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MANUFACTURING
MAGAZINE 🇨🇦

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CAUTIOUS OPTIMISM

*Executive salaries continue to
increase, as impact of COVID-19
begins to wane. p.8*



Cautious optimism

Executive salaries continue to increase, as impact of COVID-19 begins to wane. **BY MARIO CYWINSKI**



When *Plant magazine* and Excellence in Manufacturing Consortium (EMC) ran their salary survey in 2020, the COVID-19 pandemic was just starting to take hold across the world. It was something many have never experienced, and most were figuring out what will happen and how to adapt, on the fly. Flash forward to 2021, and COVID-19 protocols remain in place across the manufacturing industry. However, there has been market improvement, as the manufacturing sector is leading Canada out of its recession.

The pandemic was still on everyone's minds when we sent out the call to action for the 2021 EMC-PLANT Manufacturing Salary Survey, from March to May, which marks the 20th year of running the survey. The survey was jointly conducted by EMC, Canada's largest manufacturing consortium, and *Plant magazine*, part of Annex Business Media. In all, 658

company executives and senior management level personnel participated in the survey, with 537 of those completing the entire survey.

COVID-19's IMPACT

In 2020, many companies had to make difficult decisions about operations, including, but not limited to, cutting shifts, laying off employees, temporarily or permanently closing their doors. This year, a larger portion of respondents moved to a new organization (seven per cent), while only three per cent of respondents said they were laid off from the organization they worked for (two per cent company closed down, and one per cent laid off).

Looking deeper, 18 per cent of respondents said that their employment status change was a result of COVID-19. 45 per cent said they had no change in employment status, 34 per cent said their employment status change was not as result of COVID-19, and three per cent were not sure.

COVID-19 EFFECT ON COMPENSATION

Replies 530



Yes,
positively
9%



Yes,
negatively
23%



No
68%

However, when asked if COVID-19 affected their compensation, almost one quarter (23 per cent) said it had a negative impact, with only nine per cent saying it had a positive impact, and 68 per cent having no impact.

"Employment impacts of COVID-19 on the manufacturers has been sector wide. Nationally, EMC Industry Pulse surveys conducted April 2020 through June 2021 noted initial immediate impacts on workforce levels, correlating with customer sales and system disruptions (shutdowns). Once manufacturing was acknowledged as an essential sector, initial shutdowns and layoffs started to reverse and much work was done to enable industry to adapt workspaces to enable workers to return. This was also noted with StatsCan data," said Scott McNeil-Smith, Vice President, Manufacturing Sector Performance, EMC. "Total employment in manufacturing dropped from 1.7 million to 1.4 million; however, as of May 2021, it returned to 1.744 million. Comparing April 2020 to April 2021, manufacturing employment was actually plus 21.3 per cent year-over-year.

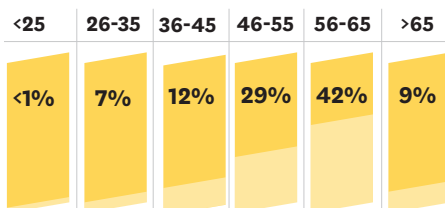


Even with all the uncertainty around COVID-19, the average salary for 2021 is \$129,685, which is a 4.8 per cent increase, year-over-year.

DEMOGRAPHICS

AGE

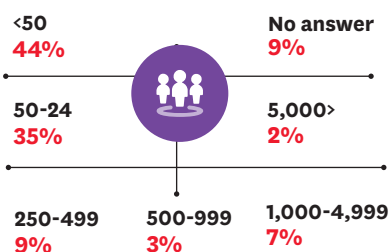
Replies 427 • Average age 53.7



Two per cent or less represents a small sample and should be considered with caution.

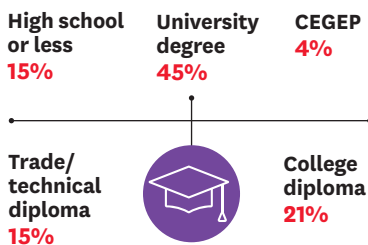
EMPLOYEES

Replies 429 • Average 431.3



WHAT IS YOUR HIGHEST LEVEL OF EDUCATION?

Replies 429



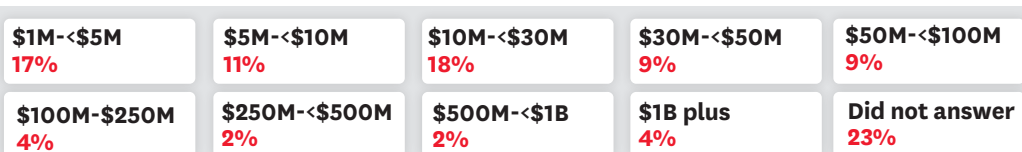
WHAT IS YOUR ROLE IN YOUR COMPANY?

Replies 536



REVENUES

Replies 538 • Average \$146.9M



MANAGEMENT ISSUES

MOST SIGNIFICANT ISSUES

Total 535

Skills shortage	55%
Cost control	50%
Capacity utilization	31%
Resource/asset management	24%
Technology upgrade	22%
Forecasting	21%
Supplier relationship management	21%
Reorganization	19%
Risk management	17%
IT issues	16%
Transportation	13%
Environment/Corporate Social Responsibility	11%
Outsourcing	11%
Cybersecurity	10%
Financing for working capital	9%
Overseas sourcing	9%
Global market expansion	8%
Other	6%

WHAT COMPANIES PAY FOR

Replies 453

61%

Educational courses

52%

Membership in professional associations

48%

Professional certification programs

25%

None of these

Not every industry sector has seen such increases, however return to pre-COVID levels of production appears to be fairly sector-wide.”

EXPERIENCE/SKILLS

The manufacturing industry, is getting older, with the average years in the industry now at 25.9 years, up from 25.6 in 2020, and 25.4 in 2019. A majority (55 per cent) of respondents have been in the industry for over 25 years, with another 30 per cent at 10 to 25 years, and only 10 per cent with less than 10 years' experience.

Looking at how long respondents have been in their current jobs, the average time is 12.9 years, up from 12.6 in 2020, and 12 in 2019. In all, 44 per cent have been in their current jobs for less than 10 years, with 36 per cent 10 to 25 years, and 12 per cent over 25 years. In what seems like it's against the grain, years with the current company have actually decreased, for an average of 16.4 years, down from 16.6 the past two years. Years with the current company breaks down to 38 per cent (10 to 25), 33 per cent (less than 10), and 23 per cent (over 25).

MOST IMPORTANT SKILLS

Replies - 461



Management/
Supervisory
57%



Communication
47%



Interpersonal/
Problem Solving
38%



Industry specific
technical skills
38%



Productivity/
Continuous
improvement
(lean etc.)
36%



Project
management
29%



Analysis
29%



Planning
(forecasting,
demand)
27%



Negotiation
skills
26%



Financial
(budgeting,
accounting)
26%



Sales skills
23%



Technical skills
(software,
programming)
22%

CHANGES NEXT FIVE YEARS

Replies 532

Investing in new production equipment/processes	57%
Hiring new employees	54%
Added/entering new lines of business	34%
Expanding plant size	30%
Enter new lines of business	23%
Enter new geographic markets	20%
Acquiring other companies or lines of business	17%
Merging with another company	13%
Downsizing employees	6%
Downsizing lines of business	5%
Closing of company	4%
Downsizing plant size	4%

PAY PERKS

Replies 468



Performance
or other
bonus
40%



RSP
contributions
36%



Car/gas
allowance
30%



Flex
hours
28%



Travel
expenses
28%



Profit
sharing
26%



Company
vehicle
23%



Pension
21%



Training,
executive
development
18%



Wellness
program
11%



Access to
private
healthcare
9%



Stock
options
6%



Club
memberships
3%



Other
3%



No
additional
benefits to
salary
17%

“Many industries are looking to technology adoption, digitalization, upgrades and other investments to assuage some of the short-fall, as well as reskilling and upskilling their workforce to better tackle higher levels of productivity in demand. Based on our LMI data and focus groups with manufacturers across the country, EMC estimates the industry will need to grow the sector workforce supply by up to 30 per cent (plus the technology additions) to meet future demands on productivity... between now and 2030,” said Jean-Pierre Giroux, President, EMC.

That said, the survey found that the top skills that senior managers feel they need more training in are: financial including budgeting and accounting (29 per cent), technical including software and programming (26 per cent), people including interpersonal, relationship, management (25 per cent), industry specific technical skills (23 per cent), and productivity/continuous improvement (23 per cent). Comparing this to the top three skills respondents feel are needed in a job today (management/supervisory at 57 per cent, communication at 47 per cent, and interpersonal/problem solving at 38 per cent), and we can see that what many believe they need more training in are not always the skills that are at the top of the list for what they need to do the job.

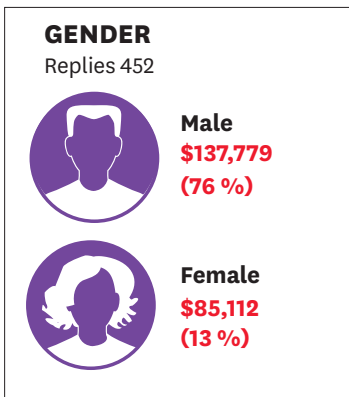
Combining the skills gap with the fact that the manufacturing sector has so many different organization types, including: fabricated metal product (17 per cent), misc. manufacturing (nine per cent), plastics and rubber products (seven per cent), wood product (six per cent), food manufacturing (four per cent), paper manufacturing (four per cent), machinery (four per cent), electrical equipment (four per cent), and many others that are at three per cent or less of the overall.

“Some of the causal reasons are the perception of what manufacturing employment entails (not realizing there are over 80 different occupations in the sector), as well as what the paths to a successful career looks like for youth, women, Indigenous, newcomers, persons with disabilities and racialized communities. Providing opportunities and support to these communities/groups is helping to expand that workforce audience and provide opportunities,” said Giroux.

SALARIES INCH HIGHER

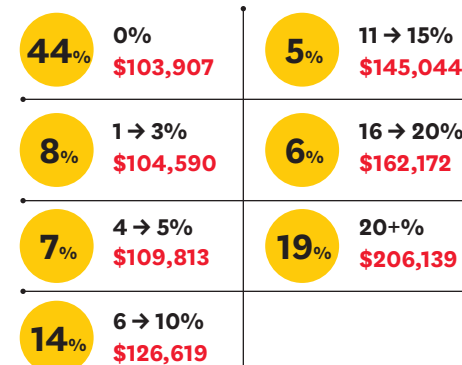
When *Plant*/EMC conducted the survey in 2020, the average national salary was \$123,422, with some provinces being higher, and some lower. With all the uncertainty around COVID-19 in the time since, the average salary for 2021 is \$129,685, which is a 4.8 per cent increase, year-over-year. If we use what this year’s respondents said they earned in 2020 (\$125,452), that is still a 3.3 per cent increase, which is above the traditional rate of inflation.

SALARY COMPARISONS



BONUSES AND INCENTIVES

Replies 452 • No response from 3.5%



JOB TITLE

Replies: 452

JOB TITLE	2021	2020	2019	%
Administrative Management	\$107,823	\$105,947	\$109,047	11%
Maintenance Manager	\$127,645	\$121,680	\$116,720	4%
CEO/ President	\$166,824	\$159,586	\$171,371	9%
Plant Engineering	\$118,326	\$121,789	\$119,187	4%
Materials Manager	\$82,000	\$84,000	\$81,000	1%
Owner/ partner	\$141,435	\$131,095	\$135,245	11%
Director	\$153,769	\$149,278	\$135,645	10%
Design Engineering	\$108,392	\$105,492	\$106,825	5%
Quality Assurance Manager	\$93,165	\$91,363	\$87,960	5%
Vicepresident	\$191,617	\$194,127	\$169,107	7%
Technician/ Technologist	\$89,330	\$87,380	\$86,904	2%
Safety manager	\$93,286	\$94,143	\$93,571	2%
Plant Manager	\$147,064	\$141,587	\$133,658	10%
Purchasing/ Supply Manager	\$96,527	\$95,832	\$93,386	5%
Production/ Operations Manager	\$106,107	\$98,913	\$100,593	12%
Logistics Manager	\$117,500	\$110,500	\$101,000	0%
Average	\$129,685	\$125,452	\$123,204	

No response from 1%. Two percent or less represents a small sample and should be considered with caution.

REVENUE

Replies: 452

REVENUE	2021	2020	2019	%
\$1M → <\$5M	\$88,017	\$87,153	\$92,798	20%
\$5M → <\$10M	\$132,325	\$126,392	\$120,067	13%
\$10M → <\$30M	\$130,014	\$126,346	\$126,273	20%
\$30M → <\$50M	\$135,820	\$131,240	\$127,877	10%
\$50M → <\$100M	\$164,443	\$166,549	\$152,891	10%
\$100M → <\$250M	\$186,327	\$178,655	\$161,595	5%
\$250M → <\$500M	\$127,906	\$125,352	\$116,133	3%
\$500M → <\$1B	\$173,892	\$163,738	\$157,408	3%
\$1B plus	\$151,326	\$142,221	\$142,474	4%
Did not Answer	\$118,774	\$108,984	\$113,056	12%

No response from 12%. Two percent or less represents a small sample and should be considered with caution.

SALARY COMPARISONS

INDUSTRY

Replies: 452

INDUSTRY	2021	2020	2019	% replies
Aerospace product and parts	\$118,075	\$106,575	\$107,218	3%
Chemical	\$130,362	\$120,162	\$120,408	3%
Computer and electronic product	\$141,889	\$129,333	\$118,111	2%
Durable goods industries	\$118,486	\$116,043	\$108,643	2%
Electrical equipment, appliance and component	\$133,396	\$128,548	\$121,778	5%
Environmental	\$134,625	\$118,450	\$116,550	1%
Fabricated metal product	\$119,713	\$116,596	\$117,411	20%
Food manufacturing	\$165,617	\$167,344	\$160,225	4%
Furniture and related product	\$105,000	\$95,000	\$86,875	1%
Machinery	\$109,195	\$109,276	\$109,402	5%
Miscellaneous manufacturing	\$131,421	\$127,021	\$126,248	10%
Motor vehicle	\$146,167	\$142,778	\$137,778	2%
Motor vehicle parts	\$157,291	\$156,455	\$142,059	2%
Non-durable goods industries	\$120,333	\$120,667	\$110,967	1%
Paper manufacturing	\$130,026	\$124,673	\$125,917	4%
Petroleum and coal product	\$146,556	\$152,667	\$174,111	2%
Plastics and rubber products	\$138,809	\$144,791	\$128,374	8%
Primary metal	\$197,000	\$194,600	\$185,700	1%
Printing and related support activities	\$112,273	\$110,607	\$118,773	3%
Transportation equipment	\$166,000	\$148,167	\$133,167	1%
Wood product	\$134,653	\$122,827	\$116,210	7%

Industries with less than one per cent responses, not listed.

EDUCATION

Replies: 452

EDUCATION	2021	2020	2019	%
University degree	\$148,000	\$143,813	\$140,015	41%
CEGEP	\$108,500	\$103,000	\$101,813	4%
College diploma	\$117,577	\$114,937	\$111,448	19%
Trade/technical diploma	\$122,726	\$115,882	\$120,259	13%
High school or less	\$104,710	\$105,762	\$98,379	14%

No response from nine per cent.

YEARS OF EXPERIENCE

Replies: 452

EDUCATION	2021	2020	2019	%
1 to 4	\$93,232	\$94,157	\$91,064	3%
5 to 9	\$104,263	\$99,627	\$98,100	7%
10 to 14	\$104,894	\$94,939	\$92,103	7%
15 to 19	\$121,903	\$114,532	\$120,666	8%
20 to 24	\$118,793	\$117,263	\$111,516	13%
25 to 35	\$147,777	\$141,216	\$138,635	36%
36+	\$138,047	\$137,556	\$132,750	21%

No response from two per cent. Two percent or less represents a small sample and should be considered with caution.

AGE

Replies: 452

AGE	2021	2020	2019	%
Under 25	\$66,000	\$66,000	\$66,000	<1%
26 - 35	\$92,277	\$86,150	\$81,653	7%
36 - 45	\$125,344	\$118,826	\$118,009	11%
46 - 55	\$130,056	\$125,998	\$121,975	26%
56 - 65	\$138,314	\$136,517	\$133,444	39%
Over 65	\$129,737	\$125,651	\$125,424	8%
36+	\$138,047	\$137,556	\$132,750	21%

No response from 10 per cent. Two per cent or less represents a small sample and should be considered with caution.

Looking at only 2021 responses, increases are seen across almost every statistical category. All education levels, apart from high school or less, saw an increase, both genders saw an increase, all provinces apart from Manitoba increased, all age groups, and all levels of job experience, apart from one to four years, went up. In turn, while most job titles saw an increase, a handful did have a slight decrease.

According to EMC's ManufacturingGPS, the percentage of wage increase for all occupations in the manufacturing sector for 2020-21 (September 2020 to March 2021) was:

- 25 per cent - no change
- 25 per cent - 1 to 1.9 per cent increase
- 28 per cent - 2 to 2.9 per cent increase
- 9 per cent - 3 to 3.9 per cent increase
- 13 per cent - over four per cent increase

It seems that the majority of respondents see that salaries are on the rise, as 72 per cent believe that over the next three years their salary will increase, with 35 per cent seeing a one to three per cent increase, 19 per cent a three to five per cent increase, 10 per cent a five to 10 per cent increase, and seven per cent seeing an increase over 10 per cent. On the flip side, 26 per cent don't see any change to their salary in the next three years, and three per cent think their salary will decrease.

While a competitive salary and job security are two of the main aspects of job satisfaction, it is not a be all and end all. Survey respondents rated a healthy work/life balance as the most important aspect of job satisfaction again this year (at 98 per cent), followed by competitive salary (96 per cent), vacation time (93 per cent), comprehensive benefits package (92 per cent), job security (90 per cent), and support for career/professional development (84 per cent).

Those aspects are what employees want; to have the highest job satisfaction. However, how does it work out in practice? When asked how satisfied respondents were with different aspects of their job,

we found that while the numbers were high, there was still some room for improvement. Overall job satisfaction was high (91 per cent), as was job security (90 per cent), vacation time (87 per cent), compensation (85 per cent), benefits (81 per cent), and support received for career/professional development (76 per cent). Interestingly, the most important aspect of job satisfaction, a healthy work/life balance, had only 81 per cent of respondents satisfied.

COMPANY PERSPECTIVE

While salaries are slightly higher, and the majority of respondents reporting that their employment status has not changed as a result of COVID-19, the picture for companies is a little more complicated. Many had indicated additional responsibilities and work load as a result of COVID-19. When asked if their company's revenue has increased, decreased, or stayed the same compared to last year, 35 per cent said it has decreased, 18 per cent said it stayed the same, and under half (47 per cent) saying it has increased.

However, when asked how the revenues looked compared to 2018 or 2017, 55 and 57 per cent of respondents, respectively, said that revenues have increased. Therefore, while this year things aren't as rosy compared to two or three years ago, manufacturing employment is 5.6 per cent ahead, year-over-year, and sales are at their highest levels since June 2019, with 43.4 per cent increase over May 2020.

With a light at the end of the COVID-19 tunnel visible, many companies have redefined what their normal looks like. When

asked what are some of the most significant issues that their company will face in the coming year, many of the usual suspects were at the top of the list. They included; skill shortage (55 per cent), cost control (50 per cent), capacity utilization (31 per cent), resource/asset management (24 per cent), technology update (22 per cent), forecasting (21 per cent), supplier relationship management (21 per cent), and down from there.

Respondents seemed to have a positive outlook for what their companies will need to change in the next five years. With investing, hiring adding, expanding, acquiring, and entering new business, as some of the top changes coming. Specifically, investing in new production equipment/processes was on top with 57 per cent, hiring new employees (54 per cent), expending plant size (30 per cent), entering new geographic markets (20 per cent), and combined adding or entering new lines of business was at 45 per cent.

"In general there are three areas requiring investment, in balance with business objectives and operational maturity: **people** (workforce investments such as engagement, recruiting, onboarding, upskilling and reskilling, culture, leadership); **plant** (physical equipment maintenance and upgrades, technology adoption, cost control, building envelope, decarbonization/footprint); and **process** (continuous improvement, process maturity, process automation, advanced manufacturing processes (digitalization), industry 4.0 and AI)," said Giroux. "Investing in these three areas are critical to manufacturing success." ■

Research Methodology

Research was conducted online between March and May 2021 among 658 Canadian Manufacturing leaders in partnership with Excellence in Manufacturing Consortium. Results were prepared by the Canadian research firm RKI www.rkinsight.com.

Mario Cywinski is the Editor of Plant magazine, Machinery and Equipment MRO magazine and Food and Beverage magazine, a member of the Automobile Journalists Association of Canada, and a judge for Canadian Truck King Challenge. He has over 13 years of editorial experience; over three years of maintenance, reliability, and operations experience; over 16 years of automobile industry experience, as well as small business industry experience.



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FOCUS:

Women in manufacturing

Women in the manufacturing industry responded to the 2021 Manufacturing Management Salary Survey, conducted on behalf of PLANT magazine, and the Excellence in Manufacturing Consortium (EMC), helping to get a better picture of satisfaction levels and salaries of female managers and senior executives in the manufacturing sector across Canada. BY MARYAM FARAG



Women represent one of the largest pools of untapped talent for manufacturers, and

closing the manufacturing's gender gap is the key to closing the skills gap that has limited businesses' ability to evolve and expand. Not to mention that research shows that gender diversity benefits manufacturing firms by creating a culture that improves their ability to innovate and grow.

In this survey, the number of female respondents is significantly lower than males; 16 per cent vs 84 per cent male.

According to the survey results, 95 per cent of female respondents stated they are working for a full-time manufacturing organization. Two per cent stated they are 25 years of age or under; nine per cent stated they are 26 to 36; 20 per cent stated they are 36 to 45; 35 per cent are 46 to 55; and 30 per cent are 55 to 65.

Women in manufacturing overall are younger than men with 31 per cent under 45 years old. This compares to 18 per cent of men; 66 per cent of women versus 44 per cent of men are under 55.

Let's start by the main theme of this survey:

SALARY

Gross salary

Of the female respondents, 36 per cent said their gross salary is \$75K or less; 43 per cent said it is \$75 to \$110K; and 21 per

cent said they make over \$110K, meaning the average gross salary is \$85,112.

Salary projection

Seventy per cent said they expect an increase in their salaries in the next three years. Breaking it down, 38 per cent project a one-to-three-per cent increase; 14 per cent a three-to-five-per cent increase; 13 per cent a five-to-10 per cent increase, and six per cent an over 10 per cent increase.

Two per cent of the respondents project a decrease in their salaries in the next three years. And 28 per cent said there would be no change.

The following data indicates additional benefits to their salary:

Any additional benefits to salary	78 per cent
Performance or other bonus	34 per cent
Flex hours	34 per cent
RSP contributions	26 per cent
Training, executive development	25 per cent
Travel expenses	23 per cent
Profit sharing	22 per cent
Pension	20 per cent
Car/gas allowance	18 per cent
Company vehicle	8 per cent
Other	8 per cent
Access to private healthcare	6 per cent
Wellness program	5 per cent
Stock options	3 per cent
Club memberships	2 per cent

EDUCATION

Type of degree

A total of 37 per cent of females said they received a bachelor degree, nine per cent other masters, two per cent an MBA, two per cent a professional degree (medical, law) and seven per cent a Ph.D. However, 43 per cent stated otherwise.

Highest level of education

Only 17 per cent of females stated that high school or lower was their highest level of education, five per cent a trade/technical diploma, 38 per cent a college diploma, two per cent a CEDGEP, and 39 per cent a university degree.

COVID-19 IMPACT

There is no doubt that COVID-19 altered employment situations, statuses, and compensations in the past year. However, 42 per cent of the female respondents stated there was no change in their employment situation in the past year, and none changed jobs within the same organization. Further, 32 per cent were in the same job with the same salary, but with increased responsibility due to reduced staff. And nine per cent moved to a new organization.

Six per cent had their hours reduced, six per cent were promoted, two per cent were laid off because the company closed down, and two per cent started new job sharing. Three per cent were given a new role because their old position at the company was eliminated, and three per cent were laid off from the organization. Eight per cent stated otherwise.

Of respondents, 26 per cent of females stated the change in their employment status was because of COVID-19; 25 per cent said it was not because of COVID-19, three per cent were not sure, and






worked per week by the female respondents is 44.8. The following data shows the type of organization they work for, based on the major products or services at the location:

- Fabricated metal product (17 per cent)
- Miscellaneous manufacturing (15 per cent)
- Plastics and rubber products (eight per cent)
- Wood product (eight per cent)
- Paper manufacturing (eight per cent)
- Food manufacturing (six per cent)
- Aerospace product and parts (six per cent)
- Chemical (six per cent)
- Motor vehicle parts (five per cent)
- Durable goods industries (five per cent)
- Electrical equipment (three per cent)
- Furniture and related product (three per cent)
- Machinery (two per cent)

- Petroleum and coal product (two per cent)
- Beverage and tobacco product (two per cent)
- Clothing manufacturing (two per cent)
- Leather and allied product (two per cent)
- Life Sciences (two per cent)

Therefore, bridging the divide will mean reshaping the way people think about jobs in manufacturing, educating them to the types of jobs that are available and helping them get the qualifications necessary to fill them. Put simply, the manufacturing industry is in a state of reinvention, and educating and empowering women will be critical to the future of the industry. 

Maryam Farag is the Associate Editor of *Machinery and Equipment MRO* magazine, *Food and Beverage* magazine, and *Plant Magazine, Annex Business Media*. Reach her at mfarag@annexbusinessmedia.com

46 per cent had no change in their employment status.

Of females, 33 per cent stated that COVID-19 affected their compensation. Three per cent positively, 30 per cent negatively; 67 per cent stated their compensation wasn't affected by COVID-19.

EMPLOYMENT SITUATION

Role in company

Nearly three-quarters (73 per cent) of females stated they have a management role in the company only, five per cent have controlling ownership stake in the company and a management role, six per cent have an equal partnership stake in the company and a management role, three per cent have a minority ownership stake in the company and a management role. And 14 per cent stated otherwise.

Title

Thirty per cent of females stated that "administrative management" best approximates their title/role. Followed by production/

operations manager (12 per cent), director (nine per cent), quality assurance manager (nine per cent), vice-president (five per cent), owner/partner (six per cent), safety manager (six per cent) and CEO/president (six per cent).

EXPERIENCE

Experience-wise, 18 per cent of females said they have 10-or-less years of experience, 45 per cent have 10-25 years, and 30 per cent have over 25+ years, the average years of experience is 20.1.

On a closer scope, 39 per cent have 10-or-less years of experience in their current company; 35 per cent have 10-25 years, and 18 per cent have over 18 years, with average years of experience in their current companies at 14.

In addition, 53 per cent stated they have 10-or-less years of experience in their current job; 29 per cent have 10 to 25, and eight per cent said over 25.

WORK TYPE

According to the survey, the average percentage of hours



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SALARY SURVEY – EMC's TAKE

Plant Magazine sat down with Jean-Pierre Giroux, President, and Scott McNeil-Smith, Vice-President, Manufacturing Sector Performance, from survey partner Excellence in Manufacturing Consortium (EMC), to get their take on the manufacturing industry and the salary survey results. BY MARIO CYWINSKI

PLANT: Can you comment to on how COVID-19 has affected employment and compensation in the manufacturing space.

EMC: As the traditional plant management issues were still present in their businesses (skills shortages, cost control, capacity utilization, resource management and technology upgrades), strategies for managing recovery while addressing these issues were/are paramount. In many cases, manufacturers found themselves competing for limited workers willing to return to work, as well as attracting and re-engaging workers who were furloughed and/or on emergency COVID-19 benefits. While a vital resource that was essential to the Canadian economy, many opted to remain on benefits rather than return to work – compounding the skills and labour shortages.

Compensation, as a result, is a key part of the strategy for recruiting and maintaining workforce levels. At the management level – especially senior management – wage levels weren't as much of an issue as the workload, expectations and other demands on management to 'pick-up the slack' and fill the gaps left by vacancies (whether COVID-19 related or not), and in many cases while having to work from home periodically, during provincial orders.

PLANT: The average years of experience and average age of survey respondents continues to go up (25.9 years this year). Do you attribute this to an aging work force?

EMC: Yes – and this survey represents management respondents. As a sector-wide issue, one of the critical factors affecting



manufacturing from a skills and labour shortage, vacancy and productivity/capacity perspective, is the aging workforce. EMC's most recent ManufacturingGPS Employer Labour Market studies show that 1/5 of the manufacturing workforce in Canada is eligible to retire in the next 10 years. Replacing 20 per cent of the workforce with equally skilled and experienced talent will be a monumental challenge. On top of this, manufacturing is currently operating at 80.1 per cent capacity utilization, with over 52,000 published jobs currently vacant and over 200,000 industry jobs that have gone unfilled in the past two years.

PLANT: Skill shortage is again the most significant issue facing companies. What do you attribute this to?

EMC: Two simple answers:

- 1) Shortage of skills/skillsets in demand by manufacturers; and
- 2) Shortage of available workers with any skillset, ready and willing to fill vacancies.

However, both require more complex and customized solutions, which EMC is working extensively to solve.

First, EMC has developed and deployed industry-driven skills training programs, including certification and micro-credential training (the most comprehensive suite of industry-vetted learning available to manufacturers). This is currently being deployed – some of which is supported by federal or provincial funding to offset manufacturing costs. EMC's hybrid approach to upskilling and reskilling (customized learning deployed via custom methods – in-class or online, or asynchronous (self-directed)) or professional-instructor delivered, analog and digital, all supported by workplace action/performance projects. EMC has trained tens of thousands of manufacturing workers, with industry recognized credentials, certifications and skills in hundreds of topic areas.

Second, EMC is one of the national sector leaders in assisting manufacturers with connecting to job-ready candidates, through our program called WILWorks, which is providing connections between industry employers and post-secondary students. This provides job placements

with work integrated learning. We are also piloting a high school version of this program, as well as connecting industry employment and career-path opportunities to work-ready graduates and displaced workers.

PLANT: The percentage of females in the industry is on the rise. What do you attribute this to, and how can it keep going?

EMC: As opportunities continue to be presented, we will see a continued rise in all under-represented demographics to closely match the population more. The perception of industry employment is changing, and as the message spreads, the interest in women and other groups will continue to grow.

Removing the negative perceptions at a younger age (engaging and raising manufacturing awareness at a younger age), providing skills and experiential opportunities in trades, science, technology, engineering and math fields, and workplace exposure has helped move this.

According to EMC's ManufacturingGPS, the percentage of women in manufacturing workforce was 26 per cent in 2017 and 27 per cent in 2020-21, based on 1.7 million employees, which is an increase of about 18,000 women. ■

Mario Cywinski is the Editor of Plant magazine, Machinery and Equipment MRO magazine and Food and Beverage magazine, a member of the Automobile Journalists Association of Canada, and a judge for Canadian Truck King Challenge. He has over 13 years of editorial experience; over three years of maintenance, reliability, and operations experience; over 16 years of automobile industry experience, as well as small business industry experience.



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