

ÜKG

Do More with the Same in Logistics and Distribution



Improving culture, efficiency, and productivity through effective workforce management

Faced with ongoing economic uncertainty, logistics and distribution companies are looking for ways to stay competitive and profitable. While a few big players such as Amazon, FedEx, and Flexport have cut jobs, most companies are seeking to rein in costs without resorting to layoffs. Instead of doing more with less, many supply chain organizations are taking steps to do more with the same by focusing on employee retention, workforce productivity, and operational efficiency.

Business leaders should never underestimate the impact that the workforce management function can have on employee engagement, customer service, and the bottom line — for better or for worse. The Teamsters, for example, are currently in negotiations with UPS over pay and scheduling issues.¹ If they fail to reach an agreement by the summer, up to 350,000 workers could go on strike, jeopardizing package deliveries,² customer satisfaction, and hard-earned brand loyalty.

Because your employees are your most valuable asset, putting people first is not only the right thing to do — it's a smart business strategy. Your organization can achieve significant gains by building a culture of trust, empowering employees, and leveraging intelligent automation to streamline processes, reduce costs, uncover hidden labor capacity, and reallocate resources on the fly.

Keep reading to learn best-practice strategies that can help your company do more with the same — optimizing your workforce to weather the current economic climate and pave a successful path forward.

Because your employees are your most valuable asset, putting people first is not only the right thing to do — it's a smart business strategy.

Keep employees happy and engaged to drive retention

According to ID Logistics, it costs about \$8,500 to replace a warehouse employee when you factor in recruiting, onboarding, and training.³ With a 49% turnover rate in transportation, warehousing, and utilities in 2022,⁴ it's easy to see how those costs can add up quickly across a large organization.

High turnover costs, however, are just one reason to invest in employee engagement and retention. Not only are engaged workers more likely to stay with their employers, but highly engaged business units realize an 81% difference in absenteeism and a 14% difference in productivity.⁵ This means higher output, reduced reliance on contingent workers, and, ultimately, better business outcomes.

Beyond providing competitive pay and benefits, your organization can adopt other proven strategies to keep employees happy and engaged so they'll stick around and go the extra mile on the job.

Create a culture of trust and belonging

Building employee trust starts with a focus on workplace culture. When your people feel valued and have a sense of belonging, they're empowered to do their best work. This is accomplished by investing in promoting employees' wellbeing, listening to their feedback and concerns, and offering them equitable opportunities.

If you're not certain how to enhance your workplace culture and become an employer of choice, Great Place to Work™ is an excellent place to start. The world's most trusted authority on championing great workplaces For All™, the organization offers 30 years of experience in culture research and consulting; benchmarking data and best practices; and the most rigorous, data-based model for quantifying employee experience. Becoming Great Place to Work Certified™, a mark based entirely on employee feedback and independent analysis, will signal to your existing workforce and potential job candidates that you provide culture of trust and an exceptional employee experience.

Organizations that have a high trust level with their employees outperform those with low trust by a 186%.⁶



Support the whole person inside and outside of work

It's crucial to figure out what really matters to your employees. Surveys can help leaders understand each employee in their entirety, including their preferences and aspirations both inside and outside of work. The latest conversational survey technology uses natural language processing and machine learning to remove potential bias and reveal the true emotions and themes behind employee responses — providing valuable insights that can be used to better support your people along their life-work journey.

To minimize flight risk, you also need to provide opportunities for employees to learn and grow. Investing in a formal training and development program can be a win-win for your people and your business. It gives employees a way to expand their skills and advance their career paths. At the same time, cross-training helps increase workforce resilience while ongoing skills development creates a stronger internal talent pool from which to promote.

Companies that care about the whole person, not just the employee at work, outperform the market by 16.5%.⁷

Pay your people accurately and on time — every time

Research shows that nearly half of American workers will start looking for another job after just two issues with their paycheck.⁸ That's serious incentive to get payroll right. After all, a paycheck is about more than money for your people; it's about their livelihood.

Your organization can deliver perfect paychecks with automated payroll that addresses complexities and reduces manual errors so employees can trust the gross-to-net calculations. You can also build employee trust with transparent processes that make it easy for your people to access and understand their pay from any device.

Some employers are offering on-demand pay, along with financial wellness tools, to help their employees build a nest egg. By enabling people to access a portion of their already earned wages on demand, employers can not only cultivate good will for higher retention, but they can gain a competitive edge when recruiting new talent.

Since adopting an instant pay service, Caspers Company, which owns 53 McDonald's franchises, has seen its turnover rate drop by 10%.⁹

Empower your people with modern technology

Millennials and Gen Z make up the bulk of the workforce in the logistics industry.¹⁰ According to a Dell, Inc. study, 80% of Gen Zers want to work with the latest technology.¹¹ Plus, 91% say workplace technology would influence their job choice among similar employment offers.¹² These findings suggest that enhancing the employee experience with the latest technology can go a long way toward attracting and retaining top talent.



Connect the personal and the professional

More employers in the logistics and distribution space are embracing the need to see each employee as a whole person and support them both at work and in their personal lives. They're implementing intelligent systems that listen, coordinate feedback, and help detect bias, elevating people's ability to make meaningful decisions. In addition, forward-looking employers are adopting flexible, intuitive solutions that give people at all levels of the organization the autonomy to proactively solve problems.

Empower employees and managers

Whether they're ordering food, booking rides, or signing up for gym classes, people increasingly rely on mobile apps as an integral part of daily life. Therefore, it's not surprising that employees want the same convenience and ease of use to stay connected and get things done on the job. Your organization can empower your employees with mobile self-service tools that make it fast and simple to manage their schedules and perform routine tasks on their mobile device with minimal manager involvement.

- Punch in and out of shifts
- View and approve timecards
- Request a shift change
- Swap shifts with a coworker
- Pick up open shifts to earn more
- Request time off
- Check paystubs
- View benefits information
- Access tax documentation
- Complete surveys

Similarly, managers appreciate being empowered to manage in the moment from any location with the ability to approve timecards, time off, and shift swaps; reallocate resources; monitor key performance indicators (KPIs); receive proactive overtime and compliance alerts; get intelligent recommendations for filling shifts; and offer shifts with incentives to ensure better coverage — all on their mobile devices.

Get intelligent insights and recommendations

Artificial intelligence is changing the ways logistics and distribution companies manage their workforce. Intelligent systems and analytics, powered by AI and machine learning, provide proactive people-centric insights, predictions, and recommendations. These powerful insights help management understand employee preferences, deliver a more personalized work experience, and make informed decisions — across HR, payroll, scheduling, and talent management — that benefit both the individual worker and the business.

In addition, some workforce solutions leverage AI to learn employee behaviors and proactively guide people through targeted notifications. For example, if an employee has a high rate of tardiness or absenteeism, the solution will send a reminder before each of their shifts. Even better, managers can measure the impact of these notifications on employee behavior over time.

Increasing productivity for better business outcomes

To deliver perfect orders that are accurate, damage-free, and delivered on time at the right cost, your organization needs to optimize your workforce — a goal best achieved through effective use of automation. In Logistics and Distribution, automation often brings to mind major process changes involving product handling robots, automated storage and retrieval systems, self-driving forklifts, and drone deliveries. However, even smaller automation improvements can have a significant impact on productivity. For example, modern workforce management technology can unlock hidden capacity and free valuable resources to dramatically boost output.

Automatically generate best-fit schedules

Modern workforce management systems provide powerful, rule-based automation and built-in intelligence to streamline tasks, identify opportunities for improvement, and make AI-powered recommendations to speed and guide decision making. Automatic creation of best-fit schedules — based on employee skills, availability and preferences, anticipated demand, and relevant labor laws and regulations — helps ensure optimal staffing coverage for every shift, every day to maximize productivity.

When creating schedules, you need to sweat the small stuff to truly optimize productivity. For example, you should consider building in short breaks between meetings and shift changes so employees can grab a snack or visit the restroom, thereby minimizing nonproductive time on the clock. In addition, when scheduling employees, make sure they get enough rest between and during shifts to avoid burnout and comply with labor laws and safety standards.

Automated scheduling can reduce the time managers spend creating employee schedules by an average of 75%.¹³



Make schedule adjustments in real time

Creating best-fit schedules is challenging enough but managing them is even more difficult. That's why frontline people managers need actionable insight into their team's productivity — in real time — so they can adjust on the fly to keep orders and deliveries on track. Dashboard views allow managers to monitor KPIs at a glance, right on their mobile device, and dive deeper into data to uncover issues and take corrective action.

Automated alerts keep managers informed of unexpected changes day to day and shift to shift. For example, modern workforce management systems send alerts when employees call out or don't show up — and generate automated call lists with intelligent recommendations for filling open shifts with qualified, cost-effective employees who are available to work. Alerts can also notify managers of late arrivals and early departures so managers can reallocate resources as needed — and then initiate conversations with the employee if the behavior persists.

Drive efficiency gains to control costs and stay agile

Doing more with the same requires that organizations identify opportunities to drive efficiencies across people and processes. Innovative workforce management solutions provide intelligent scheduling automation that leverages sophisticated algorithms and predictive analytics to optimize staffing for smart, cost-effective workforce utilization.

There are workforce management capabilities you can implement to simplify schedule optimization and empower managers to control their labor spend.

Optimize scheduling processes

According to Nucleus Research, organizations can reduce total payroll spend by more than 5% on average by optimizing scheduling processes.¹⁴ The study revealed that organizations were able to achieve these labor cost savings by configuring optimal shift lengths, defining overtime governors/limits, and providing real-time visibility into actual labor versus planned labor.¹⁵ Built-in intelligence, rule checking, and shift coverage functionality help organizations put the right person in the right place at the right cost for optimized workforce utilization.

Workforce analytics can also play a key role in labor optimization, allowing your organization to set benchmarks against organizational budgets and goals with KPIs, metrics, and thresholds. Analytics deliver the real-time insights, backed by data, your managers need to identify, manage, and optimize opportunities for labor cost savings and process improvements. For example, these insights help them cost-effectively align schedules to fluctuating business demands by making adjustments to minimize wasteful overstaffing and avoid unplanned overtime.

Streamline routine manager and employee tasks

Doing more with the same involves completing work more efficiently so each employee can accomplish more every day on the job. In addition to automating schedule creation and simplifying adjustments, workforce management technology streamlines routine tasks so managers can focus on revenue-generating activities from wherever they are on any device.

- **Review and manage timecards and schedules**
- **View and act on schedule and time-off requests**
- **Perform job and work rule transfers**
- **Manage timecard and schedule exceptions**
- **Attach incentives to hard-to-fill shifts**

Mobile self-service capabilities also help employees access information and find answers on their own instead of having to involve their manager or HR, thereby reducing effort and saving valuable time.

Automation = Time Savings

Using manual systems, it typically takes a manager **10-15 minutes to evaluate and approve one time-off request.**

For a manager with 30 reports, each of whom gets 10 vacation days, **this adds up to 300 (30x10) potential requests** if employees take time-off one day at a time.

Spending 15 minutes on each request (300 X 15) totals 1.5 hours per week.

With automated time-off approvals, **managers could free up 1.5 hours per week (75 hours ÷ 52 weeks)** for higher-value work that drives business goals.

Automate enforcement of compliance rules

Compliance requires a proactive strategy to keep pace with rapidly changing laws and avoid costly fines and litigation. Modern workforce management technology automates calculation of hours, overtime, and holidays to minimize your compliance risk. In addition, it takes labor laws, union rules, safety standards, and certifications and licensures into account when creating schedules and filling shifts so your people are only working where and when they should be. Some systems will even send managers proactive notifications with recommended next steps to help them quickly adjust their actions before compliance violations occur — protecting your employees, your reputation, and your bottom line.



Optimize the workforce for today and tomorrow

To do more with the same amid global economic uncertainty, you need a robust culture strategy that spans all your operational activities and is backed by modern, intelligent workforce management technology. A people-first culture will not only give your organization a strong competitive advantage, but it will also help you build greater workforce resilience and agility to handle future volatility and come out ahead.

At UKG, we're here to help. Check out our [Culture Playbook](#) to get the standards, action plan, and resources you need to start evaluating your culture. The playbook identifies ways to optimize the workforce and enhance the employee experience for improved productivity, retention, and profitability.

About UKG

At UKG (Ultimate Kronos Group), our purpose is people®. Built from a merger that created one of the largest cloud companies in the world, UKG believes organizations succeed when they focus on their people. As a leading global provider of HCM, payroll, HR service delivery, and workforce management solutions, UKG delivers award-winning Pro, Dimensions, and Ready solutions to help tens of thousands of organizations across geographies and in every industry drive better business outcomes, improve HR effectiveness, streamline the payroll process, and help make work a better, more connected experience for everyone. UKG has more than 13,000 employees around the globe and is known for an inclusive workplace culture. The company has earned numerous awards for culture, products, and services, including consecutive years on Fortune's *100 Best Companies to Work For* list. To learn more, visit [ukg.com](https://www.ukg.com).

1. Max Garland, *Will UPS Workers Strike? What Shippers Should Know About Teamsters Contract Talks*, Supply Chain Dive (January 30, 2023), found at <https://www.supplychaindive.com/news/shippers-guide-2023-ups-teamsters-contract-negotiations-strike/641284/>.
2. Ibid.
3. ID Logistics Group, *The Real Cost of High Warehouse Turnover Rates* (February 17, 2022), found at <https://www.kanelogistics.com/blog/warehouse-labor-the-real-cost-of-warehouse-worker-turnover>.
4. Bureau of Labor Statistics, *Annual Total Separations Rates by Industry and Regions, Not Seasonally Adjusted* (Updated March 10, 2022), found at <https://www.bls.gov/news.release/jolts.t16.htm>.
5. Jim Harter, *Employee Engagement vs. Employee Satisfaction and Organizational Culture*, Gallup (Updated August 13, 2022), found at <https://www.gallup.com/workplace/236366/right-culture-not-employee-satisfaction.aspx>.
6. Susan Ladika, *Trust Has Never Been More Important*, SHRM (July 31, 2021), found at <https://www.shrm.org/hr-today/news/all-things-work/pages/trust-has-never-been-more-important.aspx>.
7. Catherine Yoshimoto and Marcus Erb, *Treating Employees Well Led to Higher Stock Prices During the Pandemic*, Great Place to Work (August 2021), found at <https://www.greatplacetowork.com/resources/blog/treating-employees-well-led-to-higher-stock-prices-during-the-pandemic>.
8. The Workforce Institute at UKG, *Engaging Employees through Payroll Survey*, Part 2, 2017.
9. Paul Davidson, *Pay: New Service Allows U.S. Workers to Get Paid Daily Instead of Weekly*, USA Today (October 20, 2017), found at <https://www.usatoday.com/story/money/2017/10/20/pay-new-service-allows-u-s-workers-get-paid-daily-instead-weekly/781706001/>.
10. U. S. Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey*, found at <https://www.bls.gov/cps/cpsaat18b.htm>.
11. Cathy Hackl, *Gen-Z and the Future of Work and Play*, Forbes (September 7, 2020), found at <https://www.forbes.com/sites/cathyhackl/2020/09/07/gen-z--the-future-work--play/?sh=56266cf6142e>.
13. Ibid.
14. Trevor White, *WFM Returns \$12.24 for Every Dollar Spent*, Nucleus Research (February 2021), found at <file:///C:/Users/MargieFerro/Downloads/Nucleus-Report-UKG-WFM-2021.pdf>.



Our purpose is people

© 2023 UKG Inc. All rights reserved.

For a full list of UKG trademarks, please visit [ukg.com/trademarks](https://www.ukg.com/trademarks).
All other trademarks, if any, are property of their respective owners.
All specifications are subject to change. SD0501-USv1