

Driving Digitalization with DAT iQ Building better employee experiences

Engaging employeeswith end-to-end insight

Employers across sectors now face significant labor challenges, but shippers and carriers may be in a more difficult spot than most. In transportation and logistics, pandemic-related hiring troubles only tell half of the story. However, shippers can use their emerging digital ecosystems to improve hiring, employee experiences, and retention to build strong teams in today's tight labor market.

In 2023, over half (57%) of supply chain leaders cited hiring and retention within manufacturing plants as a primary challenge.

Deloitte

Nearly three-quarters (72%) of employees wish that the digital tools they use at work were less fragmented, and 86% believe having a centralized employee platform or portal would be the most effective way to solve day-to-day problems related to collaboration and internal data access.

Microsoft

New strategies for a new market

Today's labor market is unfamiliar to many employers. Though the balance of power between candidates and businesses has shifted over time, the extended "employee market" we've seen over the past few years is novel. The usual patterns have fallen away, and employers — including in transportation and logistics — are feeling the impact.

Although many industries are now scrambling to increase headcounts and fill skills gaps, shippers face a unique challenge. Today's increasingly shallow hiring pools aren't entirely new to shippers as transportation and logistics businesses have been staring down a significant talent gap in trucking for decades, but the extent of today's skilled labor gap has made keeping talent increasingly difficult.

With unemployment still historically low and union activity across the country making headlines, employees are embracing being in the driver's seat. With labor pools unlikely to turn in employers' favor anytime soon, shippers will need to act sooner rather than later, shifting their talent acquisition strategies to favor retention over expansion.

The prospect of more change is likely unwelcome to many industry leaders. After all, 2020 alone brought more operational shake-ups than the sector has seen in most

decades, and things are only now returning to some semblance of "normal." However, shifting focus from hiring to retention will be a critical endeavor in the coming years — and the digital ecosystems shippers have built to accommodate the industry's other changes can help them do it.

Fill gaps by building skills

For years, no matter the challenges businesses faced, hiring always seemed to be the answer. When labor was readily available, shippers funneled resources toward growth, passing over quality-of-life improvements for tenured staff in favor of expanding headcounts and enticing new hires to join their ranks. Then, when markets tightened, shippers started battling for the few qualified candidates left, offering growing compensation packages to those willing to sign on.

In both cases, existing employees were left out of the equation.

Now, though, many businesses have realized that the right fit for the job is often already on their payroll. The key to success today is keeping people around, not getting them through the door. Employers who understand that are finding themselves better equipped to overcome challenges.

Not only does prioritizing retention keep talented and knowledgeable employees in the fold, but it shows prospective employees that the company cares about their workforce and is willing to invest in their futures.

In short, engaged and fulfilled employees are a company's most valuable asset — both to hiring efforts and the business' core functions. It's a winning strategy for talent acquisition and development, management, product development, and everything in between.

Even better, getting it right is easier than you might think, especially for companies that have already invested in digitalization to streamline their operations.

Better business, better staffing

To keep pace in an increasingly connected economy, thousands of shippers made rapid progress toward digitalized transportation networks over the past few years. They've connected their systems from coast-to-coast and worked alongside data partners to ensure more reliable, optimized, and cost-effective strategies are at their fingertips.

Still, many have stopped there despite the potential of digitalized operations to do so much more than help ensure on-time deliveries and secure advantageous lanes.

When used thoughtfully, the data and tools that shippers use to get visibility into their networks' performance can help improve nearly every aspect of an enterprise.

How? It facilitates reliability, automation, accuracy, and transparency to make workers' lives better. And happier workers are more likely to stick around, no matter what the labor market looks like.

- Reliability. Improvements to transportation networks aren't just about making customers happier or cutting costs. Reliability makes workers' lives easier, no matter their role in the process. When inventory is intact and on track, sales teams are more successful, logistics managers can focus on strategic change, customer service reps have lighter loads, and warehouse workers can plan ahead without worrying about unexpected changes that get in the way of productivity.
- Automation. Shippers are no strangers to working around low headcounts, but manual operations can only get you so far. Not only does the ability to automate repetitive tasks help workers save time, but a recent Microsoft study found that 90% of people say they want access to simple automation options so they can focus on "the work that matters."

Shippers that help their staff automate tasks find that their teams more productive, reporting more accurate, and <u>warehouses safer</u> — all of which increase employee satisfaction.

They may also find that their staff has fewer skill gaps than before. With more time in the day, workers can take on new responsibilities, engage in educational programs to learn new skills, and find new ways to engage with colleagues to learn about areas of the business outside of their own.

■ **Accuracy.** For companies that haven't yet invested in internal tools for <u>automated</u> reporting, simply making relevant and accurate data accessible to employees can have a big impact on satisfaction and experience.

Microsoft's survey found that 7 in 10 employees cite inaccurate, inaccessible, decentralized, or mismanaged data as a key challenge in their positions. When complete and reliable records are at their fingertips, employees no longer need to play detective to find missing information or reconcile disparate datasets when compiling reports, making decisions, or performing other key functions.

■ **Transparency.** Having a centralized source of truth creates a level playing field, empowering all workers to think about operations more strategically and use insights about internal and <u>partner performance</u> to guide decisions.

Personnel on lower rungs of the ladder are often cut out of decision-making processes, but they're often the people with the most intimate knowledge of how a business runs day-to-day. Insight from key employees, like skilled warehouse laborers or individual contributors, is wasted when those workers are denied access to information and channels for sharing feedback. Worse still, unhappy or ignored workers might take those insights elsewhere and use them to improve a competitor's processes.

Perhaps most critical to these efforts, though, is that shippers give employees meaningful roles in the process of figuring out how to use digital tools to improve experiences. More than three-quarters (79%) of employees surveyed by Microsoft said that employee participation during the implementation process is key to successful digital transformations.

Putting experience before expansion

The challenges transportation and logistics businesses face in today's labor market showcase a need to shift the paradigm around talent acquisition and management strategies. To succeed in the market, shippers will need to embrace the new labor landscape, not fight against it.

The conventional approaches of hiring to meet immediate needs or seeking external candidates with specific skills are no longer sufficient. A scarcity of skilled labor, combined with the increasingly employee-centric job market, necessitates a focus on retention over expansion. That means investing in the people you have and making the benefits of your digital ecosystems available to them.

DAT iQ's <u>full suite of freight market intelligence</u> <u>offerings</u> can open doors for shippers looking to change their staffing strategies for today's market. The diverse benefits of connected toolsets empower workers with the insight and tools they need to excel in their roles and feel supported in their efforts, helping shippers not only survive but thrive in the face of labor market challenges.

Ready to get started? Reach out to one of DAT iQ's experts to learn more about the ways digital tools can help shippers improve employee experiences.

Connect with one of our experts to learn more about using digital tools to help employees thrive.

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