

ISM-HK Training Workshop | Feb 2023

# Employability and Skills of Supply Chain Talent

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## Employability and Skills of Supply Chain in the **changing business environment**

**Meanings** (<https://dictionary.cambridge.org/dictionary/English>)

Employability

- the skills and abilities that allow you to be employed

SC Young Talent

- a person who is in his or her early or mid twenties

Supply Chain  
Management

- the activity of being in charge of and controlling the process of getting a product from the place where it is made to customers.

changing business  
environment

- Latest challenges and new normal, e.g. Industry 4.0, post-pandemic COVID era, ESG initiatives, etc.

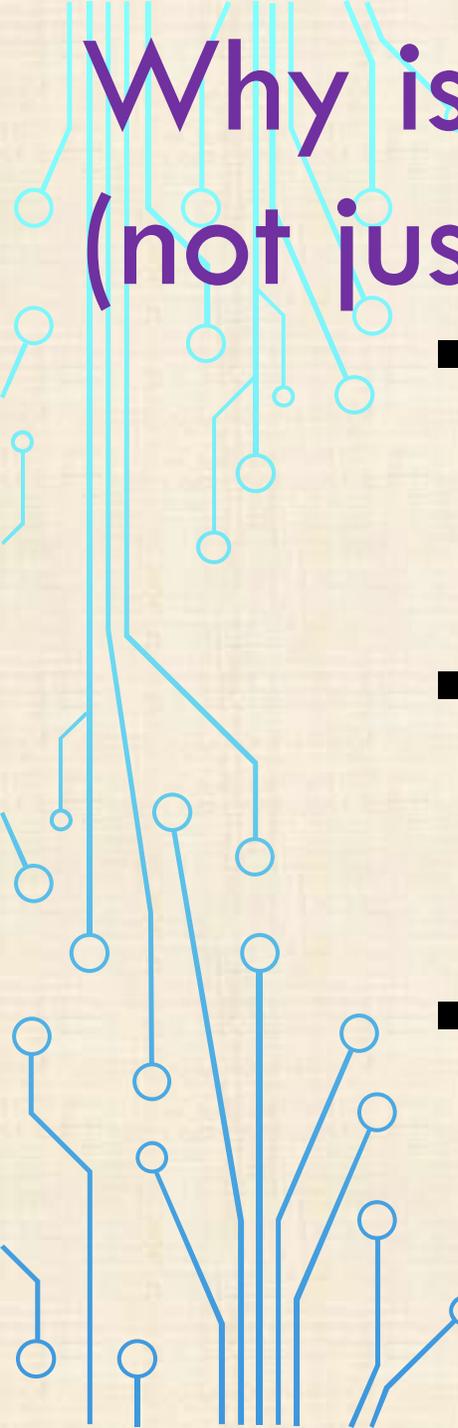
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# What's the problem?

- Company senior official regards the recent **young talent** are not enough to contribute to the business excellence and **skills gaps** are large to cater with the new normal (Jordan & Bak, 2016)
- Research indicates that the recent **university graduates do not equip with the necessary skills** upon applying to the SCM profession (Harrington, 2018).
- With the recent rapid technology advancement, some **traditional knowledge** had been criticized of **not able to explain and handle the every changing business scenario** in the latest decade (Rosendale, J., & Wilkie, 2021).

# What's the problem in Hong Kong?

- The average turnover rate is already at **10.5% as of mid-2022**.  
=> turnover rate could be at ~21.0% by end-2022 (t.b.a)
- In comparison, the full year voluntary turnover rate for companies in Hong Kong was 14.6% in 2019. (Mercer HK, 2022)
- The high turnover is due primarily to prevailing pandemic restrictions and a **more challenging business environment** which has resulted in a talent outflow. (Mercer HK, 2022)

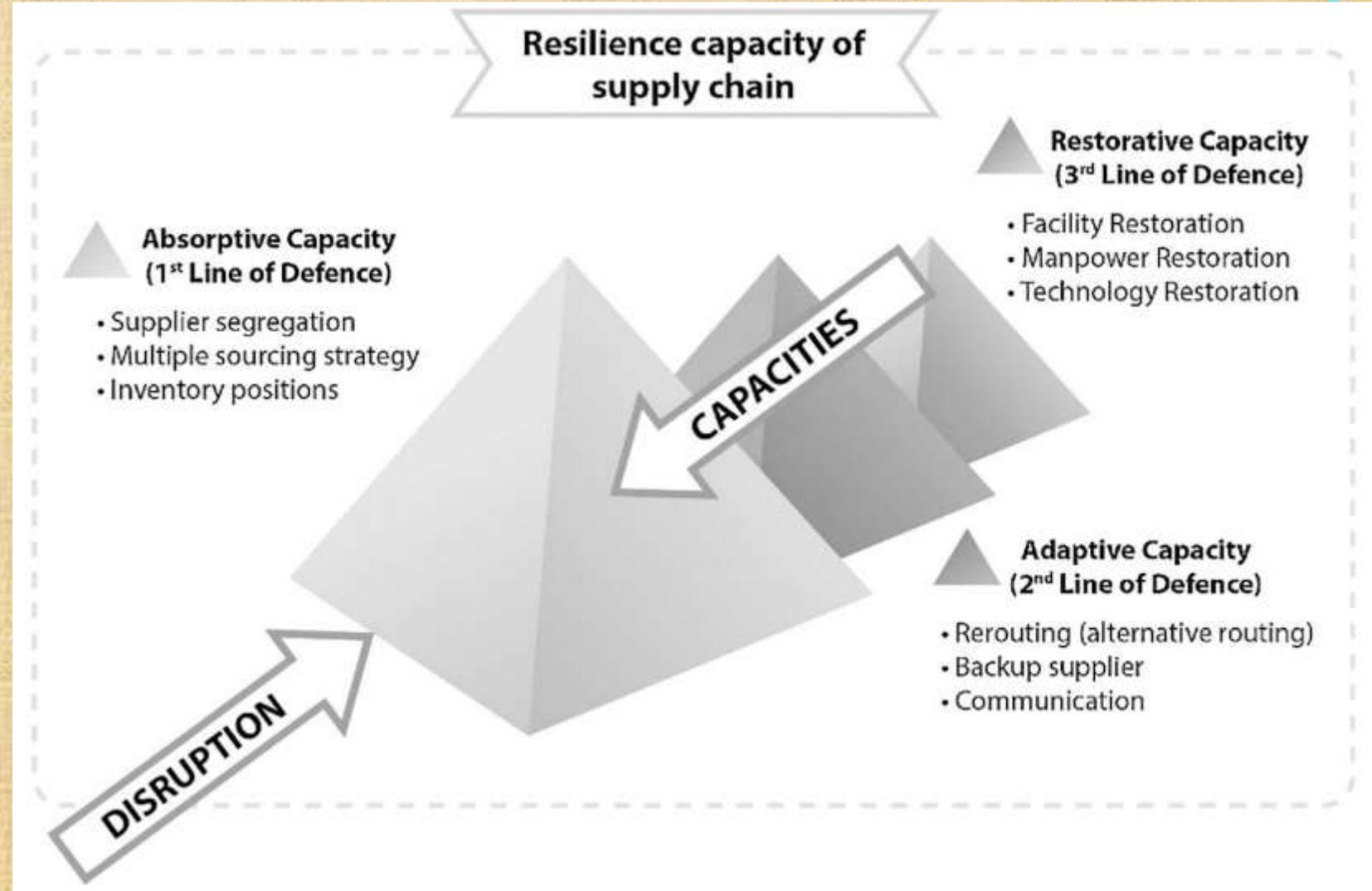


# Why is this an important (not just an interesting) problem?

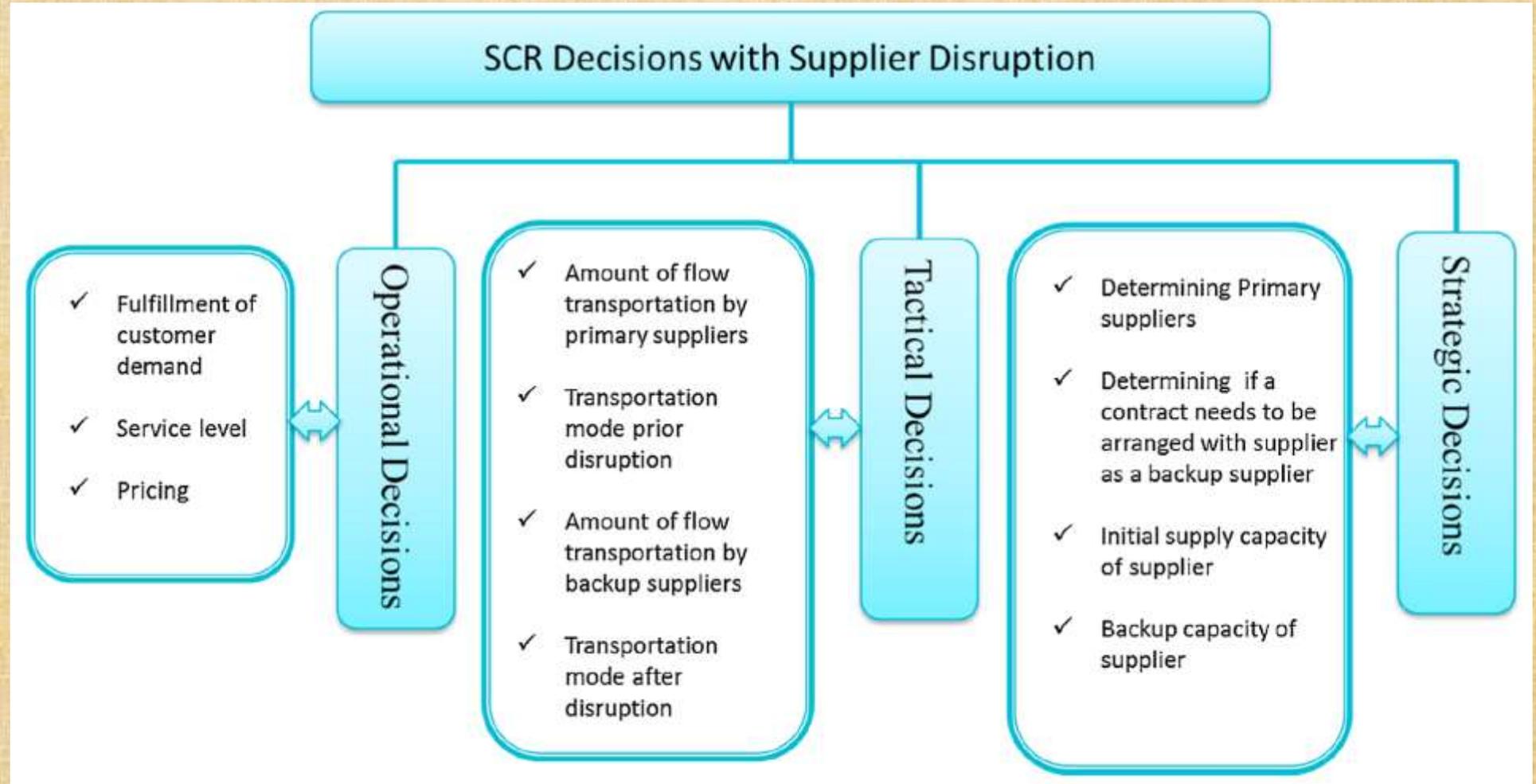
- While entering the era of **Industry 4.0**, technology and innovation become dominated and the workforce shall be able to cater to the **demands of the new knowledge economy** (Chiarello et al, 2021).
- Going into the new era and market under **new normal**, extended knowledge and innovation will be necessary in which asking **workforce having new sets of skills** (Chiarello et al, 2021).
- Increase in the supply chain complexity demands new professionals or talents to deal with the new challenges as new normal, thus an international **university–industry collaboration becomes crucial to train up future talents** (Gámez-Pérez et al, 2020).

# What happened in last 2-3 years?

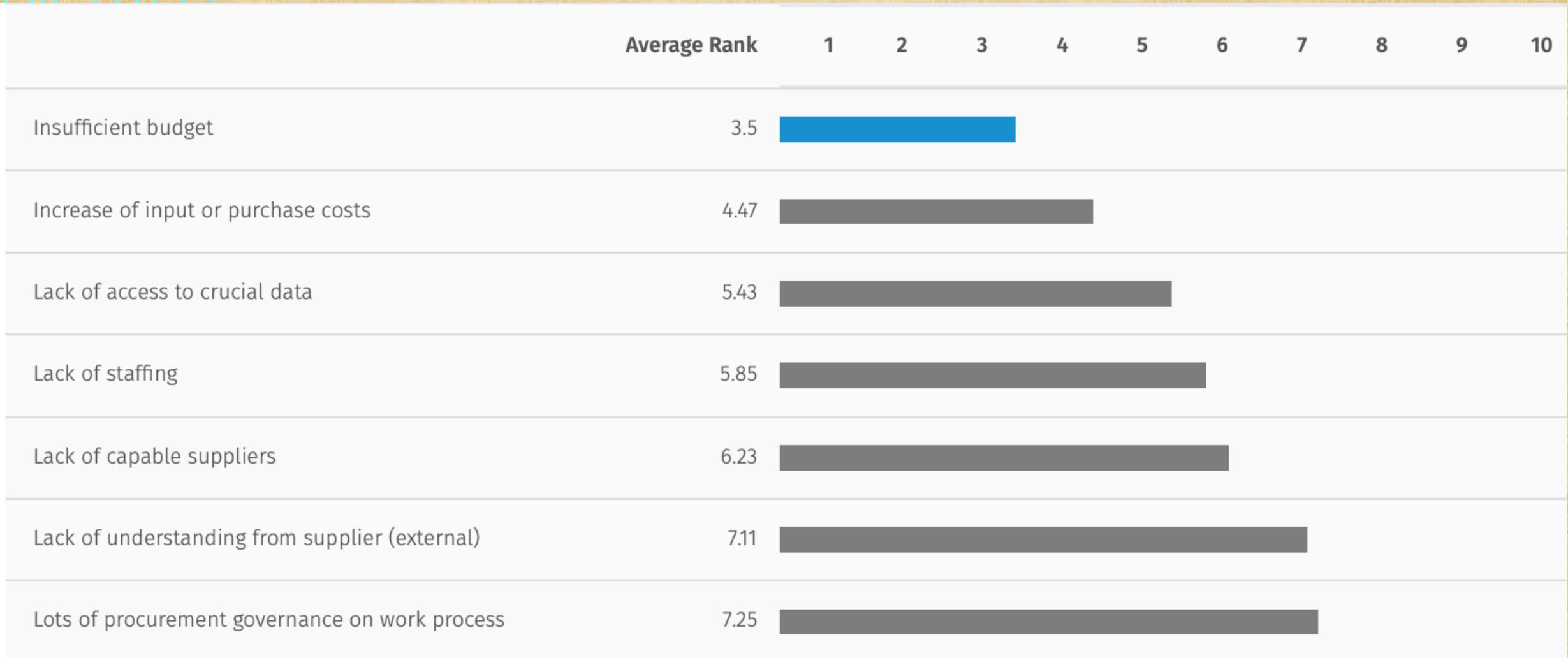
## Lesson Learnt?



# Resilience: impact review under COVID-19



# Resilience: impact review under COVID-19





# Mechanistic versus organic structure

- Mechanistic organisation (Bureaucracy)
  - Rigid and tightly and controlled structure
- Organic structure (Adhocracy)
  - Highly adaptive and flexible structure

<u>Mechanistic Organisations</u>	<u>Organic Organisations</u>
Highly specialized in work	Shared work
Many rules and procedures	Few rules and procedures
Narrow span of control	Wide span of control
High formalization	Low formalization
High in complexity	Low in complexity
Clear chain of command	Free flow of information
Centralized hierarchy of authority	Decentralized hierarchy of authority

# Structural contingency factors

- Structural decisions are influenced by:
- Overall strategy of the organization
  - Cost minimization strategy: mechanistic structure
  - Innovation strategy: organic structure
- Organization's size
  - Firms change from organic to mechanistic organizations as they grow in size.
- Technology used by the organization
  - Routine technology: mechanistic structure
  - Non-routine technology: organic structure
- Degree of environmental uncertainty
  - Dynamic environments require organic structures; mechanistic structures need stable environments.

# Entrepreneurial Education

- The entrepreneurial strategy provides flexibility to adapt to the environment at the expense of specificity and articulation of intentions.
- It combines the essence of deliberate and emergent strategy

## Deliberate characteristics

- One individual imposes his/her clear vision
- The vision selects a target area and expects the environment to be understandable
- The individual vision drives a consistent pattern of actions

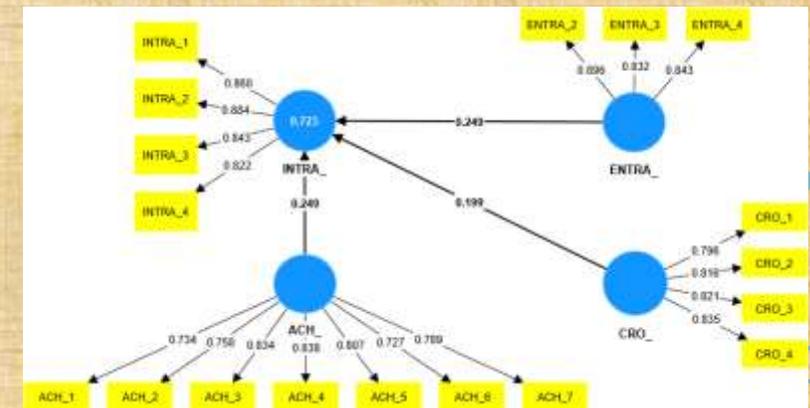
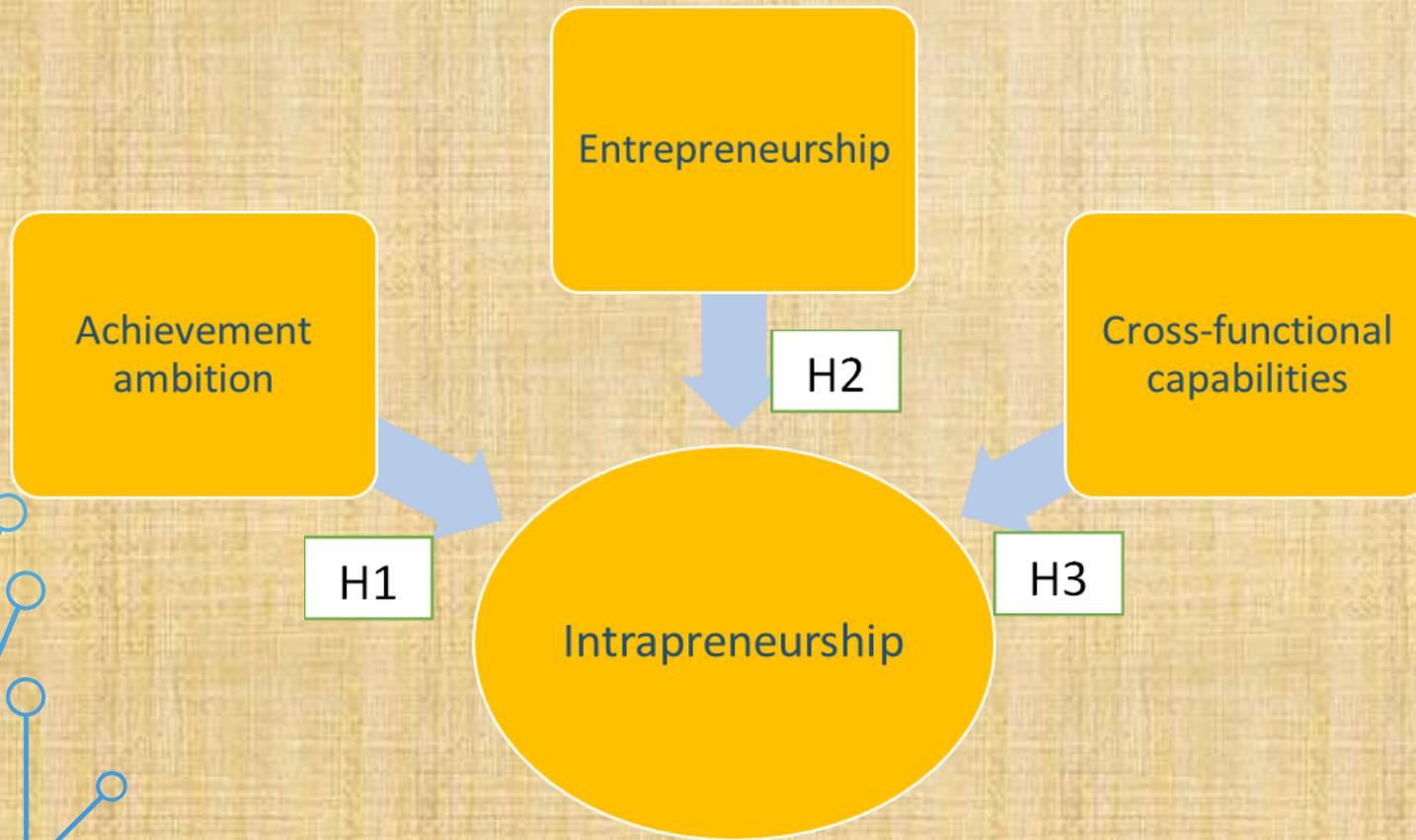


## Emergent characteristics:

- Vision provides only a general sense of direction, the vision can emerge during implementation and there are rooms for adaptation.
- The individual can react quickly and adapt to feed back on past actions or to new opportunities and threats

# Entrepreneurial Education

While entrepreneurial development has been widely embedded into university and college curriculum in many countries (Obschonka et al., 2017), **intrapreneurship and career adaptability** are increasingly recognized as the next wave of development from the human capital development perspective (Woo, 2018).

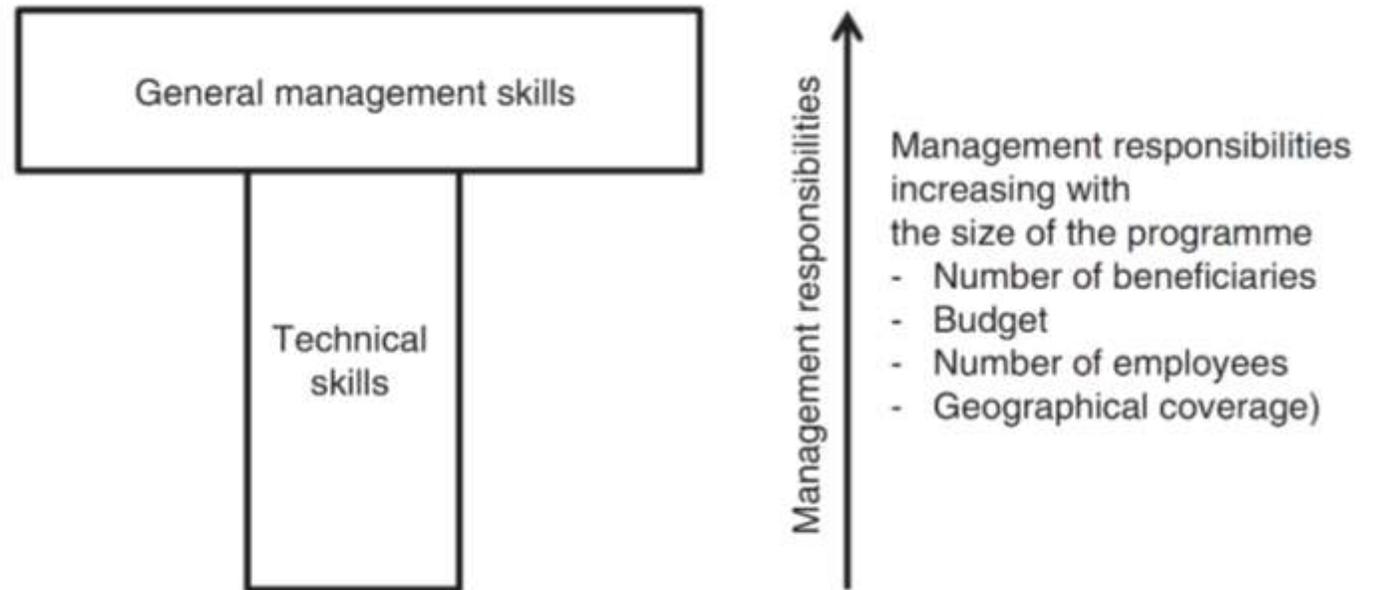


# Competence profile of SCM talent

SCM implied a “horizontal” organizational orientation rather than a “vertical” one.

For a horizontal organization, managers work across functions often as part of teams where different functional skills are brought together with a common process focus.

Mangan & christopher (2005)



Source: Mangan, J. and Christopher, M. (2005). Management development and the supply chain manager of the future. *International Journal of Logistics Management*, Vol. 16 No. 2, pp. 178-191.

# How to do better in supply chain in an organization

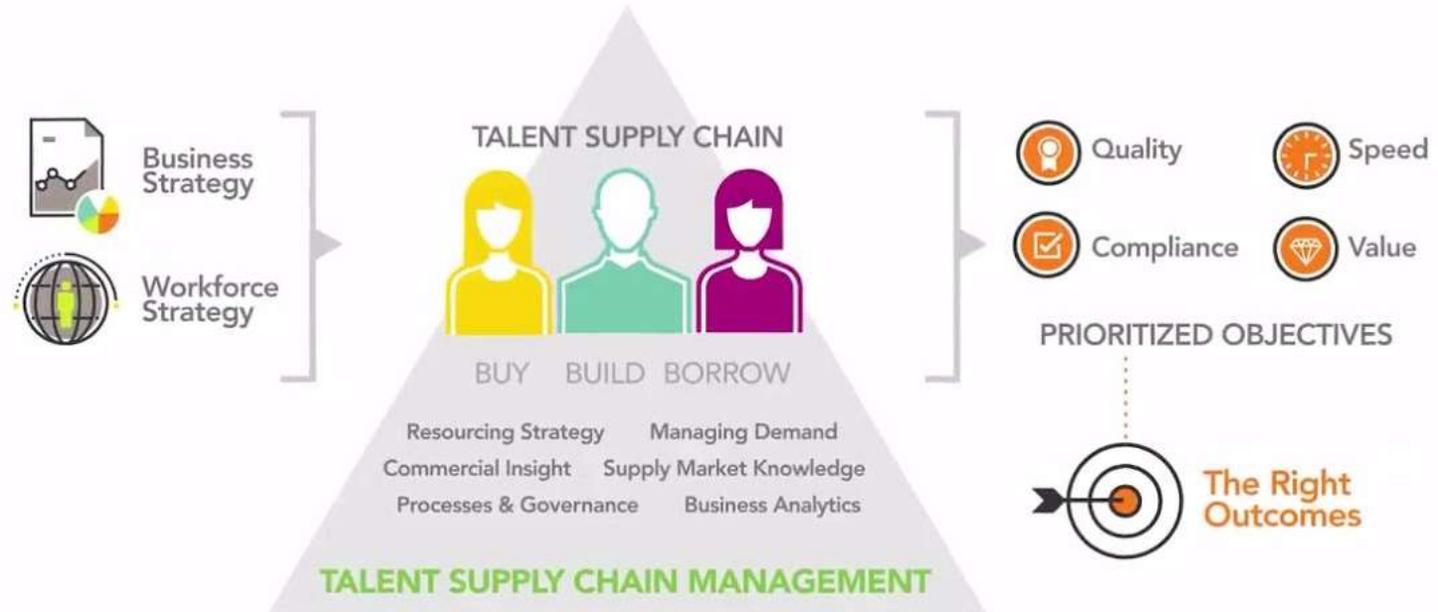
## SUPPLY CHAIN MANAGEMENT

- Supplier relationship management
- Financial analysis, cost and price management
- Supply chain strategy

## TALENT MANAGEMENT

- Competence Profile of SCM Talent
- Competence Characteristics of SCM Talent
- CPSM® Learning System
- APSM Certification

## CONNECTING TALENT TO THE WORLD OF WORK™



# Reference / Citation

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