



The Manufacturing Advantage

Modern Manufacturing, Smarter Workforce: Turning Time and Pay into a Competitive Advantage

INTRODUCTION

The modern manufacturer lens: talent, technology, and supply chain angst.

Talent, technology, and tariffs collectively dominate the list of 'top-of-mind concerns' across today's manufacturing C-suites¹. Modern manufacturers face unprecedented challenges that impact their competitive positioning and operational resilience in an increasingly volatile marketplace.

Beyond rising global tariffs, supply chain disruptions, and immigration policies affecting labor availability, manufacturing employers also face a historically complex set of workforce management challenges that threaten their strategic plans. These challenges include widening skill gaps and talent shortages, evolving employee expectations, rising collective bargaining demands, and the need to empower a more skilled and productive workforce, all underpinned by an increasingly complex regulatory landscape and a moving target of legislative requirements globally.

Productivity pressures require manufacturers to build more proactive and adaptable workforce management strategies. With rising costs from global trade tensions and an accelerating skills scarcity in the workforce, optimizing labor efficiency has become crucial to meeting the dynamic needs of today's manufacturing environment.

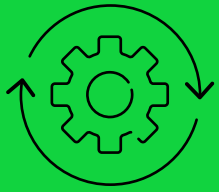
The urgency to leverage data and artificial intelligence (AI) for increased productivity and 'smart manufacturing' is collectively disrupting and transforming the sector at an unprecedented pace. The adoption of AI and machine learning (ML) to innovate manufacturing operations promises a significant return on investment (ROI) for manufacturers—second only to cloud and SaaS technologies. Pairing these cognitive innovations with data leads to more productive, intelligent, insight-driven operations that power competitive advantage.

Yet many organizations remain unprepared to unlock AI's transformative impacts due to outdated systems and data quality issues. Many struggle to establish the robust data foundation necessary to power AI and derive precise insights and confident decision-making. This data challenge directly impacts production optimization and strategic workforce planning capabilities.

These same technologies are also transforming modern manufacturing operations and unlocking previously untapped strategic value from a historically overlooked source.

Manufacturers are increasingly creating competitive advantage by adopting modern, unified, globally capable WFM and payroll solutions powered by the same technologies transforming their operations—cloud technology, AI, ML, and real-time predictive workforce insights. Highly agile manufacturing organizations are taking a technology-driven approach to derisking their strategic paths, enhancing productivity, empowering their workforce, and activating one of the richest data sets available in the organization curated by payroll.

¹ Deloitte Research: 2025 Manufacturing Industry Outlook



Strategic Power of Unified Time and Payroll

The ability of an organization to rapidly adapt, innovate, and respond to changes in the marketplace cannot be understated - the phrase 'pivot or perish' has never been more pressing and fundamental for modern manufacturers. The ability to anticipate challenges and make confident informed strategic decisions that foster long-term business resilience and growth produces a material competitive advantage.

Manufacturers can transform their workforce management (WFM) and payroll operations into a strategic driver of business success and ROI by harnessing the power of automation, AI, and analytic insights. WFM and payroll power the front-line workforce experience while curating rich workforce data and insights. When paired with broader operational, business, HR, and external data sources and activated with AI and analytics, data becomes predictive insights to guide the business along its strategic path, seemingly helping it see around the next corner to navigate competition and volatility confidently.

Insights to support workforce alignment: ensuring the right people with the right skills do the right things at the right time and identifying when to pivot workforce strategies to respond to supply chain disruptions, fluctuating demand, or unforeseen challenges and events.

A modern, globally capable, and natively integrated workforce management and payroll platform streamlines workflows, eliminates redundancy, and ensures greater accuracy in labor cost management, enabling organizational agility in multiple ways:



Enhances the employee and manager experience

by reducing friction through a single, modern, and intuitive user interface (UI) and user experience (UX) for managing schedules, shift swapping, tracking and reporting hours, and accessing pay results in real-time, improving autonomy, trust, engagement, and productivity.



Enables operational scalability, flexibility, and resiliency

through a natively integrated platform capable of seamlessly flexing with operations along its growth path, including during mergers, acquisitions, and divestitures. This becomes increasingly crucial as manufacturers expand globally to navigate trade and immigration policies, ensuring harmonized workforce management and payroll processes globally.



Unifies data for real-time labor insights globally

by integrating historically siloed systems that require manual data entry across multiple platforms. Many manufacturers struggle with overly complex IT ecosystems that fragment critical workforce data. Unified WFM and payroll systems eliminate these redundancies while allowing manufacturers to plan, forecast, and predict in real-time by simulating workforce decisions to enable proactive, agile labor strategies.



Reduces risk

by fortifying the operating model with modern WFM and payroll infrastructure, enabling practitioners to ensure compliance with local legislative requirements, reducing risks of fines and penalties, and simplifying audits through reliable, on-demand reporting.



Cost control and efficiency

by automating historically high-touch processes that distract employees and managers and drain productivity. Automating tasks like shift scheduling and swapping, time tracking, and payroll calculations reduce manual efforts, errors, and administrative costs.

The Realities and Complexities of Modern Payroll

Payroll and labor costs are commonly the largest expenses on the profit and loss statement of most manufacturers. Every decision the organization makes that requires people has an equal if not more significant impact and outcome on payroll.

Pay and time are woven into the fabric of the experiences of front-line employees and managers and are closely tied to the operational continuity and effectiveness of the businesses they support. From sorting schedules and shifts to reviewing and understanding pay, benefits, and total compensation, the modern workforce increasingly seeks a highly personalized, transparent, and informative pay experience that supports their unique needs and goals, from shift scheduling to payroll funding.

For manufacturers with global footprints, 'gross to net' calculation (payroll) and compliance are challenging and compounded at scale with layers of local, regional, and global compliance demands that require a proactive, never-miss outcome.

However, the heavy lift for many high hourly populations, such as those in diverse manufacturer environment, remains the 'source to gross' activities. Modern tech-enabled workforce management (WFM) solutions eliminate the friction and lag time associated with historically time-consuming and distracting tasks, such as scheduling, shift management, time entry, and approval. These systems gather and prepare time and pay inputs for processing while ensuring compliance with local laws and complex collective bargaining agreements (CBAs).

In addition to streamlining administrative processes, modern WFM solutions also enhance the employee and manager experience. They empower employees to own and shape a personalized work experience while empowering managers and leaders with real-time insights to drive operational decisions. By automating these critical inputs and manual activities, employees and managers can return focus to the work that matters most.

Payroll teams are empowered to process and close payroll with confidence. Enabling timely, accurate, and compliant payroll results and solidifying the trust between employee and employer, boosting morale, and enhancing the employee experience, wellness, and satisfaction, all critical factors in maintaining workforce stability and continuity in today's competitive labor market.

Yet for many multinational manufacturers, achieving this level of consistency remains a challenge. Those operating with a highly fragmented payroll model that relies on outdated, disparate system, are increasingly exposed to risk and missing out on the competitive advantage that a unified WFM and global payroll solution can deliver.

A globally capable and integrated WFM and payroll solution is no longer a luxury, it's necessary for manufacturers striving for operational excellence, compliance, and workforce engagement. Investing in an integrated WFM and payroll solution enables manufacturers to stay ahead of regulatory changes, meet workforce expectations, plan, forecast, and predict labor costs and workforce needs, and remain agile to market shifts. This requires a highly scalable, flexible, resilient, future-ready operating model that de-risks the organization and facilitates improved business outcomes.

The Technologies Powering the Future of Time and Pay

The convergence of digital technology, AI, and predictive analytics is transforming workforce management and payroll operations and the businesses they power. Leveraging intelligent automation and insights-driven decision-making enables manufacturers to optimize productivity while reducing administrative burdens and compliance risks.

However, it's important to note that WFM and payroll transformation requires more than a technology investment alone. It also requires executive leaders to be 'invested' in payroll and WFM as a strategic priority, integrated with the broader HR and business strategy and working in complete synergy together to power the organization forward.

Payroll and WFM must be proactively leveraged to help facilitate strategic outcomes by activating their compliance expertise and rich insights as trusted strategic advisors and Centers of Excellence (CoE).

The WFM CoE and governance model is very much on the rise, with a recent survey by Deloitte illustrating the impact. 79% of firms with a WFM CoE² in place indicated a high level of overall satisfaction (defined as: seamless frontline worker experience, lower administrative burden, and low-tech maintenance footprint), and 65% of organizations with a WFM CoE have WFM data embedded in their overall analytics programs supporting strategic decision making².

Essential innovations in the modern WFM and payroll tech stack powering its CoE's



Cloud platforms

the launch pad for digital transformation, providing scalability, extensibility, and centralized data storage. They enable real-time access to insights, consolidate systems, harmonize data, processes, and experiences, and support a distributed, global workforce with an always-on approach.



APIs and integrations

are the arteries of global time and payroll, flowing its rich data to and from HR and essential business platforms. By integrating key business systems with WFM and payroll, manufacturers can create a unified ecosystem that modernizes data flow, reduces manual input, and improves the accuracy and reliability of its essential datasets. Through these workforce insights, manufacturers access advanced reporting for real-time planning and decision-making, enabling a more agile and responsive operating model.



AI and ML

enhance workforce management and payroll by augmenting practitioners, managers, and employees through machine-enabled processing, continuous calculation, and predictive analytics. They proactively identify anomalies, reduce errors, and forecast labor demands while enhancing employee and manager experiences through personalized nudges and guidance.



Predictive insights enabled by AI

analyzes historical data to enhance workforce planning and resource management. They surface insights for forecasting based on labor trends to anticipate overtime costs, identify seasonal workforce needs, uncover turnover risks, optimize labor costs, and improve overall workforce efficiency, effectiveness, and productivity. AI and insights can also enable workforce alignment: the right people with the right skills doing the right things at the right time by identifying upskilling opportunities within the current workforce, pinpointing optimal placement of skilled workers, and succession planning to maintain operational capabilities and continuity.

² 2024 Deloitte Global Workforce Management Survey

Driving an ROI Paradigm Shift

Payroll and workforce management have long been viewed as repetitive back-office processes that global organizations must manage at scale. Investments were rare and primarily reactive – often to solve a burning problem or address a catalyst buying need (e.g. merger/acquisition, divestiture, system failure, or loss of resources). All too often, reducing costs or headcount was seen as the primary ROI derived from a time or payroll technology investment.

Understandably so, as any digital transformation outcomes are rooted in efficiency, effectiveness, and productivity gains.

Now more than ever, multinational employers across sectors are unlocking the hidden strategy impacting ROI enabled by unified, modernized time and payroll technology and transformative change. Payroll and time are so much more than a simple back-office process to be managed purely as a cost center where value is measured as a cost-takeout exercise.

The fundamental strategy impacting ROI to be mined from WFM and Payroll is centered on

De-risking the organization's strategic path through a modern, scalable, and resilient WFM and payroll operating model.



Powering data-driven decision-making by activating rich data sets through real-time workforce and labor insights.



Elevating WFM and payroll to CoE status and integrating both into strategic decision-making as trusted strategic advisors guiding the organization through insights and expertise.




Enhancing the employee and manager experience, boosting engagement and productivity.



Enabling organizational agility to power strategic plans and long-term success.



Amsted Industries: Strategic WFM in action

 www.amsted.com

At Amsted Industries, the more than 100-year-old global manufacturing company operates a diverse portfolio of businesses, each uniquely autonomous and synergistically aligned. Digital transformation became a strategic imperative as its independently run segments each maintained unique systems for time tracking. Amsted operated with a patchwork of systems and providers across its U.S. and international locations spanning over 20 countries, leading to fragmented data, inconsistent employee experiences, manual effort, and inefficiencies in workforce management processes and insights.

The company set out to design a unified digital strategy that would align processes while preserving existing investments and empowering business unit autonomy. Amsted required a solution that did not demand a large, specialized support team, making UKG's manageable infrastructure and intuitive interface a key differentiator in Amsted's selection. Additionally, UKG's responsiveness and collaborative approach fit Amsted's desire for a "boutique partner" that could evolve with them as they grew and transformed.

The transition to UKG's integrated HCM and WFM platforms has yielded measurable improvements in productivity, employee empowerment, and operational consistency. Previously, manual, time-intensive tasks such as time-off requests, scheduling, and attendance tracking were automated, giving HR teams the bandwidth to become more strategic and less transactionally focused. With intuitive and accessible tools, Amsted's more than 17,000 employees gained greater control over their work experience, and managers have been freed from administrative burdens. Amsted has also become highly data-driven, leveraging integrated data and visualization tools to track absenteeism, overtime, and tie workforce data into safety planning and operational continuity.

Looking ahead, Amsted is investing in centers of excellence (COEs) for workforce management and talent management, further underpinning its digital transformation powered by UKG technology. The creation of a global WFM COE aims to ensure compliance, manage union rules, and streamline processes and insights globally. With internal automation initiatives already active in payroll and growing across its back office, Amsted is committed to scaling its use of technology while maintaining a human-centric approach.

The background of the page is a dark green color with a complex, light green wireframe architectural design. The design consists of various geometric shapes, including cylinders, spheres, and rectangular blocks, some of which are interconnected to form a multi-level structure. The lines are thin and create a sense of depth and complexity.

About

UKG™

UKG is the Workforce Operating Platform that puts workforce understanding to work. With the world's largest collection of workforce insights, and people-first AI, our ability to reveal unseen ways to build trust, amplify productivity, and empower talent, is unmatched. It's this expertise that equips our customers with the intelligence to solve any challenge in any industry — because great organizations know their workforce is their competitive edge.

Learn more at ukg.com.



About Pete A. Tiliakos

Pete is globally recognized for his extensive knowledge, coverage, research, and advisory in the payroll, employer of record services, payments, and HCM technology marketplace. Both practitioners and providers widely leverage his research and thought leadership, as he regularly contributes to industry publications, associations, and events. Pete is the co-creator and co-host of the HR and Payroll 2.0 podcast and host of The Source by DailyPay podcast.



About Payroll Influences

Payroll is not just a process, it's a crucial component of human capital management that influences and enables strategic outcomes, organizational agility, employee engagement, and financial wellness.

Our mission is to provide THE premier forum to unite the world's most essential professionals through a community of like-minded leaders eager to explore, share, learn, and advance as payroll executives. Founded, curated, and led "by payroll and for payroll," Pi is the world's first virtual forum dedicated to fostering a deeper understanding of the critical payroll profession and empowering its current and future leaders to shape its next chapter.

