

The Human Factor

Recruitment of warehouse staff is an on-going issue, together with that of retention. We asked a group of leading supply chain professionals for their views on creating an environment that allows warehouse staff to perform to the best of their ability, at our round table sponsored by Honeywell.



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Maximising staff performance to augment warehouse efficiency is a must for any operator, but with so many variables at play in the modern warehouse how can operators create an environment best suited to achieving this goal, asked Chris Heslop, head of EMEA marketing, Vocollect Solutions, Honeywell.

Matthew Talbot, operations director at Neptune Europe, said that his firm runs a number of initiatives to improve employee engagement and increase the desire among existing and prospective workers to join the firm.

“For instance, we run an ice-cream Wednesday,” said Talbot. “Employees, including those in the warehouse, come up into the office and we have ice cream. We also run a day where the warehouse team set up a volleyball net and we get a BBQ going.”

Talbot said it is all about bonding and building the business. Being based in a town – Swindon – Talbot said that it is important that the business has a good name if it wishes to attract and retain staff.

“If you have a good name, people will want to work for you,” he said. “If you have a poor name in terms of staff treatment and retention, people won’t be interested.”

Richard Payne, head of logistics UK and Europe for Karndean Design Flooring, said that he too tries to maintain an approachable environment among staff along all levels.

“We don’t offer incentives against productivity, though, we just use accuracy of pick and accuracy of an individual,” he said. “I am not expecting a 65 year old to match the capabilities of a 25 year old. I cannot do what I did when I was 18, but accuracy is the key thing, and this is what we use.”

The Jewellery Channel’s head of operations and service delivery, Michelle Rudisser-Street, said that offering individual bonuses has fared poorly because there is often one stand-out performer. However, she said, they have in the past attempted to run a team incentive.

“But individual prizes just don’t work because there are some workers that are just ahead of and beyond the others,” she said. “It gets to a point where people do cherry pick their work and that ends up upsetting people, and counteracts the point. Occasionally we will provide surprise gifts – vouchers for example – and this normally leads to an uptick the following days.”

Travis Perkins also moved away from individual targets, said group distribution director, Lee Morris. The firm now operates group targets that are both productivity and accuracy driven.

For Jon Wood, vice president of DHL Retail (home & leisure), there are three basic elements an employer needs to meet if it intends to improve and bolster staff morale and productivity.

“You have to have the basics right in the environment; the pay, the terms and conditions,” said Wood. “These have to be right to get people in the door. But if the leadership onsite isn’t right, if it is not the living embodiment of what you want as an organisation it’s pretty much going to fail.”

Leadership and engagement has a massive part to play, added Wood. If it fails, people have a choice, with lots of employers crying out for the same things. “There’s always someone that will pay more.”

Staff management issues have been accentuated further by the constantly evolving market-place, where ever-increasing consumer expectation puts even more pressure on warehouse managers.

From a retail perspective, said Wood, firms are moving ever closer towards a multichannel system, which is more fragmented, with more spikes.

“People want the price and the big deal, and that’s only growing,” he said. “But the instant delivery needs to be

Meet the panelists



Adam Coventry, senior supply chain manager, Boots



Ben Marriott, operations manager, Liberty Wines



Matthew Talbot, operations director, Neptune Europe.



JP Manfrinato, logistics manager, Tangle Teezer

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managed in terms of customer expectations so as to control this for us."

For Street, the myriad of different delivery options made available to customers builds in problems that, she believes needn't be there, because it results in delivery firms not knowing what they're going to get from day to day. "Whereas if you just say we do it next day, or three-to-five days, there's less pressure," she said. "It's easier to manage with just one type of delivery."

Adam Coventry, senior supply chain manager at Boots, believes that for the customer major promotions – Black Friday and Cyber Monday – are just about securing the deal.

Morris believes that there is a need to separate the marketers from the customers, as he believes it is the marketers that are driving the spikes.

"We have a small kitchen business, our entire marketing team challenges the big gorilla in the room – our larger competitor – with the marketing spike it offers and this drives costing," said Morris. "Our marketers, rather than customers, are driving these spikes."

"If I find myself in a room with a big gorilla my move would be to stand in the opposite corner. The spikes are predictable, but they are expensive."

Regardless, the issue is there and Wood said that the need to respond to this is greater than ever before.

"Meeting this need is all down to how you organise people in terms of shifts," he said. "Do you look for more flexible terms? This is from a retail perspective, and it is the nature of the world we now live in."

Perhaps a key factor in overcoming these challenges lies within maintaining a flexible workforce. What, asked Chris Heslop, does this flexibility mean? Is it about having people that can come in to deal with these ever-increasing peaks? Is it about staff that can carry out a variety of tasks?

Wood responded that multi-functionality is certainly something DHL is asking for from its staff.

For Payne, flexibility is as much a need for staff as it is for the company: "We look for staff that can multi-task," he said. "If they can do this, then the need for holiday cover is greatly reduced. We can cover all operations with in-house staff training, which has sped up the recruitment process alongside the introduction of staff."

Of course a key issue, and one likely to only further increase, is the number of nationalities making up the warehouse staff. Talbot said that the firm has 28 different nationalities working for it.

"This can lead to language becoming a huge issue," he said. "So we have simple processes and systems – all warehouse operatives have to be able to speak English and Polish."

Street said that the language aspect has led to the creation of "tribes" among workers. The workforce she deals with is comprised of Latvian, Polish and Russian. Like Neptune, The Jewellery Channel also has a strict policy: "In the warehouse, people speak English."

The parent company is based in India, and as such the firm also has a lot of people coming over from India for job shares and training, which, she said, is a very large part of the business. But, as with the workforce in the UK, those coming over from India must speak English within the warehouse and to colleagues.

However, on the point of multi-functionality, Street noted that the staff The Jewellery Channel has coming in are not looking to be flexible in this regard.

"They come in, and what they want to do is 'that' job," she said. "I've got a team of ladies that want to pack – and they love to pack – they stand there for several hours a day and they pack."

The thought of going near a pallet truck, she said, fills them with dread and they really don't want to. "It's important to have people that can do a mix of things, but sometimes you just need doers," she said. "And when you've got volume I just need somebody who is going to fulfil their specific role."

Ben Marriott, Liberty Wines' operations manager, highlighted the cultural issues that companies face.

"We had a mix of cultures making up our ground staff – many Polish and Latvians," he said. "But none of our supervisors were from these cultures. This led to lack of relationship between ground staff and supervisors," said Marriott.

Talbot said that Neptune operated language classes, but over a period of time it recognised that people weren't turning up for them.

"This led to people missing opportunities within the organisation," he said. "They were missing the opportunity to progress within the company."

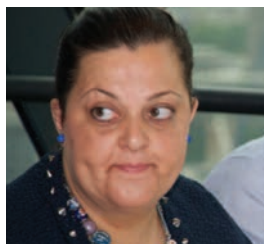
But you need to be able to speak English to work, and this is the challenge: encouraging people to learn."

Generationally, Talbot said he sees a difference. The older workers are more likely to adapt, and the younger generation, he said, have some English language skills already. The group he has trouble with are the "40 somethings".

Wood said it is not just nationality that hinders this, but cultural differences across the ages.

Payne said that this constant driving people to improve could have the reverse effect. "It can drive people out," he said. "Because they're not getting where they want to be."

Marriott believes that operating a wine company provides, to some extent, its own fortunes in this respect. "The product is very tangible," he said. "We educate people in the product, and more than 95 per cent of our



Atty Hussein, operations director, Liberty



Steve Murray, head of logistics & production, In Kind Direct



Lee Morris, group distribution director, Travis Perkins



Jon Wood, vice president of DHL Retail (home & leisure)

staff at all levels have a wine and spirit qualification of industry standard, from extremely basic to advanced.

This, he said, helps the business because it means people understand what they are picking and gives them a sense of ownership.

Atty Hussein, operations director at Liberty and former director of logistics at Fortnum & Mason, said that she believes apprenticeships bring a lot to companies seeking to retain staff, while also developing much needed skills.

Academy

"We had a large degree of success at Fortnum's with the apprenticeship scenes we operated," she said. "We used an academy, and that has been fantastic. We ran it in London Piccadilly, as there is a small warehouse in-store, and then we took it to Cambridgeshire.

"Prior to this, we had issues, especially with overtime as the women were working mothers, and the guys did not want to do overtime. So with agency staff we were having to bus them in from other towns."

Steve Murray, head of logistics and production at In Kind Direct, asked whether this training had improved staff retention.

Street said that staff retention is also reliant on making the jobs easier for employees. It doesn't serve, she said, to skimp on the small things.

"When you invest a small amount of money to make their job easier, it makes for a vastly happier workforce," said Street. "People, largely, just want to get their job done and done efficiently."

Street's predecessor brought in iPods and linear scanners for picking. While all the staff liked them because, as Street said, they're iPods and they look nice, they just haven't proved user friendly.

"We are working on a replacement that will be more user friendly and I know when we bring this in, productivity is just going to zoom," she added.

At Fortnum, the pickers use voice picking technology, said Hussein, but Liberty has yet to adapt: "We are questioning how we are helping our people do their jobs," she said.

Payne said that most of the systems available are similar to those around a decade ago, the key difference being now you're walking around with a gun in your hand or a headset on you.

"The systems we use need to, not necessarily be dumbed down, but be translatable because we have many nationalities working in the warehouse," he said. "It's not so much lack of intelligence but lack of understanding because of the language barrier. We primarily use a scanner and assorted light systems for picking."

For Talbot, while technology offers the prospect of increased efficiency, it will only come to fruition if it is properly implemented. "We invested in two robot-wrapping machines as we calculated it would increase time savings," he said. "But what we found was that staff, who'd previously been wrapping by hand, stood there and watched the machine wrap."



"People need to be trained to understand what it does and why it's there. It's no good having people stood around watching it."

The point was picked up on by Heslop, who agreed it can be dangerous to have technology with no understanding.

"It needs to be understood and tied into where the company is going and what it is seeking to achieve," he said.

At Karndean, Payne said one of the problems he faces is staff looking at these machines and wondering "how long until this takes my job?". Automation, he said, does scare workers because historically the efficiency gains made by machines have made jobs carried out by hand redundant: "We need to reassure our workers that their job is still secure," he said.

Street echoed these views: "We find that if you bring technology into an area, the person working there responds to it by stating 'Why? Things have been working just fine?' They immediately become defensive," she said.

"It's all about teaching them that these systems are being brought in to ease their burden and improve the efficiency of the department."

Heslop noted that it is not a case of just throwing technology into the mix: "I look at successful voice implementations, these have been from the top down engaging people as to the benefits – how we can stay ahead of the competition – and why it's not a threat to your jobs," he said.

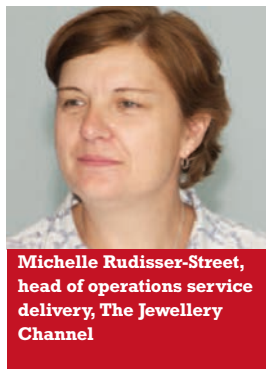
Technology of course helps, but Talbot said that investment in working conditions is at the forefront of staff retention. "We can all look within and know that our operations teams are not looked after as well as our other teams," he said.

"Technology helps; it makes it easier for them to do their job. But it's not just technology – we are investing in toilets for all staff that match those used by management. Investment in their working conditions, it's important."

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Richard Payne, head of logistics UK & Europe, Karndean Designflooring



Michelle Rudisser-Street, head of operations service delivery, The Jewellery Channel



Chris Heslop, head of EMEA marketing, Honeywell



Anna Wright, marketing manager Northern EMEA, Honeywell

Meet the panelists

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