

Tapping into Nontraditional Workforce Associates to Optimize Labor Needs

The global workforce shortage is already happening

Despite advancements in warehouse automation, robotics and the Internet of Things (IoT), the ultimate constraint and largest direct cost to your warehouse operation is still within your workforce. Workforce shortage is a big concern that doesn't look to improve for some time, due to:



Aging, global population



Historically low unemployment rates

Which is driving increased turnover and rising wage rates

The workforce crisis of 2030

According to Rainer Strack, leading HR expert, most of the top GDP countries will face a critical workforce shortage by 2030, including countries such as the United States, United Kingdom, Germany and Japan.

There's fierce competition for available skills around the world, made even more competitive by an ever-increasing workforce shortage.

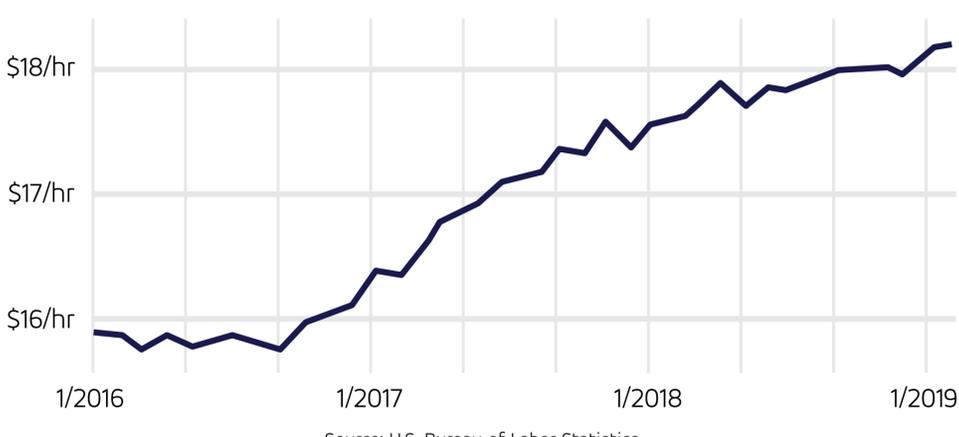
Global workforce crisis

	2020	2030		2020	2030
France	6%	-1%	Mexico	6%	-8%
Germany	-4%	-23%	USA	10%	4%
Italy	8%	-4%	China	7%	-3%
Spain	17%	-3%	India	6%	1%
UK	6%	-1%	Indonesia	5%	0%
Russia	-5%	-24%	Japan	3%	-2%
Brazil	-7%	-33%	South Korea	-6%	-26%
Canada	3%	-11%			

Surplus Shortage
Source: Rainer Strack

Warehouse worker wages are growing at a pace that is 4X the growth rate of the CPI. Wages have grown over 14% since 2016.

Average earnings of production and nonsupervisory employees



Source: U.S. Bureau of Labor Statistics

5 critical elements to address these challenges

Companies need to look beyond the traditional pool of candidates by creating a great place to work with a high-performance culture. Doing so will attract more retirees and younger generations to the workplace, as well as decrease turnover rates and decrease labor costs.

- 1 Generate labor forecasts to enable matching of labor demand with scheduling of labor
- 2 Provide nontraditional / flexible work schedule options
- 3 Provide supervisors with auto scheduling & streamlined schedule management capabilities to enable them to leverage flexible schedules
- 4 Engage and connect with associates through mobile enabled schedule management and performance feedback
- 5 Eliminate unplanned overtime for schedule-sensitive associates

Benefits to delivering a high-performance workforce

- Improve staffing and scheduling accuracy by up to **6%**
- Boost resource utilization by up to **8%**
- Improve productivity by up to **15%**
- Reduce administrative time spent performing scheduling related activities by up to **50%**
- Decrease time sheet correction costs by up to **60%**
- Reduce labor violations and exceptions by over **60%**
- Decrease involuntary turnover by up to **20%**
- Diminish training time and time to reach standard by up to **50%**



The importance of warehouse workforce management

3 Warehouses **with** **250** Associates **making** **\$20/hr*** Average fully-burdened wage

for **40** Hours per week **equals** **\$10.4M** Annual payroll

A 5% decrease in labor costs** = **\$520,000 savings / year**

250 associates x \$20 per hour x 40 hours per week x 52 weeks per year = \$10,400,000 payroll \$10,400,000 x 5% = \$520,000

* U.S. Bureau of Labor Statistics ** Blue Yonder Value Engineering estimate

Using Blue Yonder, you can create and sustain a high-performance workforce culture. Take the complimentary logistics planning for the warehouse workforce self-assessment to benchmark your organization against top organizations in the industry.