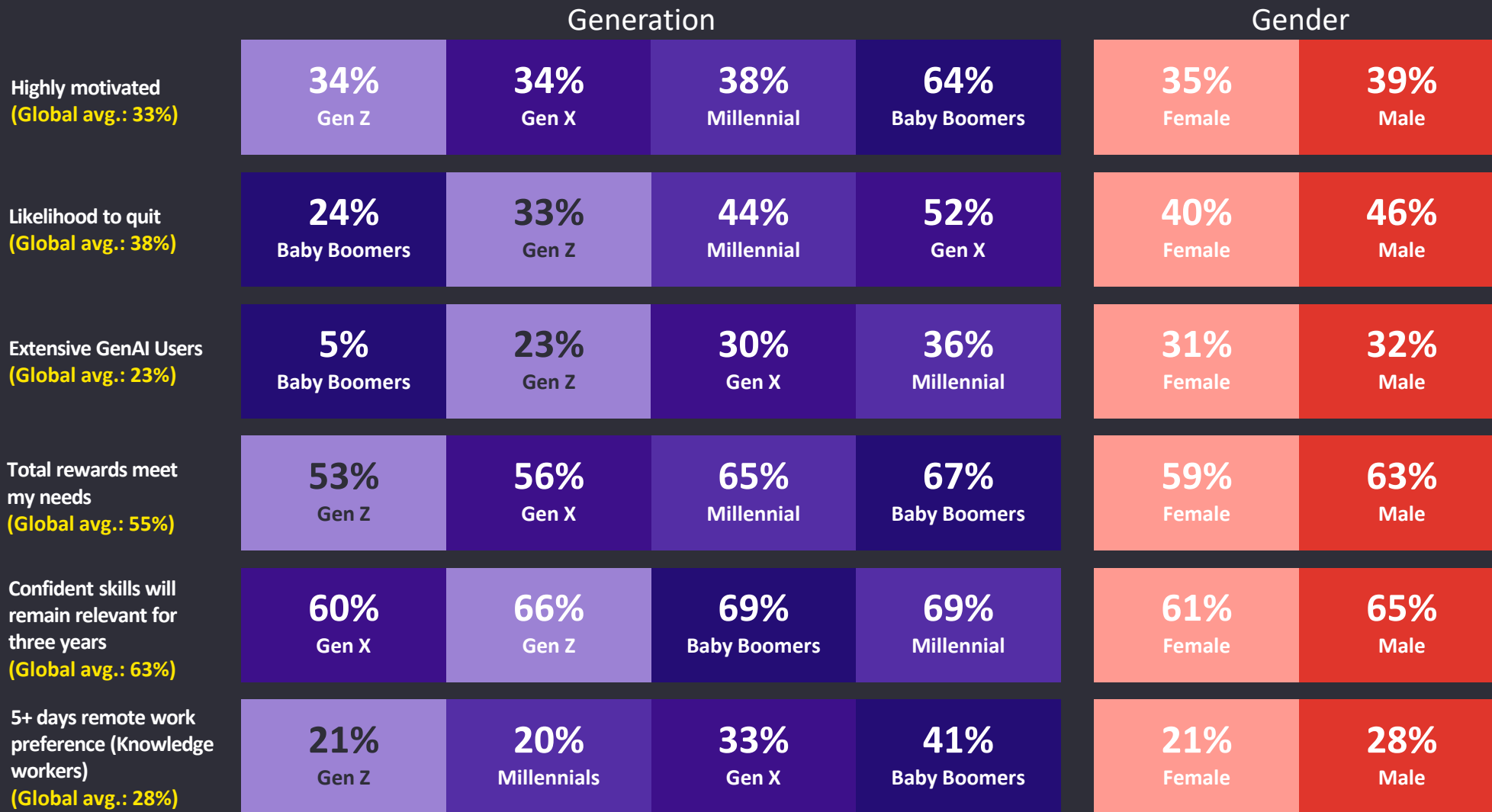
# Talent health scores highlight sector-specific areas of success and opportunity for future focus

Manufacturing & Energy sectors average talent health is +1 point above the global average.



n=16,049 with removal of 7.5% outlying observations for model fit; r<sup>2</sup>=0.4675

# Generation and gender segments response to Work Reimagined trends for the Manufacturing and Energy Sectors in North America



## Insights

- Younger generation more likely to leave, use technology and get what they need from rewards and skills
- Boomer and Gen X sandwich generation is most likely to want fully remote working option for knowledge workforce and also likely to be more motivated .
- Gender shows difference on likelihood to quit, use of tech, rewards and remote work though smaller differences than generation, geography or sector





# Takeaway: **Reward** is a key area for attraction and retention

## More focus on pay due to recent inflation spikes; focus changes across generations

- Employers have a mix of priorities across all areas of total rewards; with more focus on training to build skills than employee preferences.
- Employees have more focus on elements of pay with two of top five priorities related to total compensation, especially for Gen X and Boomers.

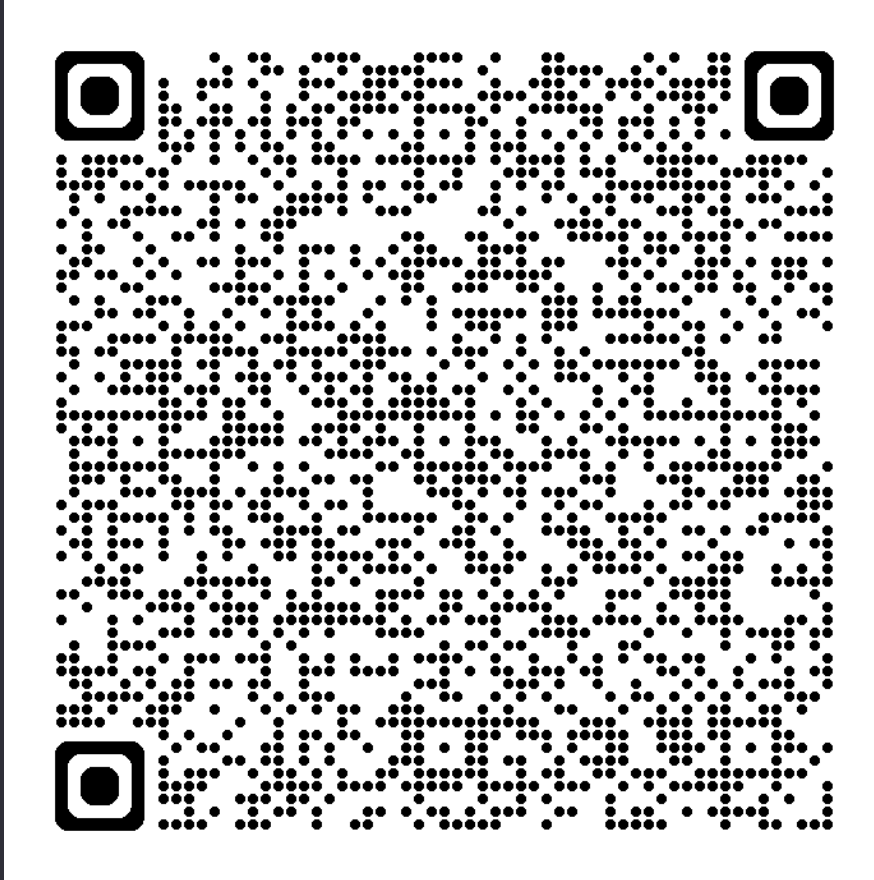
### Employer planned enhancements



### Employee preferred enhancement



Thank you! Please scan the QR code to learn more about EY's 2024 Work Reimagined Survey and findings



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# Appendix

# How can you achieve your Talent Advantage?

## Taking action in the Manufacturing, Chemicals & Industrial Products sector

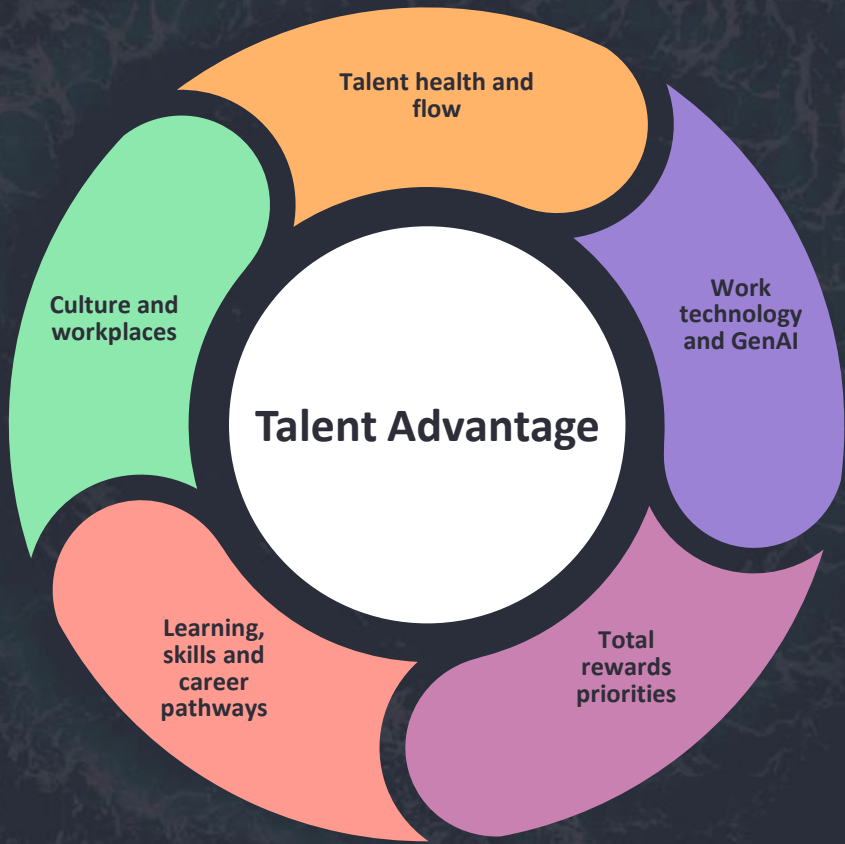
Ensure Manufacturing, Chemicals & Industrial Products organizations are maximizing their own health and flow to ensure quality outcomes.

**Evaluate the mix of workplaces, utilization and space design to maximize human connection, culture and location investments.**

Manufacturing, Chemicals & Industrial Products employers need to maximize culture for onsite workers and space for knowledge worker collaboration plus address compliance risks of working from anywhere.

**Develop robust workforce planning, hiring and talent management tools to integrate market data for hiring and retention strategy.**

Ensure Manufacturing, Chemicals & Industrial Products sector organizations are maximizing their own health and flow to ensure quality outcomes with robust planning.



**Meet employees where they are with use of AI and personalize the per role adoption of technologies supporting productivity.**

With transformation of the Manufacturing, Chemicals & Industrial Products sector and new technology, critical to ensure employees with low adoption are ready.

**Deliver tailored change and learning experience using modern behavioral science methods, workforce analytics and consumer-grade technology.**

Re-think approaches to skill development both inside and subsidy for outside solutions.

With large labor cost investments and competing priorities, ensure that spend is optimized for workforce preference and needs.

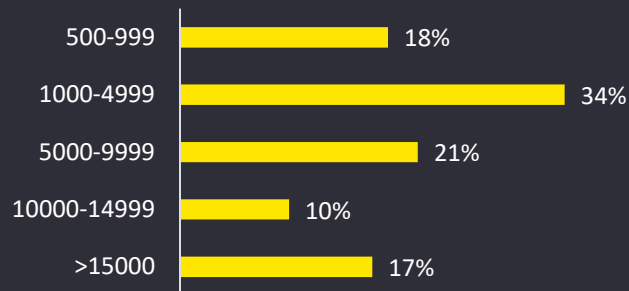
**Optimize and segment total rewards to meet the diverse and personalized workforce needs.**

# Demographics overview of Manufacturing, Chemicals & Industrial products sector employees

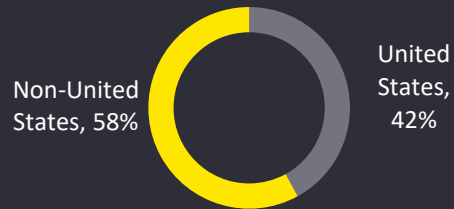
**1,796**  
Employees

**237**  
Employers

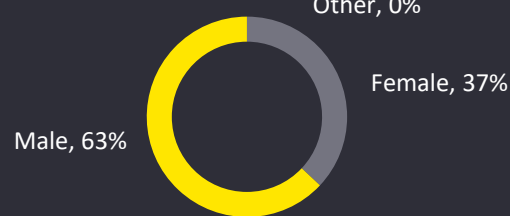
Number of employees in your organization



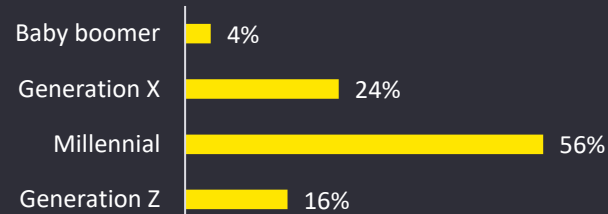
Location



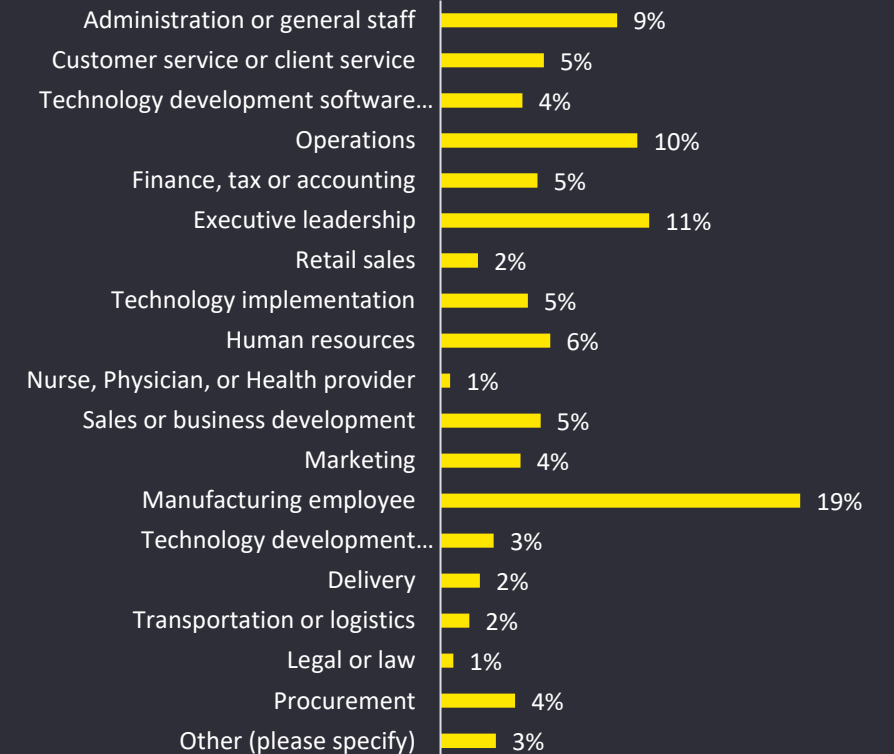
Gender



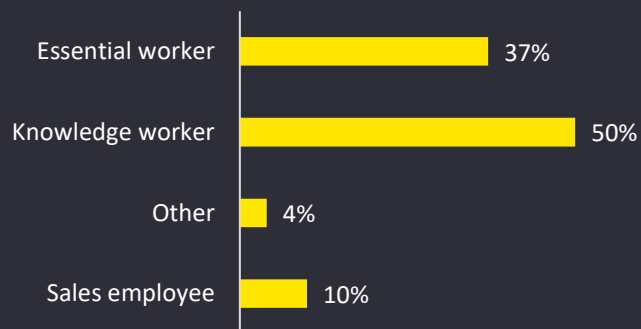
Generation



Job families



Type of worker



**Type of worker definitions:**

- Essential worker: Required primarily to be in an organization work location.
- Knowledge worker: A professional who applies their expertise and thinking ability, often through formal training, to develop products and services; can work either at the organization or from home.
- Sales employee: Works at a mix of the customer site, at home and organization.

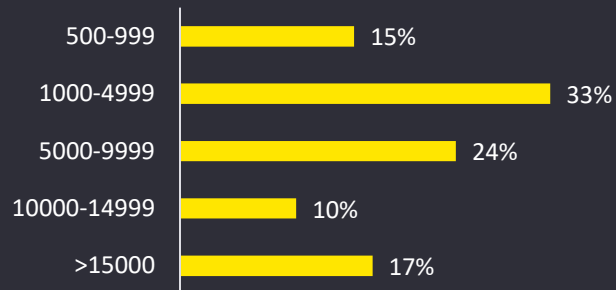


# Demographics overview of Energy & Natural Resources employees

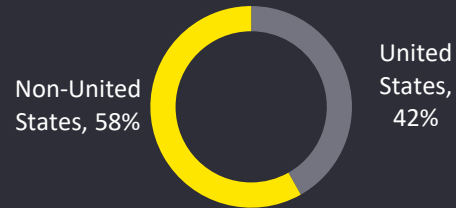
## 468 Employees

## 65 Employers

Number of employees in your organization



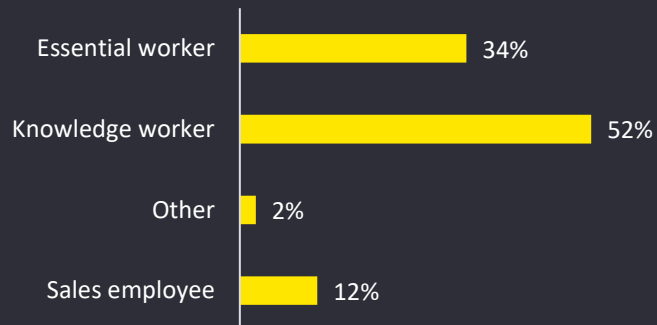
Location



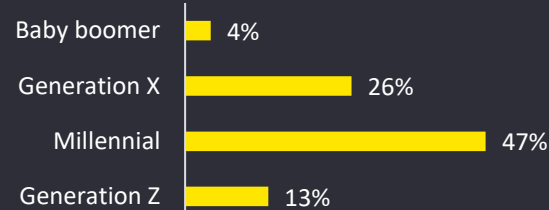
Gender



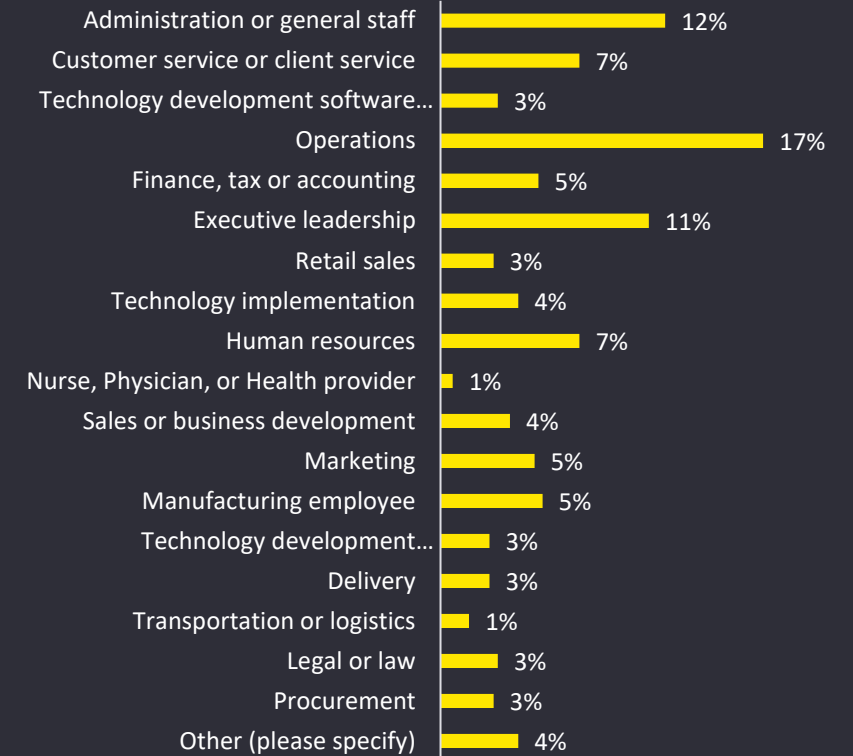
Type of worker



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