



How to Build a Strategic Manufacturing Workforce

Unleash the Power of a
Data-Driven HCM

 **primepay**

Manufacturing companies play a critical role in the health of the U.S. economy, exporting about \$1.2 trillion¹ of manufactured goods per year and employing a significant workforce of about 11.7 million² to support those efforts.

Today, however, the industry is navigating an interesting paradox: Thanks to automation, workers are more productive than ever before — but there's also a greater ongoing need for talent than ever before.

Thanks to technology and innovation, productivity per employee in manufacturing is up by as much as 47% when last measured in 2016,³ but there are about 5 million fewer Americans employed in the manufacturing sector now than there were 20 years ago.⁴ This has become such a problem that the Manufacturing Institute and Deloitte estimate that by 2030, manufacturers will need to hire for 4 million jobs⁵ — and it's estimated that more than half of those jobs will go unfilled because manufacturers can't find and keep the talent they need.

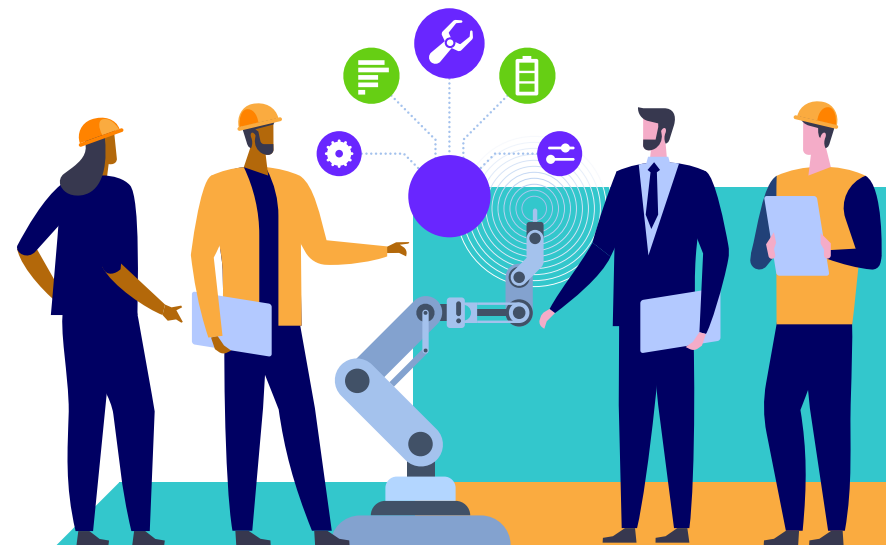
\$1 trillion

Estimated cost of missing jobs in manufacturing in 2030 alone.⁶

Workforce planning in manufacturing has always been a critical priority. But Human Resources (HR) leaders today must also adjust to the post-COVID-19 hiring landscape, piling on challenges like staffing demands, new regulations, and the loss of talent through retirement. Manufacturing executives must also contend with the growing role digital transformation plays in the manufacturing space every year.

The result is an evolution of the kind of talent and workforce needed, requiring manufacturers to upskill workers quickly⁷ so they can better adapt to new digital processes.⁸ This is Industry 4.0 — manufacturing processes that integrate new technology such as connectivity, advanced analytics, automation, and advanced-manufacturing technologies into tried and true manufacturing systems.

[Click here to learn how to develop effective training for manufacturing talent.](#)



1 National Association of Manufacturers, <https://www.nam.org/facts-about-manufacturing/> 2 U.S. Census, <https://www.census.gov/library/stories/2020/10/manufacturing-still-among-top-five-united-states-employers.html> 3 Brookings, <https://www.brookings.edu/blog/techtank/2016/06/02/how-technology-is-changing-manufacturing/> 4 J.D. Supra, <https://www.jdsupra.com/legalnews/manufacturing-labor-shortage-1463687/> 5 The Manufacturing Institute, <https://www.themanufacturinginstitute.org/research/creating-pathways-for-tomorrows-workforce-today-beyond-reskilling-in-manufacturing/> 6 Deloitte, <https://www.themanufacturinginstitute.org/research/creating-pathways-for-tomorrows-workforce-today-beyond-reskilling-in-manufacturing/> 7 McKinsey & Company, <https://www.mckinsey.com/business-functions/operations/our-insights/building-the-vital-skills-for-the-future-of-work-in-operations> 8 Forbes, <https://www.forbes.com/sites/sap/2021/06/03/three-trends-driving-change-for-industrial-manufacturers-in-2021/?sh=15ad445a24b5>

Deep systemic transformation is taking place in manufacturing. Are you confident that equivalent changes to talent strategy are taking place within your organization?

Making New Connections in the Manufacturing Industry

Suppliers & Customers

- Advanced predictive analytics in demand planning
- Real-time replanning and scheduling, with internal and external facilities
- Integrated systems leveraging advanced-analytics methodologies and visualization

Enterprise Data & Resource Planning

- Real-time end-to-end closed loop planning
- Targeted deployment of robotic process automation and artificial intelligence.
- Digitally enabled, cross- functional, and integrated business planning



Order Management

- Order management enabling high customer choice with real-time track-and-trace.
- Orders planned and routed to optimize efficiency and constraints, while meeting service objectives.

Factory Planning & Control

- Robust scenario planning
- Decisions based on strategic cost-benefit, revenue and risk-modeling cases
- End-to-end visibility
- Automated root-cause analysis

According to McKinsey & Company:

90%

of companies are fully aware of the benefits of technology and are making Industry 4.0 a priority⁹

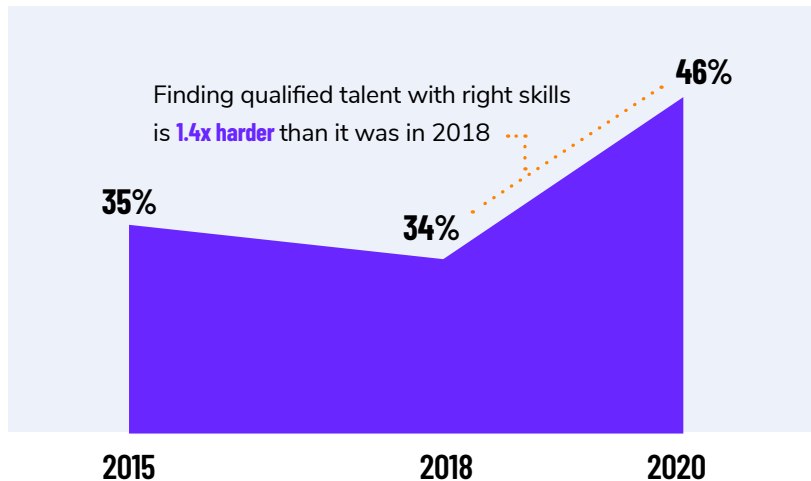
Facing Down New Challenges In Manufacturing

A multi-decade labor shortage would be challenging enough, but several factors combine to make workforce planning and talent management extraordinarily difficult in manufacturing. While some of these factors are compounded by the pandemic, the majority are ongoing: The complexity of training required to succeed, the pace of digital innovation within manufacturing, and the shifting age demographics within the industry.



Qualified Talent Is Hard to Find

Share of open positions manufacturers are finding difficult to fill due to skill mismatch.



Source: <https://www.themanufacturinginstitute.org/wp-content/uploads/2021/05/DLER-I-Beyond-reskilling-in-manufacturing-1.pdf>

Here's a look at the multifaceted challenges manufacturing leaders face in planning a workforce strategy:

LONG TRAIN-UP TIMES

Because recruiting and onboarding employees in manufacturing requires time, resources, and processes, keeping employees safe, healthy, and engaged has remained a priority for HR executives in the space. The training pipeline for manufacturing jobs can be as long as 20-30 years for high-level roles and as short as 3-5 months for entry-level roles. Manufacturing organizations cannot build a practical training pipeline without a clearly organized approach to workforce planning.

The training pipeline for manufacturing jobs can be as long as

20-30

years for high-level roles, and as short as 18 months for entry-level roles.

HIGH RETIREMENT RATES

“Brain drain” is a phenomenon where organizations lose in-demand talent and experience as employees reach retirement age and leave the workforce. In the manufacturing space, this is a significant challenge, with an estimated 2.6 million Baby Boomers retiring within the next decade.¹¹

PERCEPTION LIMITING HIRING AND TALENT AVAILABILITY

The pandemic compounded a pre-existing talent shortage, removing as many as ¼ million manufacturing jobs in the U.S.¹² But the industry also faces the ongoing challenge of perception issues within the new generation of talent. In a survey of manufacturing leaders from Deloitte, about 36% of respondents¹³ indicated that a lack of interest in the industry is one of the top three reasons manufacturing roles remain unfilled. This results in lower levels of interest in careers in manufacturing and factory work because of a reputation for assembly lines, heavy machinery, and manual labor.

INCREASINGLY TECHNICAL WORKFORCE

Manufacturing companies are adapting to changing technologies, innovating new products, and pushing the industry forward. But with a change in how products are developed comes a change in the workforce required to develop those products, leaving the manufacturing industry reliant upon workers with expanded skill sets in technical subjects like cloud computing, software engineering, and the Internet of Things (IoT).

¹⁰ Lean Competency, <https://www.leancompetency.org/wp-content/uploads/2016/01/manufacturing-training-guide.pdf> ¹¹ Society for Human Resources Management, <https://www.shrm.org/hr-today/news/hr-magazine/summer2020/pages/top-hr-challenges-in-manufacturing.aspx> ¹² Society for Human Resources Management, <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/help-wanted-manufacturing-sector-struggles-to-fill-jobs.aspx> ¹³ Deloitte, <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/deloitte-manufacturing-skills-gap.html>

McKinsey & Company report that operations-intensive sectors like manufacturing have

1.3x the automation potential of other sectors.¹⁴

In the midst of all of these limitations, manufacturing leaders are on the hunt for workers with the right requirements, skills, and capabilities, who can be trained and upskilled on a timeline that allows manufacturers to meet the demand for products in the U.S. and around the world.

But that's only the first part of the journey.

With the right talent in place, manufacturers must then be able to plug employees and employee data into a system that allows them to use every detail to their advantage. What today's manufacturing leaders need is an approach to workforce planning that matches the sophistication of the challenges it's facing — and the answer is data-driven workforce planning through human capital management (HCM) technologies.

SyncHR is a people management platform for the modern workforce that enables manufacturing companies to automate many of the tedious manual tasks that take away from the HR team's ability to strategically contribute to business growth.

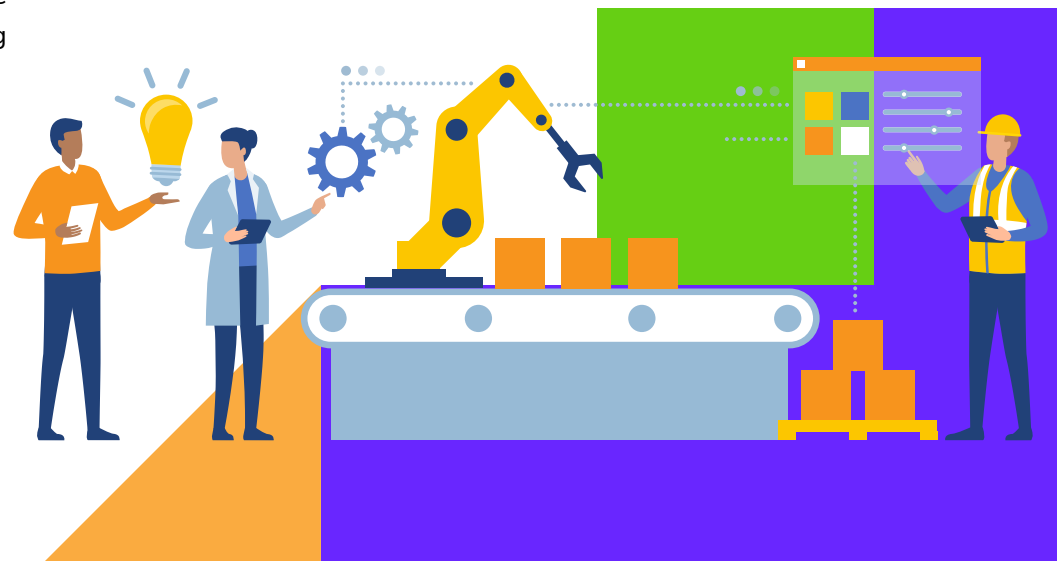
¹⁴ McKinsey & Company, <https://www.mckinsey.com/business-functions/operations/our-insights/building-the-vital-skills-for-the-future-of-work-in-operations>

Powerful Applications of Data-Driven Workforce Planning

Manufacturers intimately understand the benefits that can come from upgrading systems. Upgraded machinery, for example, can bring a powerful return on efficiency, productivity, and optimization. The same mechanics are at work when manufacturers apply new and advanced strategies to people operations.

For example, instead of being overwhelmed by the demand for onboarding and training courses with each influx of employees, a manufacturer could develop on-demand development courses that support continuous employee upskilling with very little hands-on maintenance. The HR team could also automate time card management and reconciliation through seamless integrations with core HR and accounting software, saving hundreds of hours of manual processing time each year.

And this is just the start of the applications of this powerful technology. SyncHR's integrated HR solutions deploy powerful tools like position-based architecture, time-machine technology, and learning and development support to help manufacturers hire, train, and manage a new era of manufacturing talent.





Position-Based Architecture

Dynamic, position-based architecture gives HR leaders the ability to view position data separate from employee data, enabling them to focus on workforce planning that is strategic to business growth.



Time-Machine Technology

Time-Machine Technology allows HR and finance leaders to view past, present, and future data to better view and act upon organizational trends. This provides unparalleled flexibility for predicting and responding to trends in the industry.



Learning and Development

SyncHR Learning and Development fully integrates with HR data, giving employees easy access to training and upskilling materials and a clear path to success, and giving HR leaders rich data about employee progress.

In a tight labor market, anything HR leaders can do to streamline recruiting and retention for positions and apprenticeship programs has a real impact. Manufacturing companies adopt these data-driven processes for strategic workforce planning efforts, making it possible to make progress towards important outcomes like the following:

Benefits of Data-Driven Workforce Planning



Enhance recruiting

Identify and recruit qualified talent before your competitors with a streamlined experience for candidates, hiring managers, and administrators.



Expedite onboarding

Faster and more focused training speeds up the time to productivity for new team members.



Labor cost controls

Rising productivity leads to lower turnover and more efficient processes, reducing barriers to productivity across the organization.



Payroll and benefits

Simplify benefits administration and reduce payroll processing time and entry errors using a central database.



Compliance and safety

Manufacturing businesses have an enhanced and unique set of safety and compliance standards to uphold, many of which can be automated with centralized policy management.



Improve agility

Manufacturers will have the talent data required to stay ahead of new technology and skillsets like artificial intelligence and machine learning.



Drive greater overall productivity

HR automation optimizes your organizational operations and frees up your HR team to strategically contribute to the growth of the business.



Improve the employee experience

Smooth onboarding, straightforward training, and clear communication from the HR team make for a positive employee experience in manufacturing.

By gathering all of this information in one place and creating processes around the collection and analysis of this data, your organization sets itself up to plan for an aging workforce, an evolving mix of talent needs, and the rapid growth that's about to take place despite an ongoing workforce shortage. In short, your organization sets itself up to be agile in the face of any challenge that might come up.



From an operations perspective, one of our primary competitive advantages is the ability to manage our manufacturing facilities daily, as opposed to monthly. The robust nature of our daily reporting means we need rock-solid time and attendance data, and a single source database for consistency and accuracy of all our data.”

- Randy Bell, Vice President, and CFO at Cascade Windows

[Click here to learn more about SyncHR's unique solutions for the manufacturing industry.](#)



Harness Your Hard-Working Data for Powerful Results

In the U.S., the manufacturing sector is operating at its highest activity level in 37 years.¹⁵ But it's not operating at its highest level of efficiency or strategy. There's still one lever left to pull to get the best results in your workforce strategy planning, and it's harnessing your people data to better fuel your workforce strategy planning efforts.

Harness your people data more quickly by turning to HCM technology. Because organizations that have a clear picture of in-demand skills in their workforce can meet digital transformation head-on and proactively build a talent strategy that meets the demands of the future. Organizations that don't have oversight into these important indicators will be left to react to changes instead of anticipating them, leaving them behind the curve for good.

15 Reuters, <https://www.reuters.com/article/us-usa-economy-manufacturing/u-s-manufacturing-sector-index-races-to-37-year-high-in-march-ism-idUSKBN2BO5RB>

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Learn how we are uniquely positioned to serve organizations with an employee size under 149.

150-500+ EMPLOYEES?

Learn how we are uniquely positioned to serve organizations with a large employee count.