

Sector Review

Organizational Health & Wellness Trends in MANUFACTURING

Insights from the WarrenShepell Research Group



WarrenShepell

Organizational Health & Wellness Trends in Manufacturing¹

THE INDUSTRY

Primary and secondary manufacturing - including steel and automotive - represents one of Canada's leading export markets, and also one in which global competition is highest. Regulatory and environmental pressures are increasing; price pressures are driving profits down and productivity/quality standards up; and it is challenging to attract new workers to the sector as a result of its reputation as a low technology, low skill industry.

The cost pressures arising from increased global competition have resulted in a greater frequency of

outsourcing from primary to secondary manufacturers and to assembly plants. There is also a slight trend to mergers and consolidations in the sector, although the major downsizing and restructuring has already occurred and the industry as a whole has adjusted to these changes. Still, the manufacturing sector continues to be characterized by stress from marketplace pressures, productivity demands and heavy workloads, and secondarily by workplace-specific issues around shift work requirements and occupational health and safety concerns.

THE EMPLOYER/EMPLOYEE EXPERIENCE

Wages are relatively high in this sector, and both shift work and overtime is common. Worksites are generally self-contained in urban or suburban industrial areas. The manufacturing corridor parallels the rail and shipping routes in Canada; hence, Ontario and Quebec hold the lion's share of employers; with B.C. and the Atlantic provinces ranking a distant second.

Occupational health and safety is a major concern, as the work is potentially hazardous, with a higher-than-average risk of workplace accidents and injuries.

Age: The workforce is older than average, and in many industries the wage structure encourages early retirement. Skill shortages are not as high as seen in health care, technology and engineering, but are on the rise, especially for skilled production tradespeople who are familiar with the new technologies used in the sector. This trend is expected to worsen as large numbers of skilled tradespeople approach retirement age.

Education: The largest percentage of the workforce is comprised of unskilled and semi-skilled assembly workers (estimated at more than 50% across all industry sub-classifications). These workers generally work hourly shifts, with between 12% and 20% of hourly workers considered skilled workers, the majority of whom are apprenticed tradespeople (pipefitters, welders, carpenters,

painters, etc.). Less than one-quarter of manufacturing employees are salaried, and managers/supervisors or professional staff represent less than 10 per cent of the workforce.

Unionization: The sector is heavily unionized, with an estimated 75% of the labour force a union member. The largest unions in the sector are the Canadian Auto Workers; the United Steel Workers of America and the Communications Energy and Paperworkers.

Gender: Women are significantly under-represented, at an estimated 10% of the workforce in the manufacturing sector, with most of these holding clerical or mid-level administrative / management occupations.

Language / Culture / Ethnicity: The sector is highly diverse, with a large proportion of workers whose first language is neither English nor French. Communications and training take place within this context, and this is an important consideration in HR and wellness program development.

Training: Training is commonly provided on the job. Some larger manufacturers and the sector's unions, especially in the automotive and steel industry, offer campus-style training centres and formal training programs.

¹ Incl: primary and secondary manufacturing. Excl: food/beverage

EAP TRENDS

Average Utilization: EAP utilization in the manufacturing sector parallels national norms, with a trend slightly up in 2002. Trauma tends to drive a good proportion of utilization in the sector. EAP utilization is highly influenced by communications, internal promotion, awareness and comfort with the program. To be effective in manufacturing, a customized communication strategy that considers the potential barriers of language, gender and culture should be implemented.

EAP and Work/Life Services Utilization Ratio:

Manufacturing indicates a slight difference in the ratio of Mainstream EAP counselling to Work/Life and other services as compared to national norms. A slightly lower proportion of manufacturing employees access mainstream counselling (three-year average 72.25% versus national norm 76.34%); but a larger proportion access Work/Life services, especially legal (three-year average of 18.69% versus national norm of 14.66%). The higher usage of legal services may be related to a greater comfort level with this 'non-counselling' service among the manufacturing demographic (similarly, financial services is ranked second of all work/life programs).

We also see fewer manufacturing employees accessing

online stress management and information services. This is likely because of the lower-than-average availability of the Internet in the workplace and lower use of computers at work and at home among this demographic. Again, consideration should be paid to the most appropriate form of service delivery and communication to ensure that employees' needs are being met in these critical areas.

Mainstream Counselling Presenting Issues: An important trend in the manufacturing sector is found in the addictions area, with manufacturing employees presenting with addictions problems at a rate of close to twice that of national norms, as demonstrated in Figures 1 and 2.

Although these numbers may not appear large, they do represent a considerable number of cases in absolute terms. While this may be the result of more frequent use of monitored (mandatory) referrals for safety-sensitive manufacturing occupations, it underlines the vital need to recognize and respond quickly to addictions in these high-risk workplaces. Additional analysis will shed light on the influence of monitored referrals in this population, however the bottom line is that substance abuse is a serious problem with which manufacturers must contend.

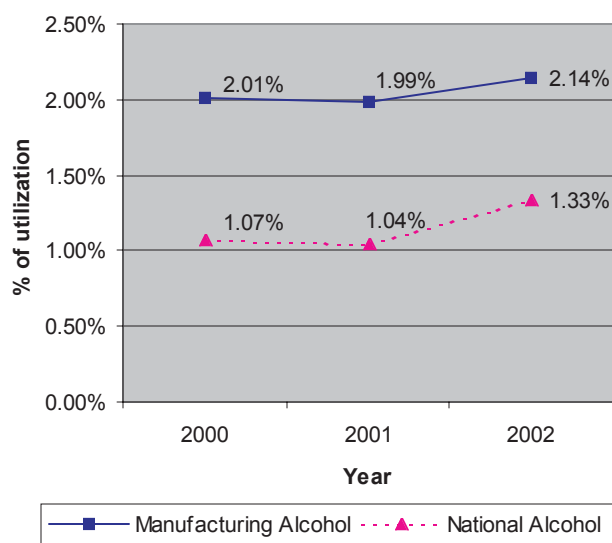


Figure 1 Alcohol addiction as presenting issue in Manufacturing compared to national norms.

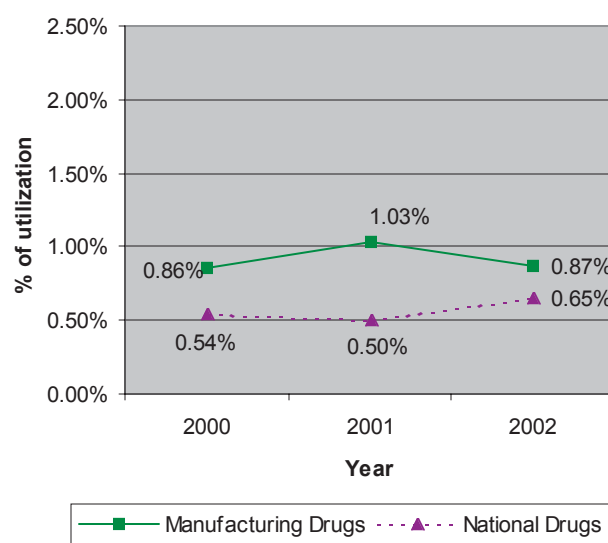


Figure 2 Drug addiction as presenting issue in Manufacturing compared to national norms.

Another interesting trend is the much higher than average frequency of "anger" as a presenting issue (ranked eighth in 2002), and this trend is also on the upswing, as shown in Figure 3.

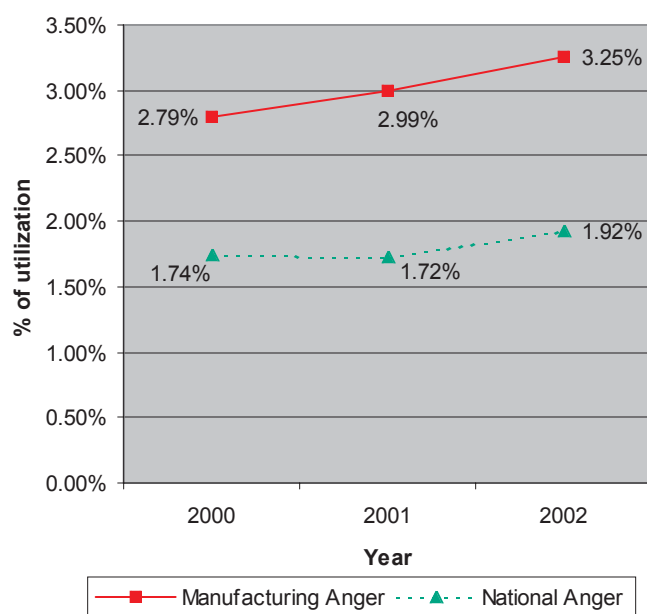


Figure 3 Anger as presenting issue in Manufacturing compared to national norms.

Clinically, anger issues will coincide with domestic violence, although the incidence of domestic violence reporting in this sector is slightly lower than national trend. Therefore extremely careful screening and assessment is required to uncover the issue among manufacturing employees, especially in a male-dominant population who under-report domestic violence issues. Regular awareness campaigns on this issue are recommended, as well as outreach to spouse/partners to communicate the availability of EAP services (e.g., through the use of home mailings).

Interestingly, work-related stress and conflict appears to be significantly lower in manufacturing than we find in other sectors. This may be the structure of the work environment, and the fact that market competition and internal change and transition does not filter down to the employee population in the same way as it does in other sectors. Also, as noted, manufacturing has stabilized in terms of industry restructuring as compared to the downsizing trends that are now hitting other sectors.

As is often seen in male-dominant populations where addictions issues are found, we find co-morbidity with anxiety disorders in the manufacturing sector. Not only is anxiety being presented at marginally higher rates, but the rate is trending upward over the past three years, to the point where anxiety is now ranked ninth of all presenting issues - higher than it is typically found in national norms, as shown in Figure 4.

The effects of the higher-than-normal presenting rates of alcohol/drug, anger and anxiety may be taking a toll on the family lives of manufacturing employees. Over the three-year period, we note that "marital/relationship discord" presents at rates approximately 2% higher than norm (25.54% averaged over three years versus 23.37% nationally), although the trend in manufacturing is dropping (down to 23.39% in 2002). At the same time, and somewhat alarmingly, the rates of "separation" (divorce) as a presenting issue have jumped dramatically in manufacturing: from 4.44% in 2001 to 5.39% in 2002. While separation/divorce rates show a similar trend nationally, and are rising in the general population, this suggests that manufacturing employees are experiencing a higher frequency of marital/relationship breakdown than is evidenced nationally. When read in context with the other findings highlighted here, this offers several areas for further study regarding the role that anger, anxiety and substance abuse may be playing in marital and family relationships among manufacturing employees.

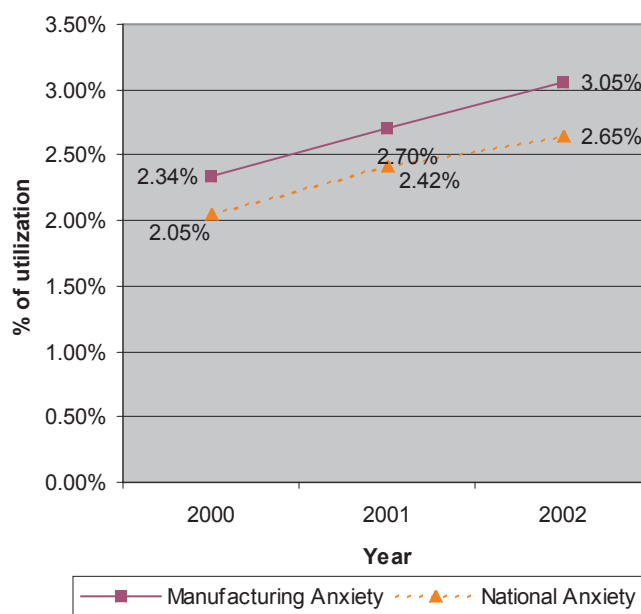


Figure 4 Anxiety as presenting issue in Manufacturing compared to national norms.

TRENDS AND APPROACH TO ORGANIZATIONAL HEALTH

The unionized sector of the manufacturing industry has been highly progressive in their approach to organizational health and wellness. Shorter work times, phased retirement and innovations in pensions and benefits are common. Automotive manufacturers in particular have and continue to be highly innovative with respect to general health and wellness promotion as well as in areas such as total quality management, just-in-time production and cellular manufacturing.

In response to the critical concern over the shortage in skilled workers and recruitment / retention challenges, extensive management training and work/life benefits have been implemented and should continue to be supported.

Flexible workplace policies, family-friendly workplace programs and other work/life supports are important initiatives as they have been demonstrated to attract younger workers and female workers (Aon Consulting, 2001; Conference Board of Canada, 1999). Also, because of the cultural diversity and workplace safety issues, workplace violence audits, violence prevention, conflict resolution, respect / diversity training and anti-harassment programs are considered imperative.

Stress management programs that capitalize on innovative delivery systems such as the Internet are also important, given the competitive, productivity and quality pressures that exist in the sector.

SAMPLE AND METHODOLOGY

This sector review relies extensively on a compilation of data and trends found in Human Resources Development Canada's (HRDC) *Industry Profiles* Web site (1999). The specific sectors reviewed and synthesized for this report on the **Manufacturing** sector are available upon request. Supplementary material is from Industry Canada's *Strategis* Web site (2002) and BMO Financial Group's *Economic Research and Analysis* Web site (2002). All EAP, wellness and organizational health data are derived from WSCC manufacturing sector data, covering the three-year period 2000 - 2002. The sample included organizations with at least 36 employees: n=92 (2000); n=115 (2001); n=136 (2002).

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