

Talent: the Key to a More Successful, Resilient Supply Chain



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Introduction

Rapid innovation drives manufacturing forward. Breakthroughs in design, materials, technologies, and processes make for an exciting industry with new products emerging every day.

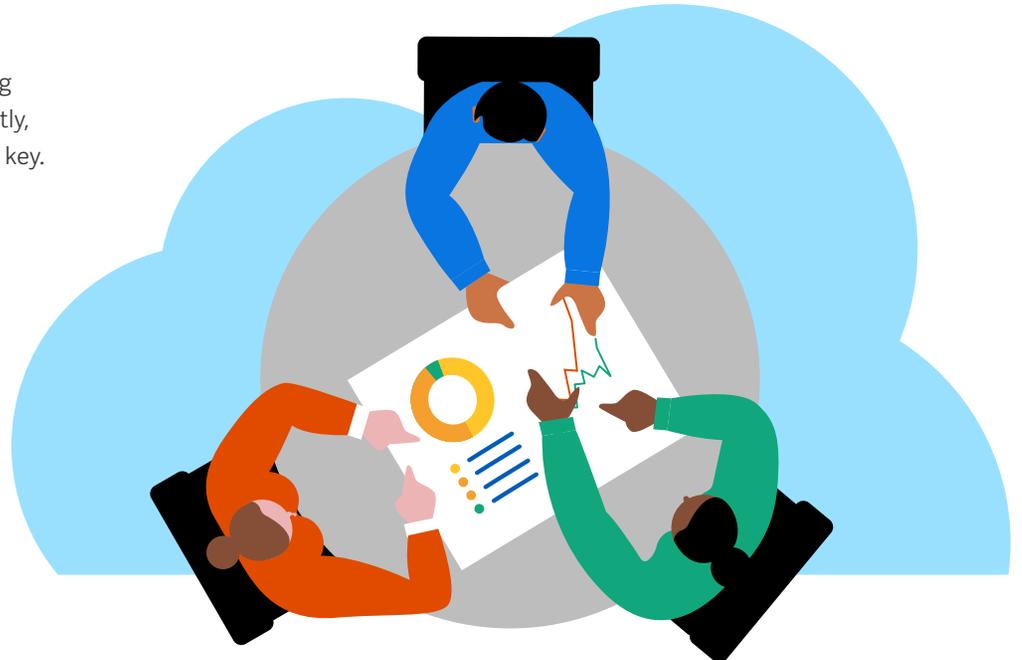
But at the same time, manufacturers across the globe are facing volatility arising from geopolitical uncertainty, labor shortages, inflation, and global trade regulations and compliance.

When rapid innovation is orchestrated alongside collaboration, manufacturers can start to create industry-leading customer loyalty. And though often overlooked, nowhere is unity and collaboration more important than with your people.

At the heart of every successful manufacturing company are the employees, constantly rising to the demands for new products and rapidly changing production. Meeting their needs requires an organizational strategy that values and develops the workforce across all parts of the company. Creating an environment where employees can work both economically and efficiently, producing high-quality products at a cost that assures sustained growth, is key.

There's a lot to manage and synchronize across product, plant equipment, and logistics, but without a carefully considered workforce and talent management strategy, manufacturers can't manage the high requirements with speed and agility.

Manufacturers need water-tight workforce scheduling and operations and a long-term talent supply chain that ensures they have the right people, with the right skills and certifications, all in the right place, at the right time.



This means coordinating the skills development, recruitment, and workforce management operations together to avoid reactive scheduling, employee burnout, and excess costs.

But creating this business model has its challenges:

- Unprecedented change, competitive pressures, and market volatility mean you have to adapt even faster
- Lack of timely, accurate data needed to plan employee strategies due to siloed and fragmented data makes it hard to see what skills and staff you have in order to meet your business needs
- High demand and a skills and labor shortage require careful consideration of the human element of finding, developing, and retaining skills across the company to manage production smoothly
- Increasing cost pressures due to higher capital, input, and labor costs

Employee experience expectations have also shifted:

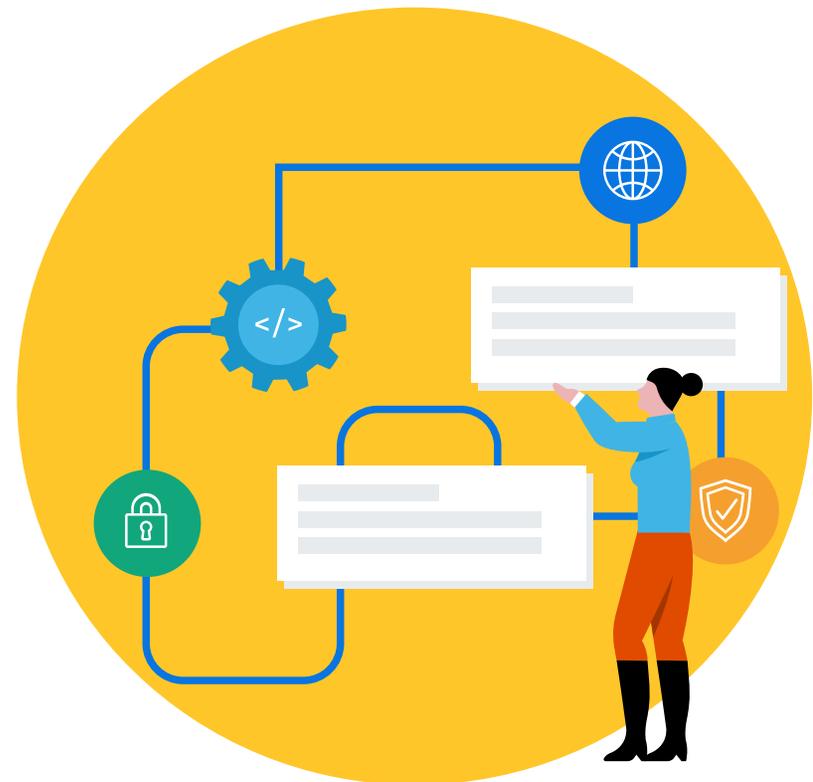
- Production line workers who didn't have the luxury of being able to work remotely during the pandemic now demand higher flexibility to avoid burnout
- Employees want to see clearer paths for their professional development

Manufacturers that can recruit, train, develop, and retain their employees will be more likely to thrive and grow than those that don't. It requires a thoughtful approach that balances the needs of the company and the needs of the individual to build trust, loyalty, and resilience.

It also requires innovative digital technologies that unify the critical parts of your supply chain to help you manage work together, and use automation to supercharge decision-making.

In this guide, we hear from manufacturers that have faced these challenges and see how they've implemented solutions to drive operational efficiency.

Ready to learn how to build a future-proof and sustainable talent supply chain? Let's dive in.



Stage 0: The importance of reliable, unified data.

As a manufacturer, it's critical to keep up with day-to-day demands. But it's also important to build a strategic plan and organizational design that address the needs of new innovations and business models.

To do this, data should inform every decision and action across your business. This puts you in a better position to adapt successfully, especially in talent management.

The challenge is distilling high volumes of data from lots of systems across the plan. There is a need to bring financial and HR information together through a platform approach that takes advantage of AI to improve productivity.

Often, legacy systems don't consider the full extent of the talent supply chain. The visibility to predict future demand and balance it against labor availability is lost.

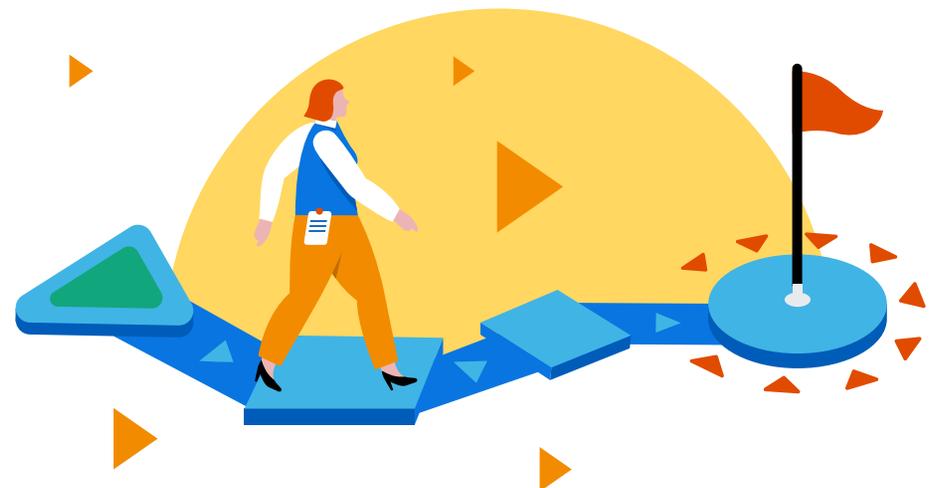
You need a strategy that brings all your data together in one easy-to-access place so that a complete process of people planning, resourcing, and managing can be done quickly and easily.

Use case:

Imagine that your systems for business, financial, strategic, and workforce planning aren't connected (a common challenge).

You anticipate demand for production to increase for the next year, but your employee development systems aren't designed with strategies to fortify your workforce and manage the gaps through recruitment, subcontracting, or outsourced labor.

More tactically, your workforce scheduling doesn't plan fast enough to make sure a reactive environment isn't hurting employee morale with short-term schedule changes and increased costs. Managing labor costs, time, and morale requires a thoughtful approach.



A data-driven approach that provides decision support analytics should inform every aspect of your business and continually monitor, alert, and inform for an effective talent supply chain.

You need a solution that connects operational data from across your organization into one unified system.

Because the majority of manufacturers store data in disparate systems, this solution should be flexible enough (by using an open API, for example) to integrate data from across your architecture. So you can see all the data in one place, and connect the dots to make better-informed decisions.

This sets the foundation for better collaboration with your people, and higher employee satisfaction. And only once you have this can you begin to create customer loyalty.

Connecting the data makes the next three steps for building a robust talent supply chain easier.



Stage 1: Model your global workforce dynamics and plan for success.

There's an impending talent crunch in manufacturing: projections say [2.1 million unfilled positions by 2023](#) in the U.S. alone.

You need to start adapting now, with a workforce optimization strategy that unifies robust planning, demand forecasting, scenario planning, and skills gap analysis:

1. Accurate financial and operations planning.

Supply chain volatility and constant shifts in consumer demand mean that forecasting is essential to strategic resourcing. You need to make sure you have the right people at the right time to adapt and scale to changing environments.

2. Robust scenario planning.

The most effective scenario planning leverages both market and internal data so that manufacturers can better prepare for unpredictable business conditions.

3. Skills gap analysis.

The manufacturing industry requires people with diverse skill sets and high expertise—so if you have skills gaps in your workforce, your productivity will suffer.

Take, for example, pharmaceutical manufacturing. People working in this space need to be highly qualified in pharmaceutical sciences, and have excellent quality control and assurance skills. These very specialized qualifications narrow the candidate pool.

So to avoid a decrease in productivity, you need to be proactive in identifying possible skills gaps across the business.



Optimizing your talent supply chain means moving beyond reactive hiring to a strategic model where talent needs are anticipated.

It requires a system that empowers manufacturers to model various future scenarios, from market expansions to technological shifts, and understand their impact on workforce requirements. This forward-looking approach enables manufacturers to align their talent strategy with business goals, ensuring agility and resilience in the face of change.

The right system further enhances this planning by providing a clear view of existing skills within the organization and using automation to identify critical gaps.

This insight allows for targeted recruitment and development initiatives, ensuring you're collaborating with the right people for your business, and that the workforce evolves in step with your strategic direction.

By optimizing the planning stage, you can mitigate the risks associated with skills shortages and labor volatility, ensuring you're always ahead of the curve.



Rolls-Royce

Workday customer snapshot: Rolls-Royce

- Encouraged 60% of pilot participants to complete their skills profiles, enhancing the skills data pool and showing strong interest in skills development and internal roles
- Improved forecasting accuracy through real-time headcount and cost information at job-profile level
- Reduced budget variances by millions of pounds (£)



Stage 2: Hire, develop, and future-proof your ideal workforce.

People are the beating heart of the manufacturing industry. So, if your hiring and onboarding strategy isn't aligned with the speed and needs of your business, your whole company could be at risk. This is especially important in a sector where 45% of businesses have had to decline opportunities due to insufficient labor.

Once you can forecast demand, scenario plan, and identify skills gaps, you should map your hiring upskilling and growth process to align with your business needs.

Manufacturers need a tool that offers a comprehensive solution, enabling manufacturers to not only find and engage the best talent, but to also ensure a seamless integration into the organization.

This includes candidate skills match analysis, which accelerates the hiring process and improves the quality of hires by aligning candidate skills with organizational needs.

In addition, you need a solution that can handle a large number of hires at once. If high-demand fluctuations mean you need more people, quickly, then you will need an easy-to-use system for viewing multiple candidates and processing them en masse.

For scenarios where you have to replace many employees at once (such as bringing in new generational talent to replace a generation close to retirement), this is crucial to make sure your workforce is future-proofed.



So, you have the planning, and you have the people. But to strengthen collaboration and lower attrition with your people, you need to provide development opportunities and manage their time empathetically and efficiently.

Manufacturing is seen as a very respected industry globally, and the people who choose it as a career are not only passionate about their role, but also want plenty of opportunities to develop their skill sets.

To attract and keep talent in the talent supply chain, you need to provide opportunities for all workers across every aspect from design to delivery to reskill and upskill with learning tools.

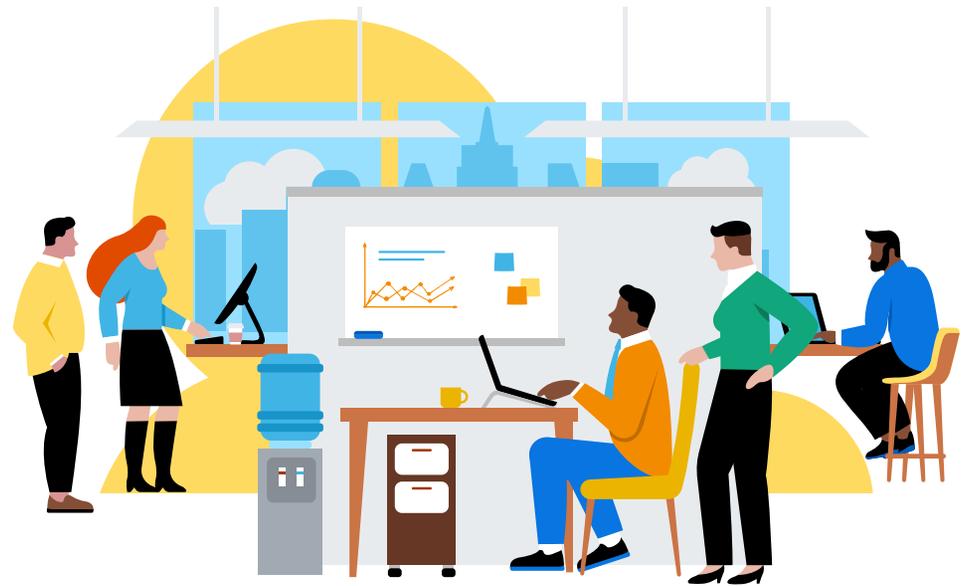
Development and learning can also be supercharged by the smart addition of AI. AI-generated insights can show managers when, where, and what learning opportunities are best for people and recommend courses of action. Meaning you can work more closely with your people on paths aligned to their individual goals.

You also need to be able to manage the right skills and certifications to ensure people, products, and plants are aligned to optimize production flows. This means having one place where you can see available skills and resources to manage productivity utilization, drive competitive edge with innovation, and make sure your workforce is compliant.

sanofi

Workday customer snapshot: Sanofi

- Improved time to hire from weeks to just days through better visibility into the candidate pipeline
- Streamlined talent acquisition reporting, leading to a reduction from 4 FTEs in different countries to 0.2 FTEs globally



Stage 3: Optimize your workforce.

Workforce optimization in manufacturing extends beyond individual roles to encompass the entire operational ecosystem. This means having the insights to manage your people at large in the best way that benefits both them and your business. It involves:

Smart shift scheduling: matching your people's individual working preferences, availability, and qualifications with labor demand to generate optimized shift schedules.

Managing qualifications: making sure your people have the right certifications and skills for each area of your business, so you can accurately allocate people with the right skills to the right place.

Ensuring compliance: keeping your workforce up with global labor compliance by automatically adjusting schedules, qualifications needed, and more per region where you operate.



Financial optimization: knowing the total cost of your workforce so you can make more informed, cost-effective labor allocation decisions.

In an industry where 75% of companies cite retaining talent or an aging workforce as challenges, a strategic approach to workforce management is essential. This balance between flexibility and efficiency is key to employee satisfaction and retention.

Integrating these elements within a unified system makes collaborating with your staff easy. Managing attendance and monitoring staffing is simplified, and you get a holistic view of the workforce, enabling strategic decision-making and optimization of labor costs.

By embracing these solutions, manufacturers can ensure their workforce is not a cost center, but rather a source of competitive advantage, and that employee satisfaction is at an industry-leading level.



THALES

Workday customer snapshot: Thales

- Increased the percentage of internal hires significantly through better insights into supply and demand for skills and preferences, giving employees and managers more visibility into career opportunities
- Saved £475,000 in costs annually
- Reduced 300 datasheets to 6 standard reports across the enterprise



Workday customer snapshot: MSD

- Gained the ability to offer personalized career opportunities in 93 countries
- Enabled HR teams to define standard skills and qualifications for 5,000 roles
- Boosted insight into global skills and resource management

Stage 4: Use smart feedback to adapt to employee sentiment.

Keeping a talent supply chain sustainable is only possible if you can listen to and understand the people in it. In the fast-paced manufacturing industry, swiftly adapting to employee sentiment is crucial. A direct line to workforce insights can significantly impact four key areas:

1. Enhanced employee engagement.

Use real-time feedback and AI-generated insights to make changes and improve employee satisfaction and productivity. This not only boosts morale, but also enhances output quality.

2. Reduced employee turnover.

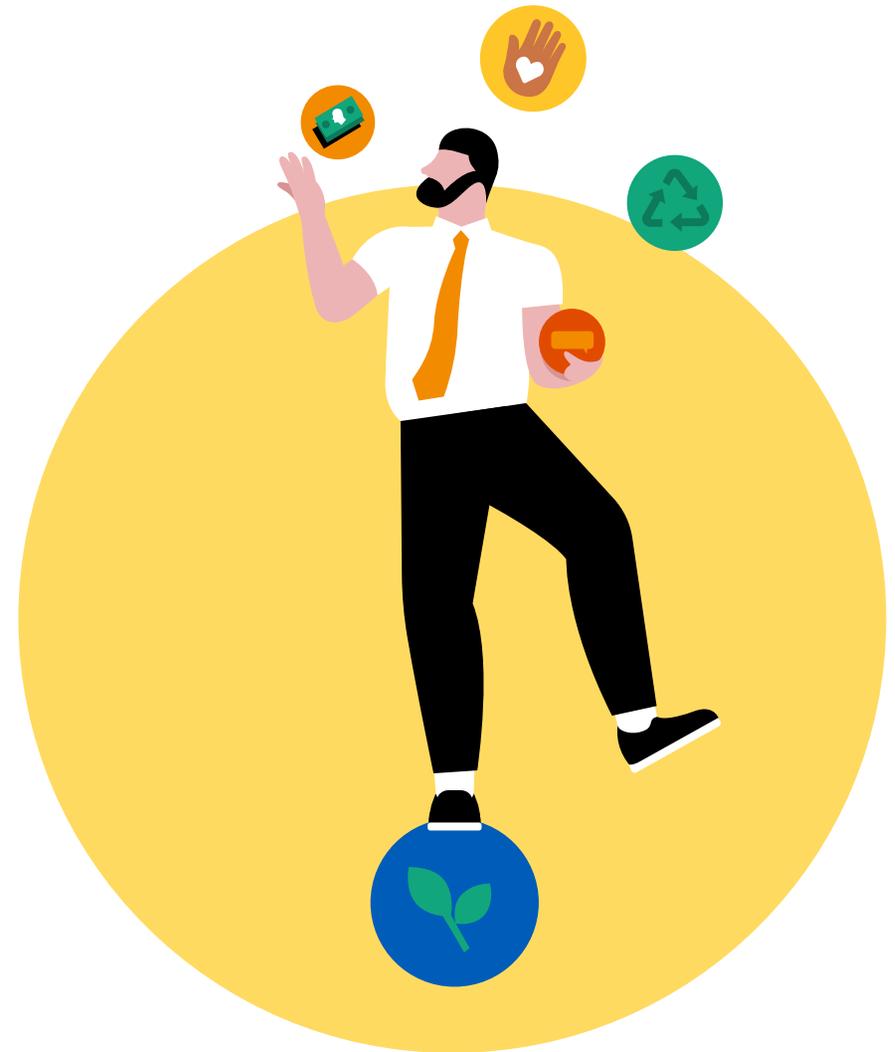
High turnover can be costly for manufacturers, leading to lost productivity and increased training costs. By understanding the factors that contribute to employee disengagement, manufacturers can take proactive steps to address these issues, improve retention rates, and reduce the costs associated with turnover.

3. Improved safety and compliance.

Safety is paramount in manufacturing. Immediate feedback on safety concerns means you can proactively resolve issues and comply with regulations—and reinforce your commitment to employee well-being in the process.

4. Increased operational effectiveness.

Feedback can reveal inefficiencies, from production bottlenecks to training gaps. By addressing these insights, manufacturers can streamline operations and improve performance. Engaging employees in this process cultivates a sense of ownership and aligns their efforts with company goals.



In the complex and competitive landscape of modern manufacturing, optimizing the talent supply chain is the key to better collaboration with your people and higher employee satisfaction. And happier, more productive people means better customer experiences, more revenue, and a higher competitive advantage.

The comprehensive suite of Workday solutions empowers manufacturers to not only anticipate talent needs, but to also streamline the hiring process and continuously enhance workforce capabilities.

This strategic approach to talent management is indispensable for manufacturers aiming to navigate industry challenges, seize growth opportunities, and foster innovation in a dynamic market.

Take the next step with Workday.

From creating better people strategies to smarter, faster decision-making, [visit our manufacturing solutions page](#) to learn firsthand how we can help you stay ahead of the competition.





+1-925-951-9000 +1-877-WORKDAY (+1-877-967-5329) Fax: +1-925-951-9001 [workday.com](https://www.workday.com)

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