Manufacturers are challenged to rebuild themselves as engines of opportunity and ideal places to work. Achieving transformation is possible through new technologies and tighter stakeholder alignment that includes employees.

Reinvigorating Talent Attraction and Employee Experience in Manufacturing

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Questions posed by: Oracle

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Q. What are manufacturing's biggest challenges in attracting top qualified talent, and what can the industry do to address these issues?

A. Manufacturers face a combination of talent challenges including:

» Declining preference among new job seekers for current manufacturing roles

» Higher costs from hiring overqualified candidates for manufacturing roles

» Geolocation disparities between where talent trains and where jobs are available

» Competition for strategic talent, especially as automation demands higher-skilled employees

These talent challenges pressure manufacturers even as supply chain disruptions lead to less predictable production cycles. Together, talent and operational strains squeeze revenue and cash flows, forcing manufacturers to prioritize addressing immediate talent or operational gaps before planning and investing in future workplace design.

Addressing talent shortages requires manufacturers to analyze every stage of the employee journey: candidate attraction, hiring, onboarding, development, and growth. Technologies that make applying for a job easy and intuitive will give candidates a positive first impression while making their experience simpler and preventing application disengagement. Post-hire, technology plays a significant role in driving ongoing growth, professional development, and well-being.

As older workers retire, manufacturers should take steps to retain knowledge of their product lines even as specs are digitized in the transition to additive manufacturing. As the workforce changes, organizations should use internal communications and feedback touch points to gather insights around employee sentiment. Included in the framework for sentiment should be each employee's willingness and capacity to upskill to better insulate retention and engagement from organizational transformation pressures.

Workforce insights allow businesses to monitor the pace of workplace transformation through their employees' eyes and advance employee expectations into transformation frameworks. Ongoing workforce sentiment assessments segmented by employee upskill potential can surface opportunities to adjust the pace and style of workplace transitions to focus on organizational strengths and establish plans to fill skills gaps.

As the workplace becomes more digital and flexible, manufacturers should routinely update their skills taxonomies and resulting workforce plans to target the skill sets of new employee and reskill existing employees.

Q. What are the challenges manufacturers face within and around employee experience, and how can they address them?

A. Manufacturers face calls for more flexible work, opportunities for equitable and employee-led career growth, and work experiences that are as intuitive as consumer experiences. Employees need timely access to vital company information to assist them in doing their jobs and in feeling connected and valued. Underlying these challenges is the need to simplify the work experience, increase career accessibility, and align the organization with talent values, such as diversity, equity, inclusion, and belonging (DEIB) and environmental, social, and governance (ESG) principles.

Understanding employee asks starts with active listening facilitated through conversations, pulse surveys, and systems engagement data. Feedback gives a voice to workers and supports immediate and/or strategic actions as close to the source of operational and/or workplace issues as possible. Feedback loops and open lines of communication support a culture of trust by including employees' needs in decisions for operational change. In responding to those needs, operational decision makers can help improve retention by promoting individual career journeys complete with transparency around pathways for skills growth linked to how the enterprise is evolving.

Gathering feedback at its source relies on expanding mobile access across the organization — including for deskless workers. Enhancing mobile access makes it easier for employees to engage with digital tools and provide feedback around moments that matter. Success in mobile design requires enterprises to strategically reduce how complicated it is for employees to access the tools they need when they need them. Digital assistance and personalized workflows backed by artificial intelligence (AI) and machine learning make it easier for workers to navigate to the tools they need when they need them while reducing time spent in the digital interface and away from their core responsibilities. The more employees engage the unified system, the more the system can configure to their behaviors and trends to individualize workflows and promote resources for training, growth, feedback, well-being, and more.

Digital consolidation in the HR toolset makes it easier for decision makers to understand trends within people analytics. Connecting HR data to resource planning and financial data further contextualizes the employee experience for HR systems, HR managers, and line-of-business (LOB) managers to produce smarter, more personalized employee journeys more quickly. For manufacturers, a single source of contextualized people data helps provide targeted experiences based on each employee's circumstances while enabling organizational leaders to tailor communications based on employee attributes such as role or location. Centralized guidance helps maintain internal work structures while increasing the amount of flexibility and number of choices that employees can leverage as they take charge of making decisions and growing their careers. Empowering employees, targeting communications, and increasing flexibilities in the context of work requirements improve loyalty, growth, and morale while supporting the operational requirements of the manufacturing environment.

Q. How can manufacturers address their widening skills gap?

A. As manufacturers move away from machine- and product-specific skills to adaptive skills that cover multiple functions, organizations must reskill employees to bridge the gap. Easy-to-follow onboarding and training initiatives are also imperative for developing new and existing staff. By taking advantage of AI-powered matching technologies, manufacturers can unlock better talent outcomes through learning recommendations for the development of adjacent skills, career development, and succession planning.

Organizational data unity supports ongoing and real-time understanding of the manufacturer's state of evolution at any level of the business. Analytical frameworks that account for contextualized employee data can model the future state of the workforce based on the current state of the organization and its business needs. Analytics support modeled change to include automated impact analyses to forecast skills gaps and emerging competency requirements as well as the underlying paces of change for both against projected timelines.

Layering real-time employee experience insights (feedback, sentiment, engagement) over the automated business state and skills demand forecast helps organizations evaluate how well the existing workforce can meet the needs of future skills demand. As the gap analysis evolves and new change models are tested, business and HR leaders can incorporate employee considerations for change, such as building toward DEIB benchmarks. In the case of DEIB, organizations can evaluate the current state of diversity against desired benchmarks, source areas of role inequity or inaccessibility, and model community partnerships to close equity and inclusion gaps without overcorrecting against their skills gap closure.

As the understanding of the skills gap evolution translates into automated workforce planning and forecasting, manufacturers can better optimize business changes against workforce impact, engagement, and equity to evolve the organization around employee sentiment, connection, and opportunities.

Q. How do manufacturers and employees align on their top priorities for the work environment?

A. According to IDC's employee experience surveys, manufacturers and their employees are most aligned on goals for:

» Improved work-life balance

» Stronger teamwork and collaboration

» Improved trust and value between the organization and individual employees

» Greater employee input in performance decisions and autonomy over personal growth

Alignment requires transformation of the business model to be more employee centric within the context of required procedures, standards, and regulations. Leading manufacturers are achieving transformative alignment with more flexible data strategies that support business adaptability through managed and progressive change.

Cloud-based human capital management (HCM) more easily reconfigures around employee experience tools to enhance personalization built on underlying data unity. Leading manufacturers, or the top 20% of organizations improving on strategic KPIs such as revenue growth, productivity, and retention, started in the cloud by automating and increasing connections through internal digital communications, feedback collection, and sentiment analysis. Expanded mobile access within workplace safety guidelines made it easier for employees to contribute insights in real time, such as alerting managers to problems, no-shows or late arrivals, and poor task or team dynamics. The top segment of leaders is also integrating organizational data across employee touch points to gain insights into employee journeys and extend journey autonomy to each employee.

The growth of connections and data touch points guides expanded digital resources in the flow of work for employees and provides context to better align manufacturers with their employees. Early alignment exists in schedule flexibility, enhanced workplace safety, well-being, increased access to appropriate technologies, improved communications, and the personalized curation of resources for growth at work. Leading manufacturers are also showing early signs of exploring alignment in areas where the operational model has traditionally lacked flexibility.

Q. How can manufacturers meet employee asks while still prioritizing corporate mandates such as compliance and workplace health and safety?

A. Meeting employee asks while prioritizing organizational mandates is an optimization challenge that benefits from improved communications-based transparency.

As manufacturers make changes to the digital landscape in preparation for a more flexible and inclusive operating model, they need to evaluate, set, and communicate compliance boundaries so that employees understand the degree to which their asks can be met. At the operations and strategy levels, managers and leaders need to lean into automated compliance resources that dictate the viability of action plans and resource use cases alongside employee experience and workforce planning criteria. At the same time, employees should be provided with ideation channels to be a part of the innovation and solution process.

Already, leading manufacturers are coloring inside the lines as they roll out flexible scheduling, automated shift swaps, digitally enabled approvals, and more in support of a more flexible work environment. Top-tier manufacturing leaders are modernizing and unifying their data strategies in the cloud across finance, operations, and HR to contextualize insights, unite stakeholders in decision making, and increase personalization in employee experience. Unifying stakeholders in decision making reduces time spent on proving decision viability while increasing all-around plan scrutiny based on compliance and workforce risks.

About the Analysts

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In her role for IDC, Lisa Rowan is responsible for global research on human capital and talent management software and services. Lisa provides expert analysis focused on both the business services and software used to address HR and talent-related dimensions. Her research addresses developments in human capital and talent management applications, HR consulting, and HR outsourcing services.

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Zachary Chertok focuses on employee experience (EX) and the specific areas of well-being, rewards and recognition, agile learning, engagement and connection, and people insights and solution strategy.
Zach provides expert analysis on how EX guides changes in the business vision; execution strategies across finance, HR, operations, and IT; and the people, tools, and resources that support an equitable relationship between the organization and its workforce.

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