

# The Wellbeing Imperative

How Manufacturers Can Make Progress on  
Employee Resilience in Turbulent Times

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# Introduction

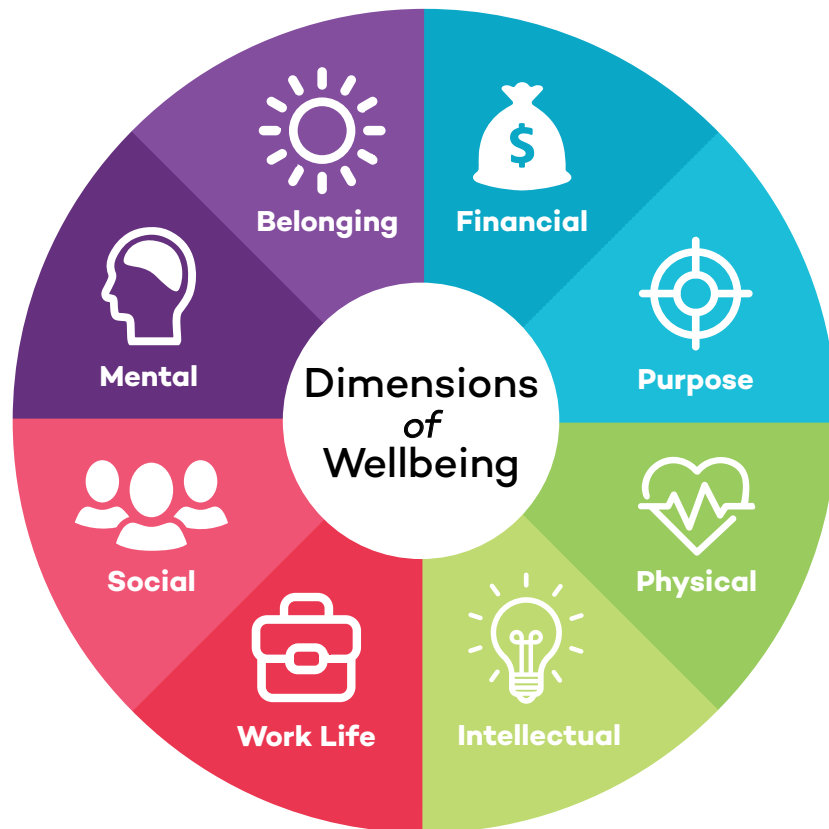
Employees are experiencing heightened levels of stress in their lives right now. Financial worries, burnout at work, relationship tensions, illness, and a host of mental health issues are taking a toll.

Over the past three years, manufacturing companies have seen an increase in cases of anxiety, depression, anger management, and substance abuse. While mental health and emotional wellbeing are the **top concern to companies** globally right now, many of these issues are interwoven with other dimensions of wellbeing, especially financial. Economic volatility is putting stress on mental health, especially among employees living paycheck to paycheck. According to PR Newswire, in 2022 61% of Americans were living paycheck to paycheck, up from 52% in 2021. Employees are seeking counseling services to cope, and **70% of employers** report an uptick in utilization of their EAP (Employee Assistance Program), a historically underutilized benefit category.

Workforce wellbeing, which encompasses physical, mental, social, work life, and financial health as well as belonging, purpose, and professional development, is top-of-mind for employers and employees alike. Manufacturers Alliance and Aon took a closer look at how companies in the industrial space are adapting

to address these issues. While some organizations are more advanced than others, among all companies participating in our study, there is a strong desire to make more progress **quickly**.

This report provides benchmarks for wellbeing in manufacturing and offers best practices and insights around how the workforce's wellbeing is impacted. We share a few surprisingly easy fixes to build program effectiveness and lift employee wellbeing. Our goal is to give manufacturers a sense of how developed their wellbeing strategies are and how to make progress with data-driven approaches.





## Changing Workforce Expectations and Why Wellbeing Matters

There has been a fundamental shift in the employer-employee dynamic as a result of the pandemic, the rise of the “gig economy,” and the rebalancing of generational preferences. With two job openings for every job seeker and unemployment rates at **53 year lows**, an old saw is starting to ring true: “The war for talent is over, and talent has won.”

The transactional nature of the employer-employee relationship is being replaced by work that brings fulfillment, contributes to wellness, and provides a sense of belonging, not just a paycheck. Employees are **1.5 times more likely** to stay with an employer when they feel their company cares about their wellbeing. Employers who understand how to **convey authentic empathy** to their workforce are several steps ahead.

Just as employees are attracted to companies that provide support, they’re leaving the ones that don’t. According to McKinsey **research**, people quit when they don’t feel valued or when they don’t connect through a sense of belonging. By not understanding what their employees

are running from, and what they might gravitate to, company leaders are putting their very businesses at risk. For employers, figuring out how to make sure their culture is welcoming to everyone could mean the difference between being a talent magnet or a revolving door.

But it goes beyond recruiting and retaining. There is real value riding on the prioritization of wellbeing in terms of company performance. Studies connect poor sleep with decreased productivity, in some cases affecting as much as **28% of plant staff**. Businesses that have world-class wellbeing strategies are also **doing better** in terms of reputation, financial results, productivity, safety, and innovation.

Our research makes clear that manufacturers see the writing on the wall. When we asked if employee wellbeing is connected to their companies’ overall performance, 88% said yes. As one executive put it: “Our success begins and ends with our people. It goes without saying, we are at risk if we get stagnant on wellbeing.”

# Where Manufacturers are Struggling

Despite the widely accepted importance of wellbeing, manufacturers are struggling. More than half of manufacturers we surveyed feel their company has an ineffective wellbeing strategy. Many companies are just checking the box on wellbeing offerings. Programs tend to be ad hoc and tactical with little or no formal budget or metrics.

Barriers to progress include lack of resources, talent shortages, contradictory workforce expectations, lack of employee engagement, and weak support from leadership. As one HR executive explained, there is a clear desire to focus more on wellbeing but “resources and time are limited. Just surviving the supply chain mess and labor shortages has been a challenge. Our HR people are tapped to the extreme just trying to staff up the plant.”

Nearly 30% of companies we surveyed said they are unable to provide employees with the tools and resources they need and desire, including those at the nexus of emotional and financial wellbeing. If employees are stressed because they’re accumulating credit card debt or buried in student loans, a generous 401k match will not resonate. Tools and resources are also key to building a sense of belonging. When employees can’t create their own support networks, employers are missing an opportunity to foster employee confidence, share experiences, and improve representation in the workplace.

Silos are another obstacle to improving wellbeing in manufacturing. The very nature of many manufacturing companies, especially distributed organizations with plants spread out over multiple locations, can mean fragmented information.

As Stephanie Piloto, Senior Benefits and Compensation Manager at **Quanex Building Products**, explained it: “We struggle as a company because our programs are very siloed. We have a whole EHS (Environmental, Health, and Safety) department that’s very focused on safety meetings, inspections, recordables, and other metrics. But that EHS data is not translating quickly or directly over to the benefits side of the house. For example, if an employee gets injured using a machine, are we asking: “What happened? Were you tired? Is something going on at home? I don’t think our people are trained to go deeper and find out what’s really going on.” These comments point to the need not only for better training but also for accurate, real-time data throughout the organization.

**51%**

**of respondents  
don’t think their  
company has  
an effective  
wellbeing strategy**

Source: Manufacturers Alliance and Aon study



# The Number One Problem that Nobody Wants to Talk About

The topic of mental health is particularly important to manufacturers, as the uptick in anxiety, depression, and anger management issues mentioned earlier makes clear. Manufacturing is not alone. According to the **Surgeon General's latest report on Workplace Mental Health and Wellbeing**, 75% of employees report at least one symptom of a mental health condition, and 82% express a preference for employers who support mental health.

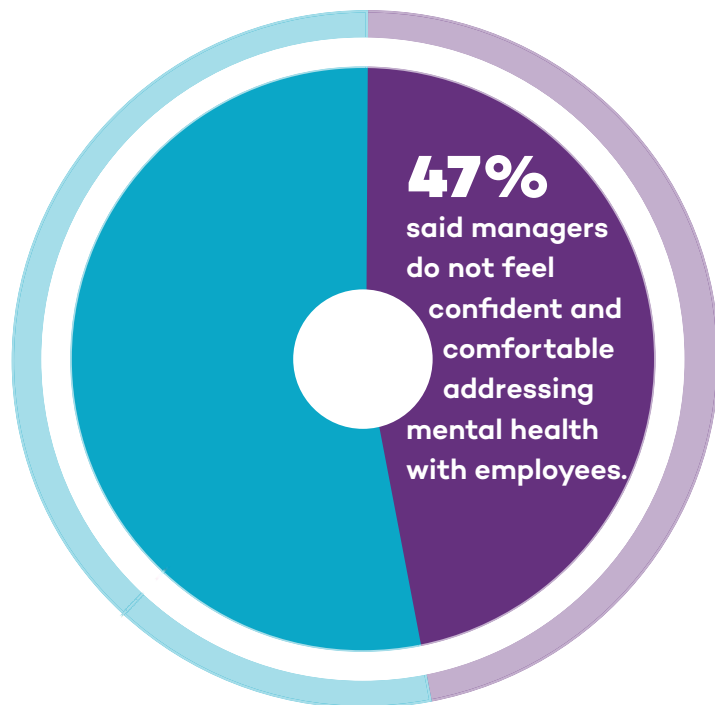
Reluctance to talk about mental health issues remains a stubborn problem generally, and manufacturing is no exception. According to our survey, 63% believe that there is a stigma associated with employee emotional and mental health. Convincing employees to visit a counselor onsite takes ingenuity. "Employees don't want to be seen walking into the office of a counselor," one HR executive told us.

Manufacturing executives call out mental health among all dimensions of wellbeing as "the hardest to understand and take action on," as one HR leader put it. Nine in 10 companies in our survey expressed some level of concern about the impact of mental health on employee safety. What they have in mind could range from injuries on the plant floor and motor vehicle accidents, to extreme episodes of workplace violence.

Managers are frequently the ones with immediate visibility into issues troubling employees on the plant floor, but they can be the least prepared to address the situation. When we asked manufacturers if their managers feel confident and comfortable addressing mental health with employees, 47% said no.

"Emotional and mental health issues are difficult for most operations-driven supervisors and managers to deal with because they're not used to doing those kind of things," one HR executive told us. "It gets even more complicated in a union environment. Any type of intervention or counseling help for an employee may be perceived as 'selling out' a fellow union member. So we try to drive home the message that it's about showing compassion to someone who might be hurting," they continued.

## Mental Health Issues Are Difficult to Tackle



Source: Manufacturers Alliance and Aon study



For companies to perform well, they need to meet employees where they are. Todd Helms, Senior Vice President and Chief Human Resources Officer at **Mueller Water Products** talked about the importance of training front-line managers to think in new ways. “We’re coaching managers to pick up on more subtle cues. Let’s say you have a dependable employee who has been with you for 10 years and has never missed a day. Then we see frequent absences. This isn’t a situation where you want to go straight to discipline. It might be better to start by asking if everything is okay at home, because we all have things at home from time to time. The idea is to recognize signs early so that we can try to get them help,” he explained.

Addressing mental and emotional health in a manufacturing environment will require managers to learn new skills and let go of old habits that might be holding them back. Teaching managers to be more attuned holistically to their employees is critically important for

progress to be made. But companies are having a hard time keeping pace. **Less than 40%** of companies train managers on wellbeing resources available to them. This means front-line personnel are missing a critical opportunity to help employees and build connections between managers and talent. Precious benefits budget dollars are also going to waste.

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**— Todd Helms, Senior Vice President and Chief Human Resources Officer, Mueller Water Products**

# Best Practices for Progress on Wellbeing

Getting people to start talking about mental and emotional health issues is a hurdle that many manufacturers are facing. Mueller Water Products has seen some early success with their life coach program. “We are working on promoting a life coach philosophy along the lines of ‘everyone has life issues that they’re dealing with... It’s always good to have someone to talk to,’” Todd Helms told us. “The idea is to convey that an employee is not in it alone. We encourage everyone to proactively reach out to a life coach yearly and just talk about things in general such as finances, relationships, children, aging parents, whatever challenges they are facing,” Helms continued.

Employees have the opportunity to spend time with coaches confidentially on site. “The hope is, this will lead to further conversations when needed,

giving employees access to the resources related to the situation they’re facing,” he continued. “With the life coach program, we’ve seen a direct uptick in utilization versus just putting a poster with a phone number on it in the break room and hoping employees will call it,” Helms explained.

Mueller is also using the Virgin Pulse program to incentivize employees with points for activities such as annual physicals, check-ups, and suggestions for exercise. With enough points, employees receive a substantial reduction in medical benefit premiums the following year. “We’re starting to look into ways to incentivize people for trying a visit with a life coach as well. The idea is to lightly encourage employees to take advantage of that benefit,” Helms said.

## Cross-Dimensional Incentives

Incentives for participation in wellbeing programs can fall into various categories such as financial (401k match), physical (healthy rewards programs), career development (tuition assistance) and wellbeing (incentive for annual visit with life coach). The beauty of incentives is they can be cross-dimensional, such as providing a healthcare premium discount for visiting with a life coach. More than 75% of companies across all industries globally provide

some form of incentive. Per the **Aon Global Wellbeing Survey**, at least 20% of manufacturing and industrial companies in North America provide some form of incentive to address one or more of the dimensions of wellbeing.

Gaining buy-in from employees and helping them increase their benefits literacy more generally are areas where many manufacturers struggle. Stephanie Piloto summed up the challenge: “I think a lot of our

employees want to come in, do their job, get paid, and go home. So, the challenge for HR is: How do we meet employees where they are, better understand our audience, and effectively capture their attention? I feel as though we are being reactive instead of proactive. Our plants are doing magnificent things in terms of wellbeing, and we should be sharing those best practices across locations. HR is in a great position to share across our plants.”

# Getting Wellbeing Into the C-Suite

Being successful at wellbeing requires a multi-level approach: horizontally across locations and vertically up and down the company hierarchy. Leaders have a multifaceted role to play. They enjoy a platform as advocates for change. They can model accountability through their own actions. They can articulate the power of wellbeing when speaking about the company's performance. And critically, they can champion the idea that wellbeing is in the company's DNA and build it into the overall business strategy.

To do any of these things, though, leaders need to have a clear picture of organizational wellbeing across the enterprise. This is an area where manufacturing needs to improve. According to our survey, 49% of our respondents said that leaders

lack clear metrics on wellbeing companywide.

This deficit of information can have a direct impact on the quality of decisions at the top. For example, how would an acquisition affect the front office staff if current wellbeing data shows many there are already experiencing burnout? What impact would a plant expansion have if teams on the shop floor are already struggling with work-life balance?

Organizations that have granular insights from data about wellbeing are able to make informed decisions and ultimately expect better outcomes. These changes can yield significant and positive results including, better company performance, stronger teams, thriving employees, and retention of top talent.

## 6 Key Takeaways for Manufacturers

**LEVERAGE DATA** to develop an understanding of your company's current state. Create a dashboard of metrics important for progress, such as utilization rates and feedback from employee surveys.

**TRAIN MANAGERS** about wellbeing resources at their disposal. Get feedback from them on the effectiveness of the training and determine whether additional resources are needed.

**DESTIGMATIZE MENTAL HEALTH** by taking opportunities to talk about it. Consider a drip campaign with small amounts of information spread out over a month or a quarter to bring mental health issues to the fore.

**MEET EMPLOYEES** where they are by making information easy to access and understand. Consider rebranding counseling options or offering life coach sessions to gain buy-in from employees.

**INCREASE LEADERSHIP ENGAGEMENT** by mapping activities and content to the specific interests and passions of executive team members. Aim for authenticity.

**EMBED WELLBEING** into company DNA by finding ways to integrate wellbeing into all horizontal and vertical aspects of the company. Make wellbeing an integral part of company strategy.







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