

FUTURE - PROOFING YOUR WORKFORCE

How to craft an effective
talent management
strategy in leather goods
industry at HIPIC Prod

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HIPIC PROD



OVERVIEW

HIPIC Prod, recently acquired leather goods manufacturing plant of the Italian luxury group, PRADA is known for the design and production of high-quality fashion items.

SIBIU, center of country, population of 450 thousand, an area of traditions and industry, with a long history of leather goods craftsmanship since 1960s. Unemployment rate 2,6%.

Leather goods labour market estimated at 3500 to 4000 employees. Hipic employees currently 504 professionals.



Sbiu, Romania

A TRANSFORMATIONAL JOURNEY IN LEATHER GOODS INDUSTRY IN HIPIC PROD

BEGINNINGS

Local owner of small
leather goods workshop
(horse saddles) 1994



INTERNATIONAL MARKET

Various collaborations
with fashion industry
(2009)



INVESTMENT

Prada takes full
ownership and builds
state-of-the-art factory in
Sibiu (2021)



GROWTH & CONSOLIDATION

Increase of
manufacturing capacity
and portfolio and
headcount to build a
sustainable business for
the future based on
existing competence
(2022-2024)



INDUSTRY CHALLENGES AND WORKFORCE IMPLICATIONS



01 HIGH-QUALITY CRAFTSMANSHIP

Manual workers with highly specialized technique, demanding skilled workers on high-quality craft.

02 NICHE PRODUCTS

Competition for skilled workers in a highly specialized niche craftsmanship.

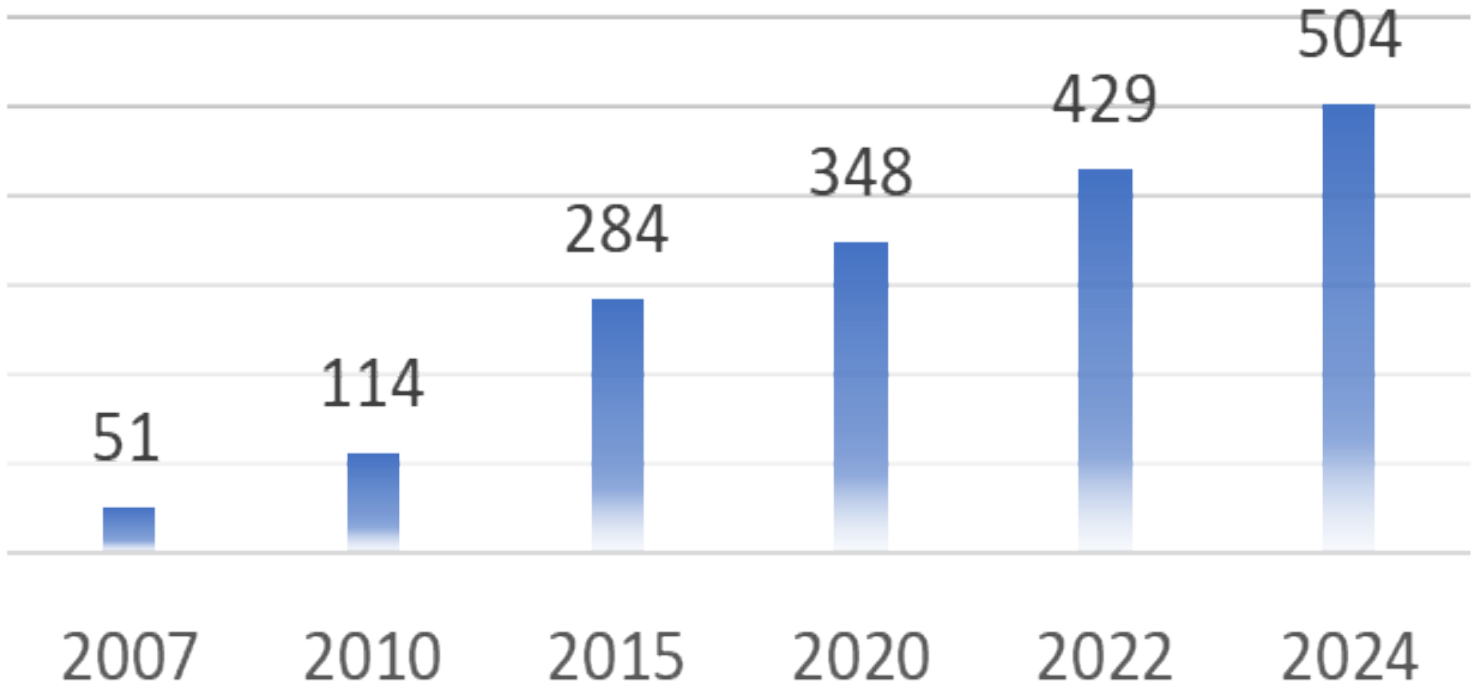
03 AGING WORKFORCE

Potential skills gaps and loss of institutional knowledge.

OUR WORKFORCE TODAY

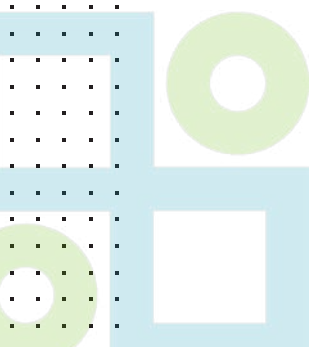
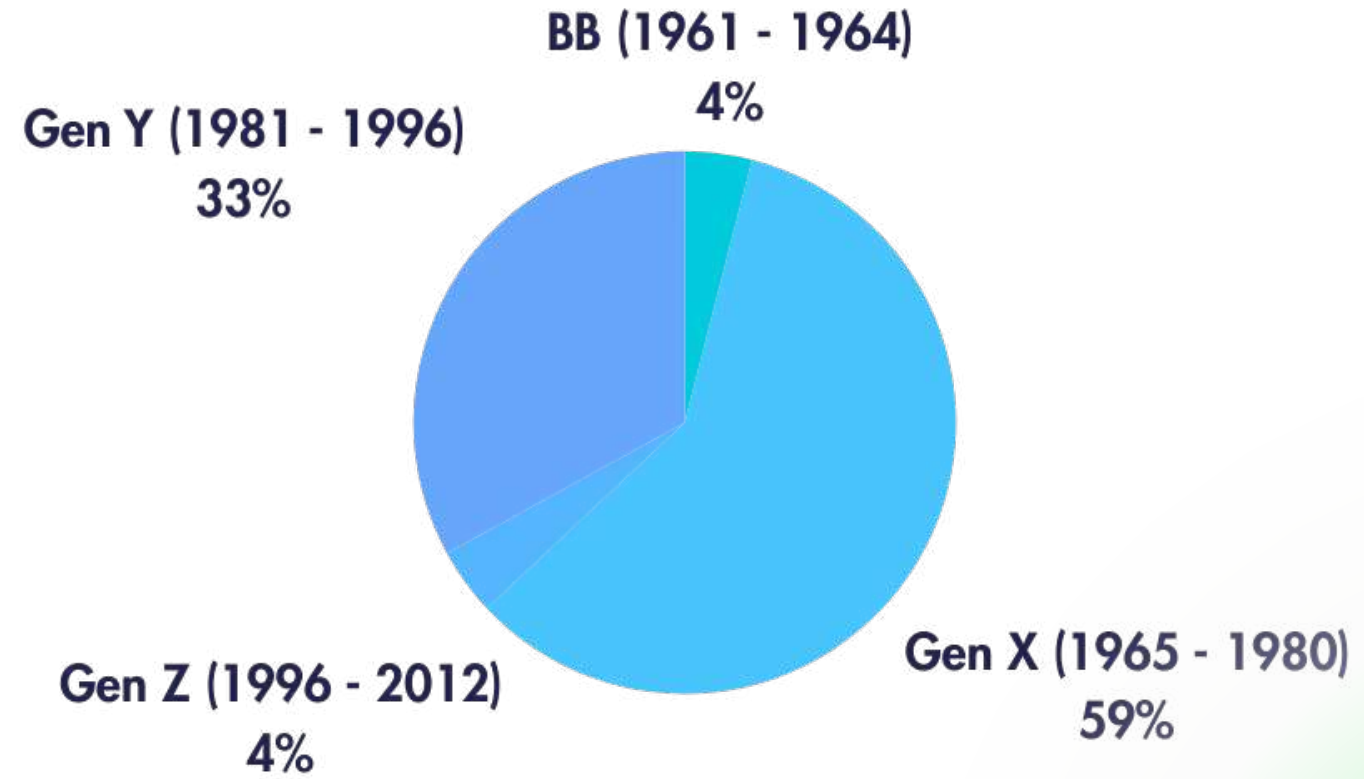


HEADCOUNT EVOLUTION



Average age:
46

4 GENERATIONS WORKING TOGETHER

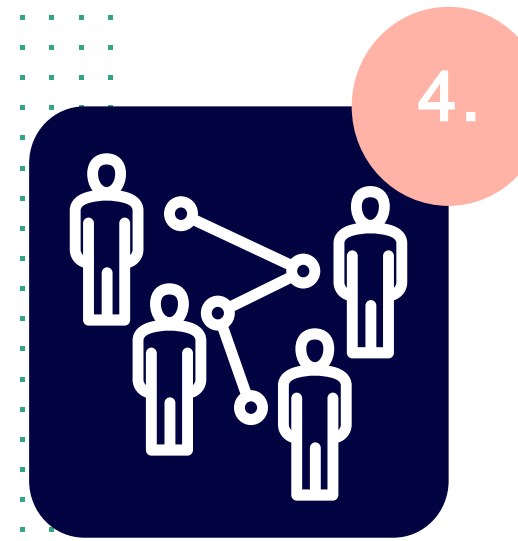
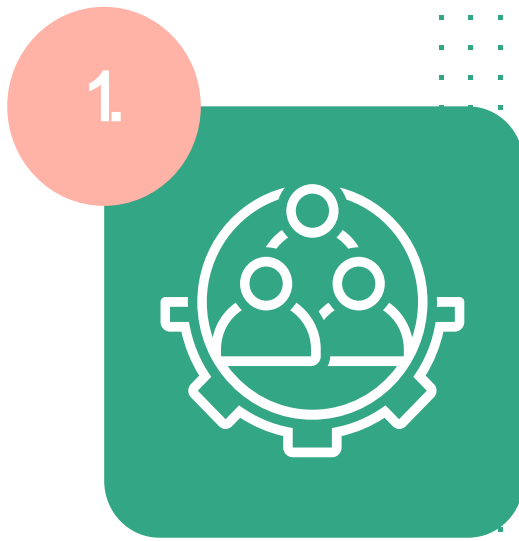


ALIGNING WORKFORCE PLANNING WITH OVERALL BUSINESS STRATEGY



Future-proofing our workforce is essential

Concentrate efforts on building a flexible organization and ready to change gear driven by innovations and modern manufacturing practices.



Ensuring leadership continuity and development within the company

Cultivate future leaders, nurture internal talent, develop career paths, create dedicated leadership programs and provide exposure to international practices.

Need to attract and retain talent in a competitive market

Build-up an internal labour market and create a compelling story of what the company employer brand is.



Integration with local community

Strengthen community ties, partner with educational institutions for future workforce, sponsoring and promotion of local culture and craftsmanship.

Continuous skill development to maintain high standards of craftsmanship

Construct and internal academy of craft, train multiskilling, and build standards of excellence in manufacturing of manual craft.



Culture inside the organization

Promotion of a culture of excellence, enhancing teamwork, craftsmanship, continuous improvement, tradition and innovation simultaneously.

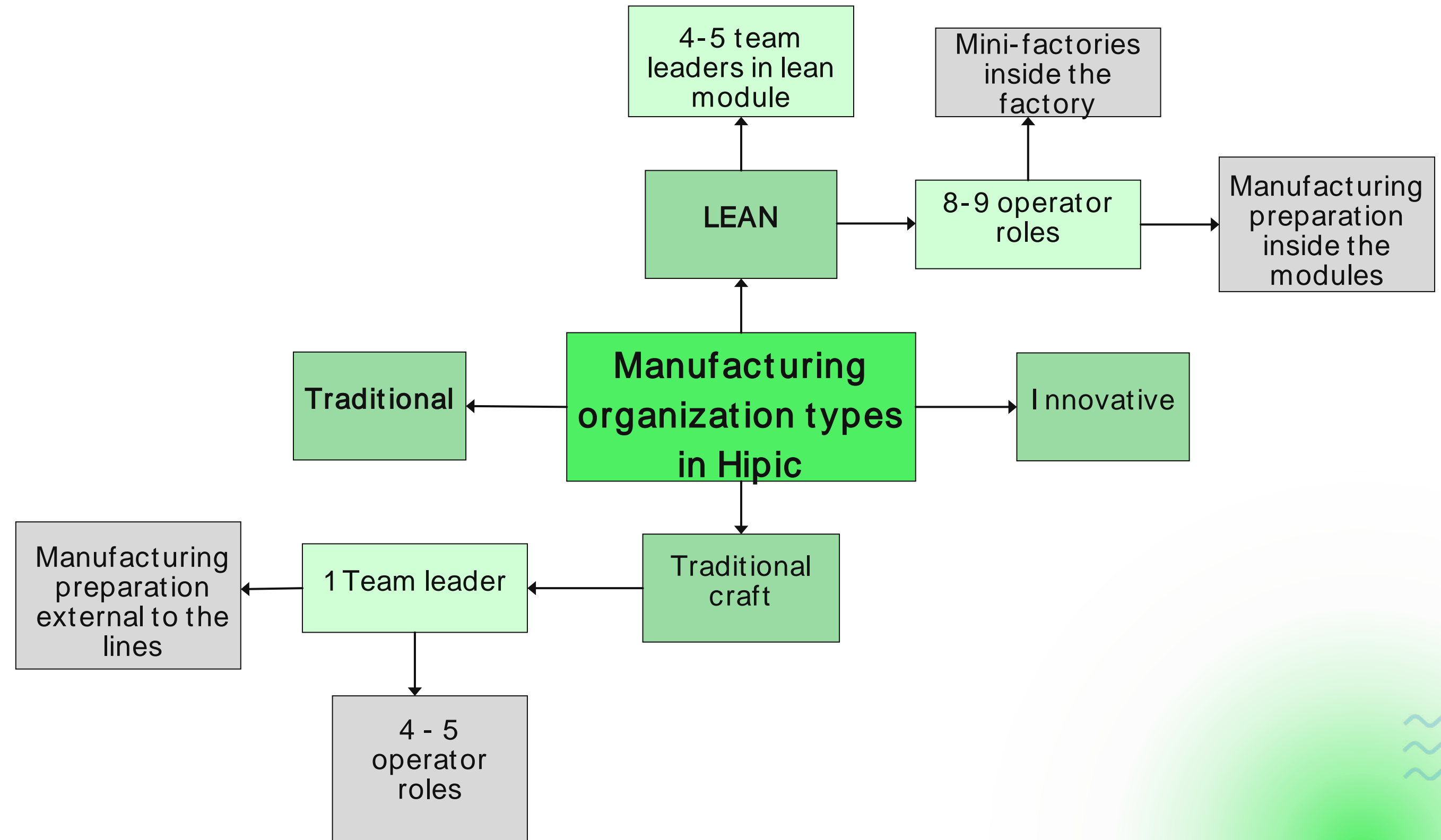
FUTURE PROOFING YOUR WORKFORCE



The flexible organization

LEAN MANUFACTURING

- Requires an organization ready to change gear with product mix changes
- Necessitates multiskilling and adaptability



2.

NEED TO ATTRACT

Employer branding build on roles



HIPIC PROuD CAMPAIGN

- Employee stories about working in Hipic
- Regular communications content in social media



HIPIC PROD
SIBIU

CONTINUOUS SKILLS DEVELOPMENT

Enhanced flexibility, skills diversification,
improved workforce resilience

HIPIC ACADEMY

- **Skills to enhance versatility** and reduction of dependency on specific roles
- **Comprehensive training programs** for the work phases in manufacturing - 2 - 3 months in training
- **Mentoring** from more seasoned artisans to pass on niche skills
- **Hands-on learning** opportunities to foster real-world application



ENSURE LEADERSHIP CONTINUITY AND DEVELOPMENT

Create a pipeline of capable leaders ready to take on future challenges

TARGETED CAREER PATHS AND DEVELOPMENT TARGETS

- **MANAGEMENT** - Projects and operational strategy, mentoring younger leaders
- **ENGINEERING** - leadership training, leadership assignments, projects participation, international exposure, internships for future HIPIC engineers
- **TEAM LEADERS** - leadership training, thematic workshops, training
- **SUPERVISORS** - on the job assignments, job rotations
- **OPERATORS** - Internal academy, path to supervisory roles, trial and error



INTEGRATION WITH LOCAL COMMUNITY

Strengthening community ties and building social responsibility

HIPIC VOLUNTEERS & "GOOD DEEDS"

- RED CROSS - volunteering actions and donations in children's special schools
- MALTESE FOUNDATION - sponsorships, actions for families on the edge of society
- FACTORY OPEN DOORS - school visits, open days
- WELLNESS DAYS
- CALENDAR FOR EMPLOYEE EVENTS support local businesses through procurement and collaboration
- INSIDE HIPIC - Local magazine for our colleagues and their families.



6.

A CULTURE OF EXCELLENCE AND TEAMWORK



Celebrate achievements and promote talents and role models

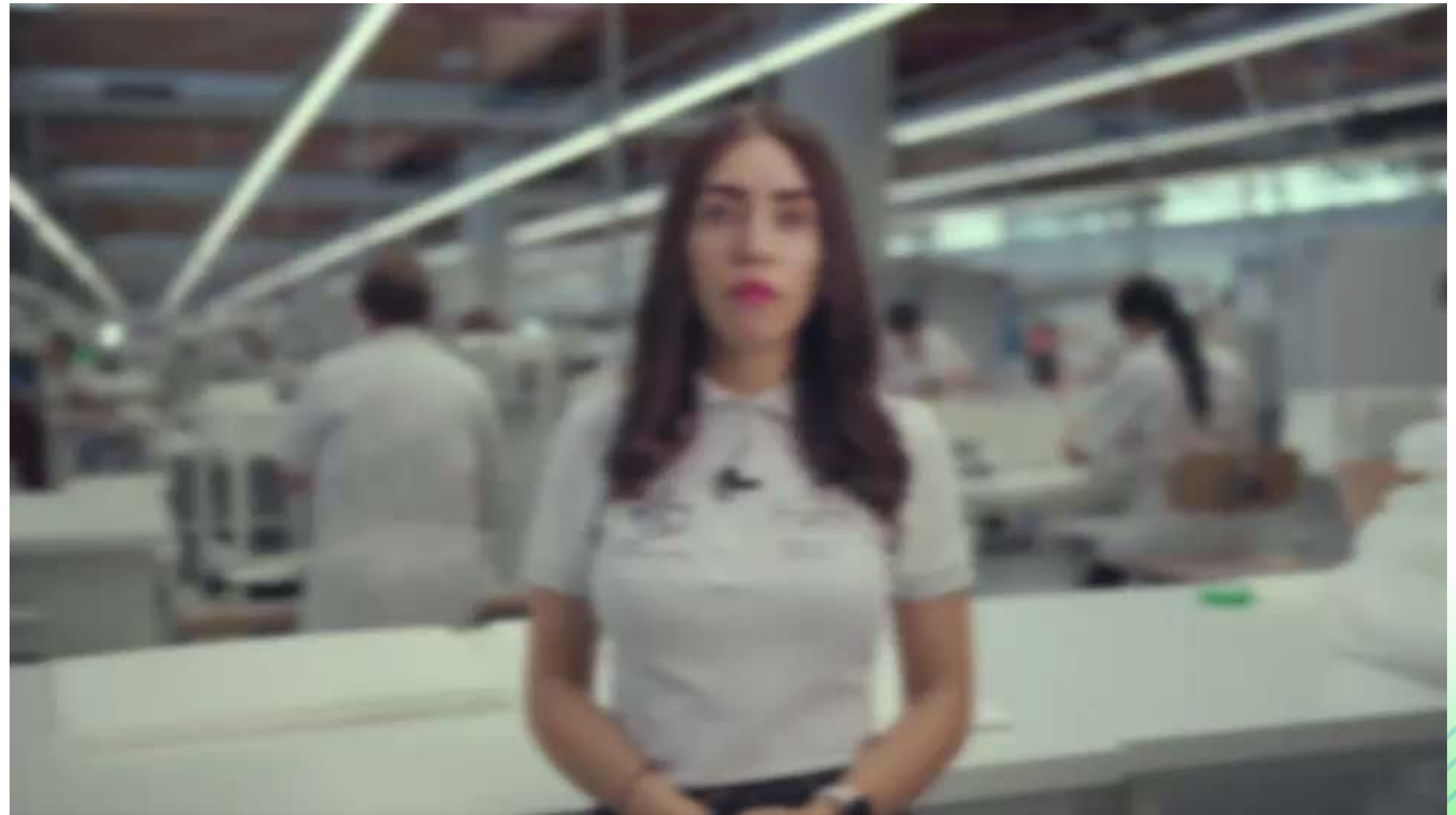
HIPIC VALUES AMBASSADORS

EXCELLENCE - emphasize excellence in craftsmanship as a core value

RESPONSABILITY - commitment to producing highest quality products

TRANSPARENCY - the baseline to transformation, by open channels of communication, open feedback and staff involvement

DEVELOPMENT - promoting a culture of continuous improvement and innovation



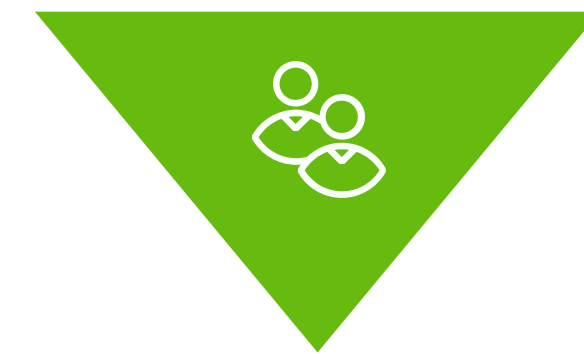
MEASURING SUCCESS OF OUR TALENT STRATEGY EFFORTS



EMPLOYEE ATTRITION

Drop by 30% in 2 yrs. to **12%** in **total turnover**

Drop by 38% in last 2 yrs. to **19%** in **new hires**



NEW GENERATION WORKFORCE

14% new hires **below 25**, **9%** still in company (last 2 yrs.)

22% new hires **below 30**, **13%** still in company (last 2 yrs.)







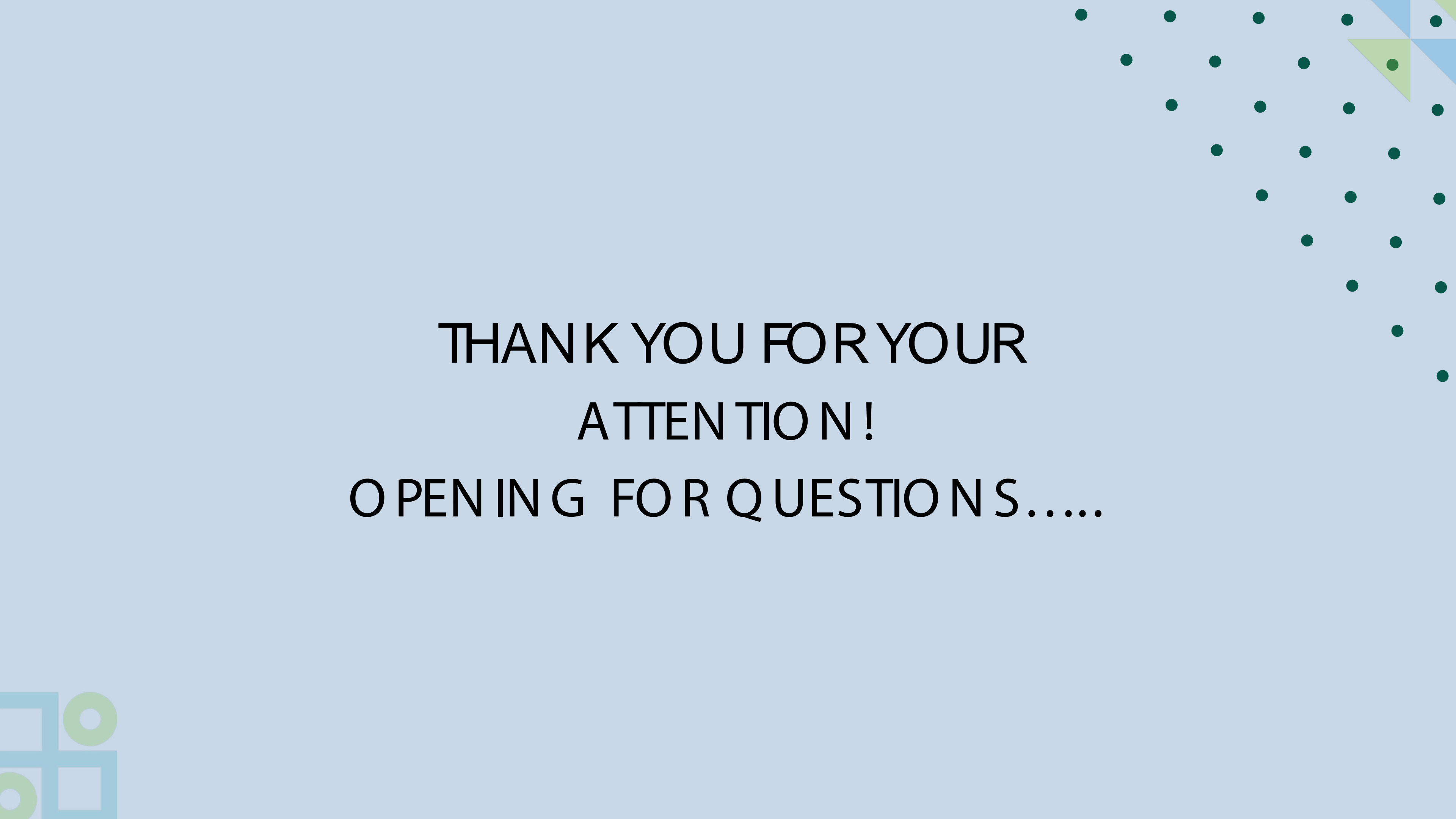










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THANK YOU FOR YOUR
ATTENTION!
OPENING FOR QUESTIONS.....