



# Job Quality Case Study

## Embraer

Founded in Brazil in 1969, Embraer has grown into one of the largest aerospace companies in the world and has maintained a U.S. presence for nearly 45 years. With numerous maintenance facilities across our country, Embraer operates in two nearby locations: Nashville, TN, and Macon, GA. Together, these two facilities employ 740 employees and around 550 of these employees are direct maintenance, while the rest are support staff in areas such as logistics and administration. In 2017-2018, the Nashville and Macon Embraer locations increased recruitment of aircraft maintenance employees. Most of the efforts focused on developing the knowledge of this type of career within K-12 systems – specifically, within middle and high schools. These efforts were stalled at the beginning of the COVID-19 pandemic in March 2020. After five months of having to, unfortunately, lay people off due to lack of work, the market surged in August 2020. However, Embraer, and the entire aerospace industry, faced a shortage of skilled workers and struggled to rehire. Recognizing the skilled worker shortage, the industry was facing, the Macon and Nashville locations reviewed their compensation package and worked to build career pathways to attract new workers and increase retention.

### Pay

As the market for airline travel started booming again, Embraer needed to quickly hire new maintenance, logistics and supporting staff. They looked at how the company's pay structure lined up with their competitors and completed a market analysis of the Nashville and Macon areas and their competitor's pay across the country. In 2021, the board approved a project to increase maintenance workers' pay by 15% across the board. This helped with retention efforts, but also made Embraer more competitive in hiring. When the pay raises came into effect for maintenance workers, the company needed to look at the other side of Embraer's workforce including logistics, material handling, and administration. Typically, this group of roles earns less than the technicians working on airplane maintenance. However, Embraer knew they had to be competitive with traditional warehousing jobs like those at Amazon, so they raised pay by 15% for this group as well.

### Skills Development & Career Advancement

While working to reconfigure the pay structure, Embraer also noticed the need to develop a better education training fund. In the past, the company had provided a tuition reimbursement program for mechanics that covered 50% of the actual cost, which was reimbursed after the completion of the course. The company found that because individuals were required to pay for the entirety of the program upfront, fewer than expected were able to take advantage of the benefit. In 2021, Embraer changed the policy to fully funded training for any employee going through the Air Frame and Power Plant training program (A&P) in advance. Employees attending this training are also paid their full wages while in school. This opportunity is available to both maintenance employees and logistics staff. Embraer also created pathways for workers to move into new roles within the company. For example, employees in the logistics department have access to education and training opportunities that allow them to move into painter positions in the interior shop, which has provided a career ladder to a higher wage position. When looking ahead to the workforce of the future, Embraer intentionally brings in A&P students to work in their facilities on a weekly basis. This allows students to get paid for on-the-job learning while attending their education programs and shows the investment Embraer has in the local workforce.

### Outcomes

The airplane maintenance business typically has low profit margins and substantial competition, so the decision to increase pay and invest in career growth was a significant one for Embraer. The effort has paid off, as the locations in Macon and Nashville have seen a significant decrease in attrition and increased retention over the last three years.