A Step-By-Step Guide for Overcoming the Supply Chain Talent Shortage

toolsgroup®

Introduction

When will the supply chain catch a break? Despite the pain of the past two years, disruptions continue to reverberate throughout the global economy. The shortage of supply chain talent has reached critical status—right up there with shipping delays, escalating transportation costs and materials shortages.

In this guide, we zero in on how supply chains can attract, develop, and retain top talent. With the acceleration of supply chain and digital technology investment, the war for talent will only intensify. We've got you covered with expert advice, insights, and real-world strategies you can apply right now to meet your recruitment goals.

Included in This Guide:

Part 1
The Reason for the Talent Shortage

Part 2
Effective Strategies for Supply Chain Talent Recruitment

Part 3
Mistakes to Avoid When Recruiting Supply Chain Talent

Part 4
Hold on to Your Top Talent with These 5 Retention Strategies

Part 1: The Reason for the Talent Shortage

Just like modern living, the supply chain has grown exponentially more complex. That complexity has led to a talent squeeze. Issues such as technological advances, an aging population, COVID, increased competition, and rising customer expectations have created a perfect storm.

In the 2022 ToolsGroup/CSCMP Digital Supply Chain Planning survey[1], 93% of respondents said they were actively engaged in the transformation process. But success heavily hinges on the right talent.

Today, the ideal employee has both tactical and operational expertise, as well as analytical skills. Fifty-eight percent of companies say that this combination of skills is hard to find.[2]

Take the role of the planner for example. It's been expanded to include an improbable mix of technical analytical skills and what are often unfairly branded as 'soft' communications and interpersonal skills. A recent, typical job ad for a demand planner lists technical criteria including APICS and Six Sigma certification, alongside "negotiation, communications and presentation skills."[3]

All these factors are a clear indication that the talent crisis won't let up anytime soon.

Part 2: 5 Effective Strategies for Supply Chain Talent Recruitment

// Hire a Search Firm or Recruiter that Specializes in Supply Chain Talent
It's highly unlikely you would take serious financial advice from someone with zero experience. The same principle applies when recruiting supply chain talent. A general recruiter doesn't understand the inner workings of the supply chain, so a specialist is called for.

But don't stop there. Many firms have experience in recruiting at the executive level for supply chain but fall short for other roles like procurement or planning. Recruiters should be as specialized as the roles you want to fill.

Recruiters should be as specialized as the roles you want to fill.

// Create Your Own Supply Chain Talent Pipeline by Partnering With Universities

Given the current environment, it may be time to take a more proactive approach to filling your talent pipeline. Companies like KORE Power, Lucid Electric Vehicles, and Boeing partnered with local colleges and universities to create their own specialized training pathways or created boot camps for customized, hands-on training.[4]

Universities are preparing the next generation of supply chain leaders and this is fertile ground to build your talent pipeline. You or other executives within your company may consider teaching a supply chain course or serve as a consultant with administrators to develop or expand their supply chain curriculum.

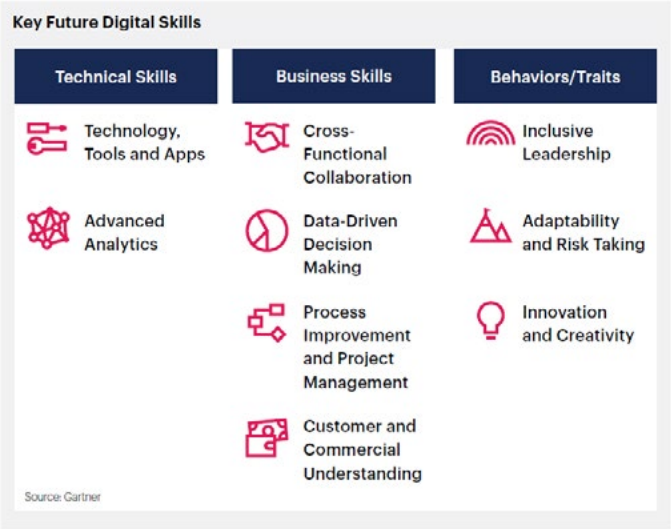
"We're trying to get our students a well-rounded understanding of the supply chain, and not limit ourselves to just one area," says Brian Gibson, PhD, a supply chain management professor at Auburn University. "More schools are going to a broader focus to appeal to a wider variety of students, and to satisfy an increasing number of employers that come to them."[5]

Walmart has teamed with the MIT Center for Transportation and Logistics (MIT CTL) to create a new custom course in supply chain management for its supply chain associates from underrepresented communities who are on a leadership track.[6]

Cisco created the Networking Academy, which became a critical component of the State of Michigan's education efforts into STEM through the State Digital Acceleration (SDA) program, investing to create a new generation of a globally competitive workforce.[6]

You don't have to be a tech or retail giant to see the value in creating your own version of a supply chain talent pipeline. According to a report in the Harvard Business Review, the prevalence of STEM jobs, a proxy for innovation potential, is almost five times higher in the supply chain economy than in the B2C economy.[7]

As difficult as it is to fill current openings, you must also think about the future. What skills and roles will be necessary and what will your staffing needs look like? Roles such as data scientists and data engineers are needed for digital planning and won't be easy to fill. The graphic below shows the nine future digital skills you should be thinking about if you haven't already.[8]



// Reputation Matters: Advertise Your Company Purpose

With a tight labor market, you can't afford an identity crisis. According to one McKinsey Study, 89% of employees want purpose in their jobs.[9] This means you should be clear about what you're offering employees. How is their employment going to advance your company mission?

"People are attracted to mission, so make sure your mission is consistent from all those involved in the interview process. Outline your company's vision for future growth, illustrating where you are and where you aspire to go."

Doug Johnson, President, Valor Partners

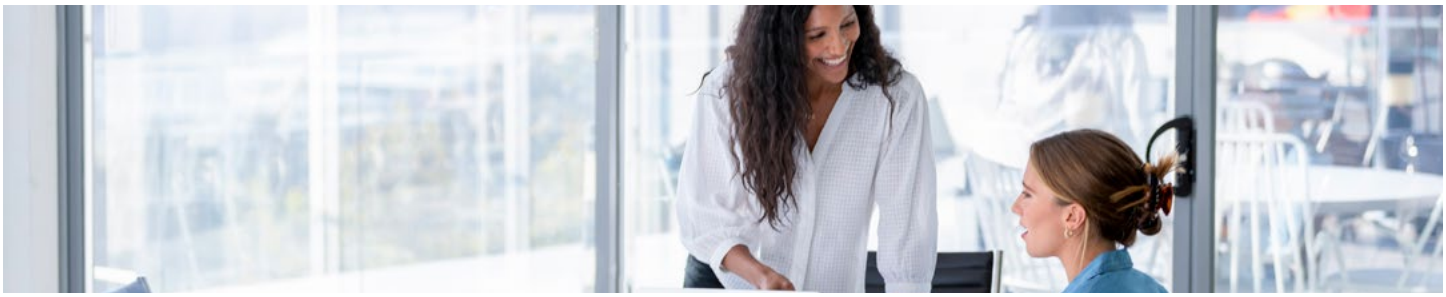
An astounding 31% of employees quit within six months of starting a new job[10] so reputation and first impressions matter:

- Use the interview process to understand your candidate's aspirations and expectations and to communicate growth potential from the get-go.
- Create a smooth onboarding process. Pair new employees with mentors, facilitate connections with different departments, and continually check in to see how things are going.

// Tap Into Supply Chain Associations and Groups
Top supply chain associations and groups such as the Council for Supply Chain Management Professionals (CSCMP), Supply Chain Management Professional (SCMP), Institute for Supply Chain Management (ISM) and the Material Handling Industry of America (MHI) represent huge opportunities to search for talent. Attend chapter meetings or consider sponsoring a local event. The goal is to network and gain visibility for your organization.[11]

// Post on Niche Instead of Generalist Job Boards
Like finding the niche recruiter to help you find the right candidate, you must also post on niche job boards. Here are a handful to consider:

- Supply Chain Careers
- Association for Supply Chain Management
- Supply Chain Management Talent Group
- Jobs in Logistics
- Supply Chain Management Jobs



Part 3: Mistakes to Avoid When Recruiting Supply Chain Talent

// Forgetting to Optimize Job Descriptions
It's no longer enough to list a series of tasks associated with the job. Instead, focus on the scope of responsibilities, key functions or roles the position will engage with often, and the core challenge the position will solve.

The job description also presents a good opportunity to brag a little. Describe your company culture: What makes yours different from other companies the candidate may be considering? Karen Etzkorn, CIO of Qurate Retail Group suggested during the 2022 National Retail Federation (NRF) Conference that companies may be focusing too much on hiring the cultural fit and should also hire for cultural "add".

Lastly, anticipate and be ready to answer questions about career growth and trajectory. In other words, what's in it for the candidate? Think of it as an audition for both prospective employer and employee.

// The Purple Squirrel Syndrome
A close cousin to not optimizing the job description is the Purple Squirrel Syndrome, a laundry list of qualifications and skills that the ideal candidate "must meet". Recognize that hardly anyone can meet those lofty standards.

Instead, be flexible. This approach will yield better results. Maybe a candidate doesn't have experience in your industry specifically, but they can still leverage their core skills to be successful in the role you're hiring for. Keep an open mind, otherwise, you risk missing out on Grade A talent that could make a difference in your business.

// Long, Drawn Out Interview Processes

Remember, first impressions count. While you must perform due diligence to ensure you make the right hiring decisions, a long, drawn out interview process is a turn-off for candidates and sends a bad signal about your organization.

Keep in mind your competitors are most likely fishing from the same pond for top talent and you could lose out to them if your hiring process is overly complicated. Simplify the process, avoid multiple rounds of interviews with multiple people and stay in communication about next steps.

Part 4: Hold on to Your Top Talent with These Retention Strategies

Now that you've recruited the best and brightest, retention is just as important. Remember the pain you endured to recruit those hard to fill roles in the first place? It's even costlier if those employees leave. Here are a few retention strategies to keep your talent happy and thriving.

// Maintain or Increase Work Flexibility

Work flexibility is now an expectation, especially if you want to retain Millennial and Gen Z talent. Gen Z and Millennials are far more likely to favor remote or hybrid working situations over traditional 9-5 work hours in an office.

say a flexible work schedule is top work benefit[12]

of workers age 57+ are eyeing work from home opportunities

"If companies want to compete for some of the best talent in the world, they are going to have to offer some form of work flexibility. I don't think that we'll be going back to black-and-white statements about being in the office or completely remote. There will need to be flexibility on both sides — flexibility to be remote and flexibility to have a physical office."[13]

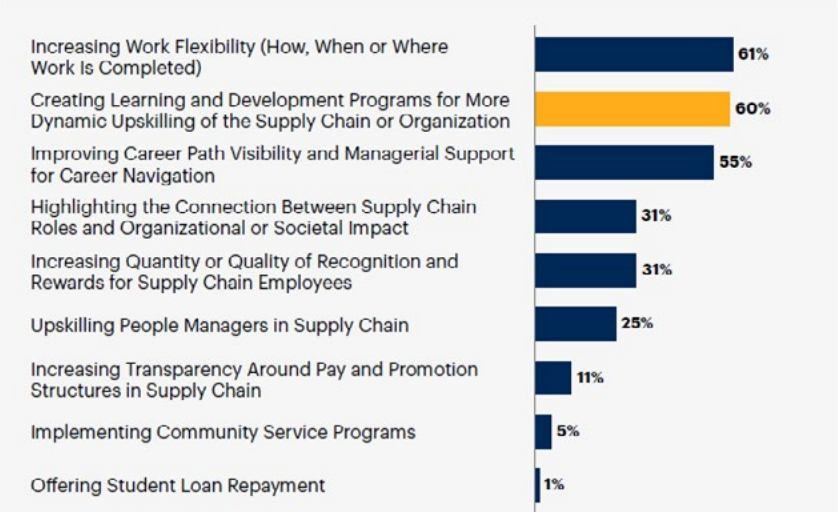
Mark Delaney, Director, Chief of Staff to the COO, Lenovo Infrastructure Solutions Group

// Upskilling, Retraining, and Development

Upskilling—defined as training or education that teaches new skills or advances existing skills— is becoming a sought-after employee benefit— and a powerful talent attraction. For workers, benefits such as better career advancement prospects are important when evaluating potential jobs. Overall job satisfaction, increased standard of living and better quality of life are major benefits of upskilling.[14]

Gartner's 2021 Gartner People and Purpose-Centric Supply Chain Survey found that 60% of supply chain leaders are creating learning and development programs for more dynamic upskilling of the supply chain organization as a means of engaging and retaining the next-generation workforce.[15]

Figure 1. More Dynamic Upskilling of Supply Chain Workforce Is a Top Next-Generation Retention Tactic



Source: Gartner's 2021 Gartner People and Purpose-Centric Supply Chain Survey

// Conduct Regular "Temperature Checks" With Employees

Don't underestimate the importance of a 1:1 conversation, and help employees feel at ease providing honest feedback. They may say things you don't want to hear, but it's better you hear it in the office than see it on a job review site.[16]

"Conduct a 'stay' interview. Identify those employees integral to the growth of your company or those you think are flight risks. Sit down with them. Ask them how they're doing and ensure their personal and professional needs as an employee are being met."[16]

Sarah Vorhees, VP of Demand and Inventory Planning, American Tire Distributors.

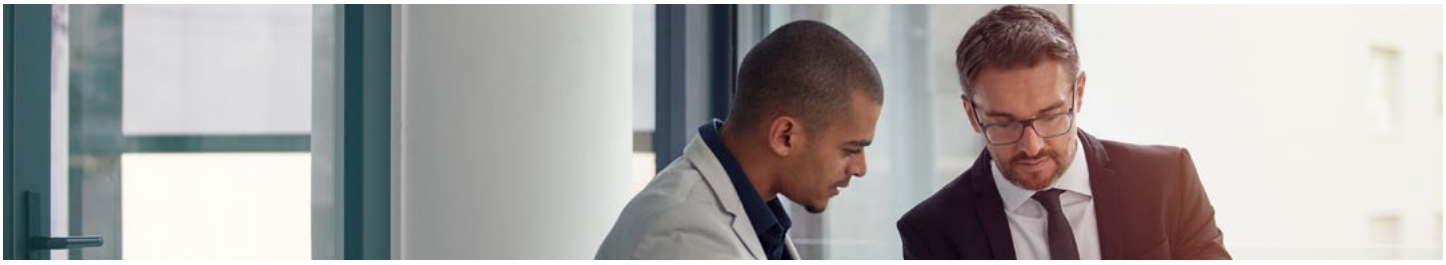
// Recognize and Acknowledge Employee Contributions

Holding on to long-time employees helps limit the loss of industry and company-specific expertise and knowledge. Take time to acknowledge how each employee's role benefits the company and the employee community.

Fifty-three percent of employees want more recognition from their immediate manager[17], so celebrate the victories and recognize individual contributions. If you're still not convinced, the numbers say it all. Organizations with sophisticated recognition programs are 12 times more likely to have strong business outcomes, and they have 31% lower voluntary turnover.[17]

// Avoid Employee Burnout

Ensure work-life balance isn't just a convenient buzz phrase. Encourage employees to take time off and lead by example. One study revealed that 40% of respondents listed burnout as a top reason for leaving their jobs.[18]



In March 2022, 81% of Americans said the supply chain is a significant source of stress.[19] So imagine how supply chain employees feel.

"It's been the hardest year for logistics and supply chain managers," said Jeremy Pafford, managing editor for the Americas at Independent Commodity Intelligent Services (ICIS). "They always say the most stressful job in the world is being an air traffic controller at any airport … I'd venture to say that being a supply chain manager is that—or worse—this year."[20]

Although workplace stress is unavoidable in most instances, there are steps you can take to help employees better manage stress. Consider these tips:

- Use communication and flexibility to create a culture of compassion
- Help employees connect with co-workers
- Automate tedious tasks

Reduce frustration by investing in the right tools for the job. Whether you're implementing automation or embracing digital transformation, invest in technology to support your people, and train your employees to use these systems effectively.

To demonstrate how important retention is, consider these crucial employee retention stats.[21]

65% of employees think they can find a better position elsewhere

Employee retention rates hit a record low in March 2020

By 2030, low retention will, on average, cost the US $430 billion annually

Good retention can multiply company profits by up to four times

87% of HR experts consider employee retention among the highest priorities

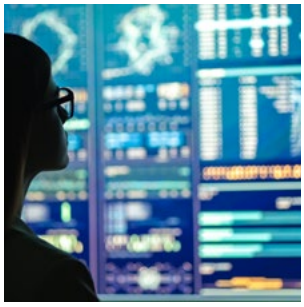
20% of turnover happens in the first 45 days of work at a new company

+ Conclusion

We hope this guide helps energize and inform your talent strategy. The labor shortage is different for every organization. Even if you have limited resources, you can still compete with a carefully designed strategy that considers your business needs. It's also important to consider what new skills and perspectives may be absent in your business that could foster innovation and growth. Determine where you can be flexible and where you can't and what unique perks you can offer candidates.

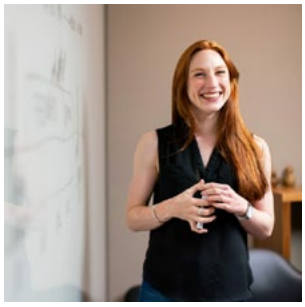
+ Check out these additional resources for more tips and insights:

Video: 3 Strategies to Overcome the Supply Chain Talent Shortage



Ebook: How AI Supply Chain Planning Automation Elevates the Role of the Planner

Cartoons: Get a laugh with the lighter side of supply chain



Blog: Strategies for Managing Stress in the Workplace: Advice from 30 Experts Across the Globe

[1] 2022 ToolsGroup/CSCMP Digital Supply Chain Planning Survey: https://www.toolsgroup.com/resources/digital-transformation-supply-chain-planning/
[2] https://supplychaincareers.com/supply-chain-talent-shortage/
[3] How AI Supply Chain Planning Automation Elevates the Role of the Planner: https://www.toolsgroup.com/resources/supply-chain-planning-automation/
[4] To Overcome Talent Shortages, Many Companies are Creating Their Own Recruitment Pipelines. Harvard Business Review. February 25, 2022
[5] The Supply Chain Curriculum: How Universities are Preparing the Next Generation of Leaders. Supply Chain Dive: https://www.supplychaindive.com/news/supply-chain-education-curriculum-talent-crisis/440394/
[6] Gartner: U.S. Review of Supply Chains Magnifies Massive Talent Shortage. Published May 18, 2021
[7] The Supply Chain Economy and the Future of Good Jobs in America. Harvard Business Review. March 9, 2018
[8] Gartner: 9 Skills that Fuel Digital Supply Chain Planning
[9] Help Employees Find Purpose or Watch Them Leave. McKinsey. April 5, 2021
[10] 30 Troubling Employee Retention Statistics. Legal Jobs. February 1, 2021
[11] 7 Creative Ways to Find Supply Chain Talent: https://www.supplychain247.com/article/7_creative_ways_to_find_supply_chain_talent
[12] Employers are Upping Pay and Benefits to Keep Workers from Resigning. https://fortune.com/2022/02/23/employers-increasing-pay-benefits-workers/
[13] Gartner: How to Retain Millennial and Gen Z Talent. 2021
[14] The American Upskilling Study. Gallup & Amazon. 2021
[15] Gartner: 2021 Gartner People and Purpose-Centric Supply Chain Survey
[16] The 2022 Labor Shortage: 4 Concrete Tactics to Combat Employee Turn-Over and Source Staff: https://www.toolsgroup.com/blog/labor-shortage/
[17] The Importance of Employee Recognition: Statistics and Research: https://www.quantumworkplace.com/future-of-work/importance-of-employee-recognition
[18] The Great Resignation Update: Limeaid Employee Care Report: https://www.limeade.com/resources/resource-center/limeade-employee-care-report-the-great-resignation-update/?utm_source=newswire&utm_medium=press_release
[19] Stress in America™ Infographics: March 2022: https://www.apa.org/news/press/releases/stress/2022/infographics-march
[20] Chemical Shortage Inflates Paints and Plastics Prices: https://www.pbs.org/newshour/economy/chemical-shortage-inflates-paints-and-plastics-prices

© 2022 ToolsGroup. All rights reserved.