Supply Chain Success Begins with an Engaged Workforce

Contributed by Adam Cobb, Certified Human Capital Strategist; Halogen Software

In the manufacturing world, operations must run like clockwork. If any one area falls behind schedule, it will impact every link in the supply chain, from assembly and packaging to warehousing and logistics. Broken links can be costly to manufacturing firms in terms of both the top and bottom line.

Keeping the supply chain seamlessly moving along depends not only on the state of the equipment, but also the state of the workforce. In other words, supply chains are only as good as the people who play a part in keeping them going. This underscores the need for every employee from the shop floor to head office to be focused on and aligned with their company’s corporate strategy. Without focus and the alignment, productivity can suffer and employee turnover can rise, which isn’t an ideal situation in an industry facing a looming skills gap.

In fact, according to Deloitte, “A skills gap is the US manufacturing sector’s Achilles’ heel, with nearly 3.5 million jobs at stake over the next decade. It is no longer a short-term issue of filling current hard-to-fill open positions, or one that can reasonably be expected to be solved in time by government policymakers.”

What’s the secret to keeping the workforce focused, productivity high and employee turnover rates low? That’s where employee engagement comes in.

Why employee engagement makes good business sense

Employee engagement can be described as the emotional commitment the employee has to the organization and its goals. “This emotional commitment means engaged employees actually care about their work and their company. They don’t work just for a paycheck, or just for the next promotion, but work on behalf of the organization’s goals.”

Does employee engagement affect business results? The research says yes. In a Towers Watson study of 50 companies over a one-year period, organizations with high employee engagement had a 19 percent increase in operating income and nearly 28 percent growth in earnings per share (EPS). Conversely, companies with low levels of engagement saw operating income drop more than 32 percent and EPS decline 11 percent.

How can manufacturers drive higher employee engagement and performance, and prevent skilled workers from leaving? The answer lies in implementing talent management best practices.
Best-practices for engaging employees

Here are some best practices that have been proven to foster employee engagement.

Set meaningful goals

Setting meaningful goals for employees that reinforce their contribution to the company goes a long way toward improving engagement. Through these goals, individuals understand what’s expected of them, and how their work supports the company’s mission and success.

Specific, measurable, achievable, realistic and time-bound goals (SMART) are broadly recognized as the most effective way for managers and employees to have a shared set of expectations. SMART goals let employees know what is expected of them, how success will be measured, and when they must complete work.

And, perhaps most important, goal-setting helps align individual goals with the organization’s high level goals and demonstrates to the employee how their work contributes to the organization’s overall success.

Link recognition with performance goals

Employees need to feel that their company rewards performance fairly and equitably. This applies to work/project opportunities, promotions, and awards, but especially to all areas of compensation, including base pay, bonuses, and stock options if applicable.

Management should know how to tie recognition with individual and company goals. Linking recognition and certain behaviors helps to increase engagement which can drive higher productivity and better performance. For example, if plant safety is a corporate goal, employees should be rewarded for fewer accidents or even coming up with recommendations to prevent accidents. By involving employees in the goal process this way, they become more engaged and also accountable for achieving them.

Provide career development opportunities

Employees need to feel that they have a future with the organization and a career path that helps them develop their knowledge, skills and abilities. Career development comes in many forms, from skills training and new work assignments to mentoring programs. Development plans can be created and linked to a competency (e.g., team work) to address a skill gap, or created separately to support goal progression or the employee’s general career interests.

Engagement and the well-oiled supply chain

As manufacturers face approaching skill gaps, employee engagement will become even more critical for supply chain success. If employees’ emotional commitment to the organization and its goals begins to wane, lower performance and workforce attrition will likely follow, leaving behind a corroded supply
chain. How can manufacturers keep their supply chains well-oiled and efficient? Given the link between employee engagement and organizational performance, taking some time to explore and implement talent management practices will be time and money well spent.

Author Bio

Adam Cobb is a Regional Sales Manager at Halogen Software and a certified Human Capital Strategist. In his role at Halogen Software, an organically built cloud-based talent management suite that reinforces and drives higher employee performance across all talent programs (recruiting, performance management, learning and development, succession planning or compensation), Mr. Cobb has directly worked with hundreds of human resources professionals to plan and implement integrated talent management systems in support of their organizations' strategic plans. With more than a decade of software solutions experience, Mr. Cobb applies his expertise to help Halogen's clients build solid business cases for investing in automated talent management systems.

