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Reasons for the Supply Chain Talent Shortage & How are Companies Adapting

By Joshua Stack Published On: December 2, 2024

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opportunities. The supply chain talent shortage is helping to propel a lot of young folks into lucrative career paths.

For at least the last decade, as supply chain management has changed, there has been a shortage of talent, and it continues to get more severe. This is true across all industries and across the globe. Demand for supply chain talent is at an all-time high as companies have recognized the importance of global supply chains for their success. Through studies by various organizations, it is shown that companies with high-performing supply chains achieve revenue growth well above the industry average. And without talent, you can't reach a high-performing supply chain.

An [article](#) by Deloitte, titled "The Supply Chain Paradox—High priority, low stakeholder engagement," states that supply chains have grown increasingly global and complex, enabled primarily by advanced digital and physical technologies. As a result, supply chain management has evolved into a process that is less linear, more interconnected, and more responsive to change. As this transformation of the industry is occurring, there is significant demand for professionals at all levels, from entry-level to executives. Simultaneously, as demand is increasing, we are seeing a shortage of talent every year.

In this article, we take a look at what is causing the supply chain talent shortage and ways you can

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Even When Supply Chain Hiring Slows, There's Still a Shortage

As market pressures dictate hiring, so goes the labor market. [Hiring in a neutral market](#) (1-2% GDP growth) is admittedly going to be low. But right now (Q2 2024), employers are wrestling with the need to staff new manufacturing plants and automation talent with the caution to not take on new salaries. Inflation is keeping people cautious and not too excited about going on hiring sprees. Bosses are feeling the pinch of price hikes and are pulling back some, especially in the CPG realm.

The need for top tier supply chain talent, however, is constant. Why? Because there's usually just enough to get the job done but rarely ever enough for expansion. Smart employers grow smartly, which means they can plan for growth in a more strategic manner. In doing so, contraction in a down market and internal development isn't as painful. Smart hiring includes internal promotions and enhanced onboarding for new hires. Take some time to analyze your team and future needs and you may find that you have everything in place. But, the future will require new skillsets and levels of expertise. Consumer demand for speed and convenience isn't going anywhere. So, do the planning now. Develop your internal and external talent pipelines so you can

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Supply Chain Executives Concerned About Lack of Manufacturing Talent

In a series of recent appearances on the [Supply Chain Careers podcast](#), supply chain leaders have expressed a concern about the future of manufacturing talent. Senior leaders in manufacturing worry that not enough entry level supply chain talent is pursuing the necessary front line plant management work to support the growth in manufacturing investments. Chief Supply Chain Officer for The Clorox Company Rick McDonald worries that when his class retires in 5-10 years that there won't be adequate middle management with the proper experience to be able to operate the plants effectively. SVP and Chief Supply Chain Officer at La-Z-Boy Mike Leggett feels similarly that America is falling short on developing manufacturing talent that has the necessary chops to run the plants. Lee Beard with Swire Coca Cola, USA echoes these concerns that too many supply chain graduates are taking analyst positions and not learning to work in a plant and lead a team.

[This entry level shift from the plant floor to corporate headquarters](#) can impact American manufacturing competitiveness by not being able to find the best people to meet manufacturing and plant management needs.



According to Harvard Business Review, the supply chain industry comprises over [44 million jobs](#). Without question, supply chain in the U.S. is an integral part of the American economy. As the industry has become more digitized, automation in plants, fulfillment centers, procurement, production planning, and maintenance is eliminating jobs. However, overall hiring continues to rise and senior leaders say that finding and hiring the right talent is harder than ever.

[This Forbes article](#) says the supply chain for supply chain talent is broken. That may or may not be the case so let's discuss.

A Rapidly Changing Industry

The supply chain industry has been changing through technological advances and digitization for a few decades. However, according to the [2022 MHI Annual Industry Report](#), the adoption of supply chain is increasing dramatically due to the impacts of COVID-19 disruption. Forty-nine percent of supply chain leaders have accelerated spending in digital technologies to make their operations more responsive and forward-looking during the pandemic.

The global workplace is inherent with challenges such as increasing competitive environments, rising customer service expectations, and supply chain disruptions. Supply chain management is becoming more digitized to meet the changing demands of the



greater efficiency and increased opportunities as the industry grows.

Emerging supply chain talent trends include [applying supply chain practices to talent management](#). The art of human capital management in supply chain can mirror a lot of the same supply chain management practices deployed for criticality of role/product, scarcity of role/product, and even the decision to make or buy the product/role – source internally or externally.

Insufficient Talent to Meet Demand

Changes in the industry are occurring at a fast rate. According to the U.S. Bureau of Labor Statistics, the number of job openings is approximately 6.3% and yet unemployment is at 3.7%. Basically, there are more openings than available people to fill the vacancies. And, skill requirements are changing due to the changes in the industry. Today the ideal employee has both tactical and operational expertise, as well as analytical skills. Fifty-eight percent of companies say that this combination is hard to find. In the future, talent will also need to excel at leadership, strategic thinking, innovation, and high-level analytic and technological capabilities. The higher demand for workers with certain skills has emphasized the shortage of talent.

[David Closs](#), a professor of Supply Chain Management at Michigan State University, believes that one big issue is the amount of talent and



issues like trade, taxation, and customs, as well as managing corporate social responsibility.

Digitalization and analytics are also non-negotiables when it comes to filling procurement positions. All aspects of supply chain have become much more complex requiring people who work in the industry to be dynamic and flexible. The field demands long hours and travel across the globe.

What Are Companies Doing to Find Needed Talent

Many top performers, unless they are recent college graduates, are not visiting the online job boards. So, if this is your primary method of advertising and looking for talent, you aren't going to find the most qualified individuals. Here are some programs that companies are employing to find and [attract supply chain talent](#).

Provide Training Across Supply Chain Positions

Programs like cross-training help develop metrics-driven and tech-savvy supply chain leaders who have the business skills necessary to succeed in a rapidly evolving marketplace. One company that is developing employees for supply chain management positions, is Mattel Inc. Mattel has ramped up its hiring of college graduates directly out of business and supply chain management programs and is



order to help workers acquire new skills in different job functions. This strategy has been especially helpful in developing employees into management by giving them an overall sense of the entire supply chain process.

Enhanced onboarding processes are recommended as ways to ensure that you're setting up your new hires for success. Spend more time on the front end acclimating your supply chain staff to their teams so they can develop more of the soft skills needed for ongoing success.

Create Internship Programs to Identify Future Employees

Internship programs are a low-cost and highly effective way to increase productivity and innovation as well as increasing the quantity and quality of future hires. According to Gartner, a leading research and advisory company, in their article "[Strengthen the Supply Chain Talent Pool With Internships](#)," these programs also have a positive impact on an organization's career brand in the supply chain community. A company can begin to grow its own talent early through internships that expose students to the manual and automated sides of the business.

Engage Supply Chain Associations

Tap into supply chain associations such as [ASCM](#), and [CSCMP](#) to network with members and to help build awareness of your company. These



chain employees, and send them to chapter meetings, national, or global conferences in order to scout talent. Most associations have online membership directories to help facilitate networking among members.

Develop an Employee Referral Program

Creating an employee referral program is an excellent way to improve the quality and quantity of your applicant flow. The referral program should be driven by your supply chain recruiter and human resources and sponsored by the senior supply chain executive. Implement an automated system to drive better results and track the source of referrals and hires. Furthermore, incentives can help drive better results.

Partner with Universities

Partner with universities that have the type of supply chain degree programs that align best with your entry-level job requirements, company values, and culture. Send members of your team to attend university job fairs. Develop relationships beyond the staff in the career center, such as with professors that teach supply chain management courses. They will know who the top students are in each class. Post your jobs with each university and outline the benefits of working for your company. When you hire entry-level candidates from targeted universities,



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