



The Emerging Operational Talent Gap: 4 Reasons Why It's Growing

U.S. manufacturers and supply chain operations are struggling to find qualified leaders. And the problem is only getting worse. Understanding what's causing the operational talent shortage can help the industry find both short- and long-term solutions.

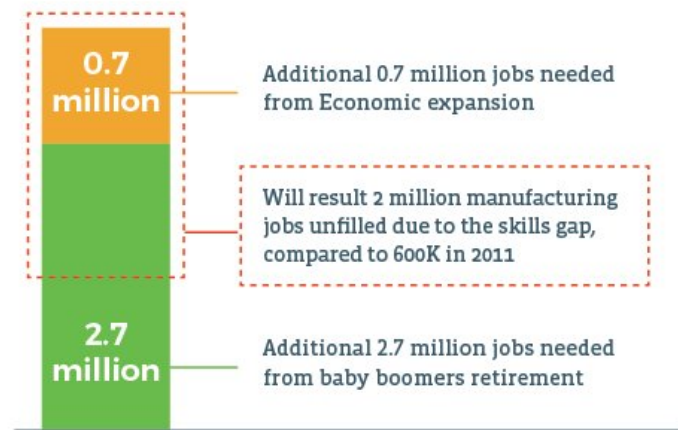
Talent Gaps Are Widening For U.S. Manufacturers

According to the Bureau of Labor Statistics (BLS), by 2025, there will be more than 2 million unfilled manufacturing jobs in the U.S. A Deloitte executive survey shows that many companies are already feeling the pinch, specifically when it comes to skilled production workers. By 2020, 63% of manufacturers will experience a skills shortage in this area. Many will also be hard pressed to find the engineers and researchers and scientists their organizations need to succeed.

Operational and supply chain leaders are in short supply, too. Industry Week suggests that nearly 60% of companies face leadership talent shortages, and those shortages negatively impact company performance. Manufacturers and supply chain operations

are not exempt from experiencing the management dilemma.

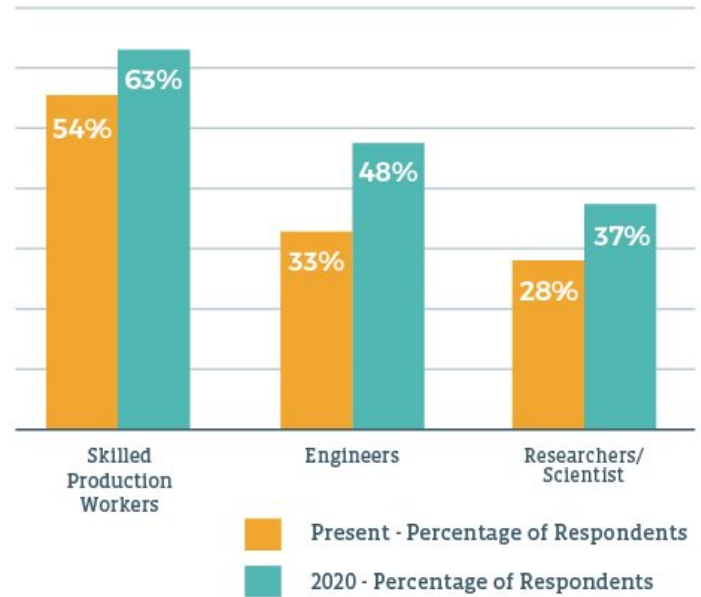
U.S. Talent Shortage 2015-2025



2015-2025, ~3.4 million manufacturing jobs likely need to be filled. The skills gap is expected to result in 2 million jobs unfilled.

Source: Bureau of Labor Statistics (BLS)

Skills Shortage by Workforce Categories



Source: Deloitte Executive Survey

4 Reasons Behind the Operational Talent Shortage

In the U.S., many factors are converging to result in a “perfect storm” scenario that is depleting the pool of available operational talent. Here’s a look at what’s contributing to the problem:

1. Baby Boomers Are Retiring Faster Than Ever.

As hundreds of thousands of baby boomers leave the workforce over the next decade, they will leave a large gap to fill, particularly in skilled production positions, which account for over 50% of the manufacturing workforce.

2. STEM Skills Are in Short Supply.

The nature of manufacturing work has changed, and manufacturers increasingly need workers capable of mastering advanced technologies, working in highly collaborative team environments, using critical thinking and problem-solving

skills, and adapting to ever-changing environments.

Unfortunately, current employees are deficient in the skills needed to work efficiently with “smart” machines and systems. Equally discouraging, current K-12 students, who represent the next generation of workers, lack STEM skills too. This will only further reduce the pool of qualified candidates for the future advanced manufacturing environment.

3. **Manufacturing Jobs Get a Bad Rap.**

The perception of manufacturing jobs among job seekers is decidedly NOT positive, especially among young workers. The image problem means fewer people are interested in production occupations and pursuing a career in the manufacturing profession.

Lack of awareness and understanding about the industry, coupled with poor engagement, have contributed to this wrong perception and resulted in insufficient manufacturing-related learning curricula and educational programs that could attract and groom candidates for these jobs.

4. **Supply Chain Positions Require a Much Broader Set of Skills.**

Studies suggest that the demand for supply chain professionals already exceeds supply by a ratio of 6:1. That gap could widen: the bureau of Labor Statistics reports that jobs in logistics are estimated to grow by 26% between 2010 and 2020.

The demand for skilled supply chain professionals is a result not only of the increasing complexity of globalized supply chains, but also the supply chain’s growing role in an enterprise’s success. These factors mean that today’s supply chain professionals need to bring a comprehensive set of skills to the table, including experience in operations research, supply chain engineering, statistical process control, and data analysis and simulation, along with soft skills for managing relationships up and down the supply chain. This combination of expertise is often hard to find.

Addressing The Operational Talent Shortage Today And Tomorrow

Clearly, there is much work to be done by the industry and other stakeholders to develop the workforce needed to fill current and future manufacturing and supply chain roles. Creating greater awareness of manufacturing as a desirable career path and developing the appropriate training and education programs to teach needed skills are a must.

In the meantime, manufacturers that need operational and supply chain leadership now may want to consider interim talent as part of their workforce strategy. Having access to a highly qualified, vetted, and ready-to-go pool of short-term leaders can help companies fill their existing gaps while they search for permanent replacements.

Consider Interim Talent for Your Operational Staffing Needs

TBM Leadership Solutions, LLC maintains a talent pool that offers pre-identified, fully-vetted contingent labor resources. Read our recent infographic, [Interim Talent: Your Solution to Operational Leadership Gaps](#), to learn more about the cost of leadership vacancies and how an interim talent strategy could help.



Shannon Gabriel, Managing Director, Leadership Solutions Practice

Shannon Gabriel is Managing Director of TBM's Leadership Solutions practice where she leads the organization's comprehensive approach to operational leadership and change management by assessing current leadership capabilities, gaps, or risks.