

## AND PLANNING ENABLES MANUFACTURERS TO MATCH SKILLS TO KEY ROLES AS THEIR BUSINESS NEEDS CHANGE.

By Marty Weil

**N**umerous studies have shown that companies that excel at nurturing employees tend to be more profitable than their industry peers. But, like almost everything in business these days, the nature of what constitutes good human capital management is changing. This has many companies rethinking their whole approach to their workforce.

"We're seeing a lot more interest in managing talent throughout the entire lifecycle of an employee's relationship with an organization, from the time they're hired until they separate from the company," says Jim Holincheck, a managing vice president at Gartner, Inc., a Stamford, CT, research and advisory firm.

Holincheck says macroeconomic forces, such as increasing global competition and constantly changing customer preferences, are forcing companies to adjust workforce management strategies. "Executives are starting to realize that they have to optimize all their resources, including people, to support the company's business goals," he says. "This problem is especially acute in manufacturing because profit margins are small. That's why we see manufacturers looking more at methods to control labor costs and ensure that they have the proper resources to do all the work that needs to be done."

Matthew Arrigale is vice president of human resources for Schott North America, an Elmsford, NY-based manufacturer of specialty glass and other materials used in the automotive, electronics, and pharmaceutical industries. He says the trends

Holincheck cites have affected the way he approaches his job. "As a company, we make sure that we take care of the manufacturing machines that make products for our customers," he says. "We want to do the same with our most important asset — our people — and make sure we always have the very best people in the critical roles that affect customer and shareholder value."

At times, Arrigale says, getting the right people in the right spots requires shifting workers around, and that impacts the company's approach to hiring. "Because our industry changes so much, we rely on employees to show flexibility," he says. "We want people, including those on the manufacturing floor, to be open to changes in processes as well as be innovative, participative, and show traits such as entrepreneurship."

Even if workers have those traits, a company won't be able to take full advantage of them without a well-defined human capital management strategy. That's why human resources consultants are now advising companies to adopt disciplines such as workforce planning and analytics. These tactics entail keeping current records of all skills possessed by each

employee, periodically checking to see whether those skills have been upgraded, and noting anywhere else in the organization they might prove useful. Having this type of evolving database makes it easier to locate the appropriate individuals to respond to new business opportunities.

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Gregory Michaud, principal at Bradford Hill Associates, a North Andover, MA, HR consulting firm, says the senior management at a manufacturing client asked him to create an electronic dashboard to track its effectiveness at putting people in the right places. The ultimate goal, in this case, was to identify when people were ready for particular management positions. But, Gartner's Holincheck says, information technology can help to ensure that a company has the right people for any position.

Vendors such as Infor, Kronos, Lawson, Oracle, RedPrairie, SAP, and SuccessFactors, are developing tools that assist in tracking employees' skills, but Holincheck encourages companies to also use social networking platforms, such as LinkedIn, to identify and track people outside the organiza-

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Managing Vice President, Gartner, Inc.

tion. "Some uses for social media are pretty straightforward, such as recruiting and training," Holincheck says. "But you also can use them to create alumni networks for people who have left your company so you can continue to keep in touch with talented individuals."

Michaud agrees this is a good tactic, particularly in today's fast-moving economy. "There is no way a company can adequately develop all the people it will need to fill key roles when business strategies change so often," he says. "You need good external contacts to help you find people at other companies that you may be able to pluck when a particular need arises."

The bottom line when it comes to managing employees in today's economy is to understand how this discipline can help boost the bottom line. "The best senior HR people are businesspeople first," Michaud says. "They must understand the company's business strategy, its budget goals, and so forth. That helps them understand how and where to deploy people to achieve those numbers. It goes beyond just counting the number of training sessions you've conducted." **ME**

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MANUFACTURERS NEED TO FOCUS ON  
LEAN AND EFFICIENT INNOVATION PRO-  
CESSES TO ACHIEVE A BALANCE BETWEEN  
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FOCUS AND STABILITY.

By Joe BarKai