

FORTNA

Thought Leadership Series

Automation as a Labor Strategy



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Industry reports show that over 55% of supply chain leaders consider labor availability a top challenge for their operations.¹ Many companies find that hiring and retaining qualified workers requires more than sign-on bonuses, higher salaries and specialized benefits. Today's workforce is looking for something more, and automation can serve as a key differentiator by optimizing operations to deliver a more productive and enjoyable work environment that can attract and retain talent.

In this FORTNA Insight, we will examine how automation can make your operations attractive for skilled and unskilled workers looking for rewarding work experiences.

1. <https://www.mhi.org/publications/report>



Engage with Automation to Retain and Attract

Recent studies highlight that the top 20% of the most engaged teams showed a 59% reduction in turnover and a 41% reduction in absenteeism.² By communicating how automated equipment and processes make the workday easier and less demanding, an operation can boost retention levels while addressing common concerns and emphasizing the value automation brings not only to the company but also to its workers.

Use Automation to Attract Gen Z and Millennials

As Gen Z and millennials fill roles in the warehouse, how to engage and retain them comes to the forefront. Gone are the days when a worker showed up, worked 8 hours and went home. Today's workers want to feel that the company not only aligns with their beliefs and standards but also shows they care about their well-being, the environment and work-life balance. Warehouse work is difficult and physical, however, if an organization can show how automation can not only make their workday easier and also create a sense of accomplishment, it will have an easier time attracting and retaining talent.

2. <https://www.forbes.com/sites/nazbeheshti/2019/01/16/10-timely-statistics-about-the-connection-between-employee-engagement-and-wellness/>

Use real-time data to optimize gamification

Implementing an intelligent warehouse management system (WMS) or warehouse execution system (WES) delivers real-time data that can help run day-to-day operations and manage inventory and order fulfillment. A byproduct of this data can be up-to-the-minute statistics, dashboards and progress reports that can inspire and motivate workers.

Leveraging monitors on the warehouse floor, the workforce can see progress toward individual and group productivity goals, orders picked, orders shipped and other important data. Paired with this real-time visibility, companies can create incentive systems centered around goals and objectives to motivate employees and their teams based on bonuses or earned work perks. Applying a system's data for gamification has proven to create a more engaged working environment that promotes increased training, camaraderie, friendly competition and collaboration. Incorporating scores, levels, challenges and instant feedback drives increased job satisfaction and retention.

Sell safety

The emphasis on workers' best interests, health and safety in the workplace contributes to a positive environment and company culture. Investment in automation can reduce a worker's level of physical effort, repetitive motions and heavy lifting. This, in turn, reduces overall safety risks for the entire operation while improving the perception of warehouse roles. Studies show that 89% of workers at companies that support well-being initiatives are more likely to recommend their company as a good place to work.²

Intuitive processes

Automation lends itself to creating intuitive and easier-to-learn processes, which can lead to a higher degree of job confidence and satisfaction. Having a shorter training-to-floor time can allow an operation to place workers on multiple tasks throughout the warehouse, giving management the flexibility to keep work optimal and fresh. This team approach also allows for easier integration of seasonal labor and takes the guesswork out of processes and tasks.

Be inclusive

A benefit of automation and automated processes is that they can create a more accessible and inclusive working environment that can attract non-traditional warehouse workers. The lessening of manual labor requirements can open the door for less physically gifted or neurodiverse individuals to perform in positions that would not have been previously possible. Automation allows an operation to tap into new labor pools and create loyal and engaged employees.

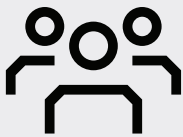
2. <https://www.forbes.com/sites/nazbeheshti/2019/01/16/10-timely-statistics-about-the-connection-between-employee-engagement-and-wellness/>

Overcoming the Myths of Automation

Engaging with the warehouse team and having a transparent approach can emphasize the benefits of automation while at the same time dispelling automation myths that can not only help retain workers but also become an invaluable recruiting tool.

Diminished job security

While automation does reduce reliance on extra and overtime labor, supply chain leaders can emphasize that the intent is not to reduce headcount but to augment and improve current employees' jobs. By highlighting the important role workers play in the operation's success and how automation can make daily tasks easier to perform, an operation can improve overall performance and create job security and satisfaction.



By prioritizing intelligent software, operational design and innovative automation technology, an operation can better attract and retain in-demand talent.

Too steep of a learning curve

Technology can be intimidating, especially when it is replacing processes that employees have an established comfort level. Recognizing this in the operational design phase, processes and tasks can be developed to make transitions from manual to automated easy to learn, leading to confident and empowered workers.

Change is too difficult

While managers and directors are responsible for leadership and training, gaining the support of warehouse floor-level leaders is critical. Every operation has one or two workers that others respect and will follow. Identifying these workers and gaining their trust can ease the transition and integration of new equipment and processes.

Build the Foundation for Automation Success

Strong labor demands are expected to continue. According to the U.S. Chamber of Commerce, there are 9.9 million job openings and only 5.8 million available workers.³ By prioritizing intelligent software, operational design and innovative automation technology, an operation can better attract and retain in-demand talent.



3. <https://www.uschamber.com/workforce/understanding-americas-labor-shortage>

FORTNA

FORTNA CAN HELP

Creating an operational design that attracts and retains labor is crucial for operations that need to expand and give their distribution network a competitive advantage. Our design methodology is rooted in data science and allows FORTNA to design low to moderate to complex distribution networks for maximum efficiency while future-proofing against disruptions.

Contact us today at www.FORTNA.com