

COMPETING FOR TALENT IN A TECH-CENTRIC WORLD

Companies need to go all-in on embracing digital tools, understanding demographic shifts in the workforce, and developing intentional succession planning.

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AS EVOLVING TECHNOLOGY CONTINUES TO SHAPE MANUFACTURING'S future, manufacturers will increasingly need to compete with innovative companies across a range of sectors for talent. In order to do so, businesses need to build forward-looking leadership teams that understand the desires of the rising workforce and what those future employees prioritize.

Advanced technologies should be firmly at the center of this effort, whether that means using virtual reality capabilities to provide workers with more innovative training and upskilling, exploring new ways to accommodate remote employees, or incorporating knowledge of new digital tools into the purview of senior leadership.

Along with embracing the way technology is reshaping the sector from the C-suite all the way to the shop floor, manufacturers that understand the growing importance of fostering a values-driven organization and company culture will fare better in the competition for talent not just among manufacturers but across the broader economy.

Time to Rethink the Employee Value Proposition

As technologies such as automation, Internet of Things-enabled devices, virtual reality, and cloud computing become more ubiquitous throughout the manufacturing sector, industrial companies will find themselves competing for talent with rivals they haven't dealt with as much before; traditional automakers and their suppliers, for instance, will be up against the Amazons, Teslas, and Microsofts of the world.

That will require companies to rethink their value proposition to existing and prospective employees. It's clear that employees want a modern, technological workplace; a Decem-

ber 2020 survey of nearly 1,170 frontline manufacturing workers found that 52% of respondents would consider leaving their current jobs to work in a more digital environment.

What's more is that "digital tools are being under-provided," according to that survey report from Parsable, a connected worker platform company. "Fewer than half (47%) of frontline workers surveyed are offered mobile technology (smartphone, tablet, wearable, etc.) to help them do their jobs better. Seventy nine percent still use paper to follow work instructions and track progress, resulting in lost visibility and lost opportunities to improve productivity, quality, and safety at scale.

There may be a perception in some cohorts—millennials, for instance—that legacy manufacturing companies lag in adoption of advanced technologies, but these businesses have a chance to make clear just how much technology is playing a role in the industry right now. Manufacturers should explore how technology might enable workplace flexibility, how digitizing some human resources functions could be advantageous, or new ways that automation could enhance training and reskilling efforts.

Taking such actions would demonstrate an understanding of how and why technology appeals to prospective employees, many of whom want to join a tech-forward company so they can continue learning and growing as

technology evolves. Much has been written about how advanced Industry 4.0 technologies can streamline operations and boost efficiency, but investing in these technologies is also crucial for attracting and developing a high-caliber workforce.

Demographic Workforce Shifts

Beyond technology, manufacturers also need to keep up with the growing importance of environmental, social, and governance (ESG) issues to employees, as well as new trends in how people work. Organizations should look at ESG as a workforce strategy that will be especially key to attracting new talent in an industry already grappling with significant job openings and looming implications of an aging workforce.

As businesses in all sectors move away from having strictly a shareholder focus and toward a broader stakeholder focus, it will become the norm for prospective talent to factor how well they align with a company's ESG priorities into their decision about whether to take a job. All companies are going to have to adjust to these newer expectations, but manufacturers could face unique hurdles given the perception that the sector is less sustainable than other industries.

ESG priorities will be particularly important as socially conscious millennials and Gen Z-age workers rise in the workforce. (And, in fact, those two groups already make up 46% of the full-time U.S. workforce, according to Gallup.) But shifting demographics will also

push manufacturers to be more flexible with employee work arrangements, allowing people to work in ways they know they work best.

The surge in remote work from the pandemic will make it tough to go back to an environment in which in-person work is required the way it was before, and manufacturers need to leave that version of the world behind. Embracing technologies to allow flexible work arrangements will be a baseline requirement for businesses to be competitive moving forward, and not just for white collar office workers; companies can now hire remote plant managers, as long as they have the digital tools to be able to monitor the plant location from afar.

These possibilities also mean companies outside of major cities face a new landscape when it comes to recruiting and retaining employees. Their talent pool may be broader if they have the technological capabilities in place to hire someone remotely, but they also may face increased competition they are less accustomed to than businesses in larger metro areas.

Intentional Succession Planning

Strong leadership teams and intentional succession planning are necessary foundations to any efforts around technology and workforce development. Too many manufacturing companies lack well thought-out succession planning at the executive level, but having such plans in place is key not just for operational success but also for developing clear values and a cohesive company

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culture—things that are becoming more important in the battle for top talent.

Companies should develop a plan, identifying critical roles all the way from top executives to site supervisors, plant managers, and shift supervisors, to formalize who is next in line for these positions. Teams should also have a process for training those who are part of those succession plans to ensure they have developed the skills they need by the time the transition arrives.

Technology can be an important tool in developing clear succession plans, especially for manufacturers who rely on the longtime knowledge of some C-level executives but don't have that knowledge formally documented in an accessible way. Seventy-nine percent of respondents to Parsable's survey of frontline manufacturing workers said they use/rely on paper-based documentation to follow work instructions or track their work. Digitizing those processes—from high-level to shop floor—is necessary if manufacturers want to ensure smooth operations as leadership teams change.

Fostering the Future

Manufacturing leadership teams should be proactive about performance management and identifying which employees excel in specific areas, so they can provide the resources

needed to cultivate those skills. But part of a tech-focused future means that leaders can't always evaluate employees based on today's standards—rather, they must evaluate them based on how well prepared they are for the future of manufacturing, including a heavy focus on digital fluency and ability to adapt to change. Senior leadership should also have strong technical backgrounds themselves.

Equally important in developing a high-caliber workforce is evaluating compensation structures, reward systems and benefit plans to make sure they are still competitive. At a higher level, though, companies need to determine where they may need to make wholesale cultural shifts to attract the next generation of employees and leaders.

“Gen Z and younger millennials want leaders who support a diverse and inclusive workplace,” according to Gallup's article from March. “They demand respect, equity and inclusion—and they are voting with their consumer and employment choices. Diversity, equity and inclusion (DEI) is not a ‘nice to have’ for this generation; it's an imperative that is core to their personal identities.”

Leadership needs to set the tone for such priorities at the executive level and make sure they are incorporated and communicated throughout the entire organization. The only way for manufacturing companies to cultivate a cutting-edge, next generation workforce is for the current leaders to recognize the importance of these shifts in technology, ESG and employee values and adapt to them. **M**



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