Competing for the warehouse workforce of the future

Continuing insights from the Voice of the Warehouse Worker
Executive summary

The warehouse workforce is currently undergoing a dramatic change. Worker power and leverage is rising, as there are many other options and opportunities for workers to explore. Gen Z is the generation that will be replacing the Baby Boomer generation (71 million members) in the U.S. workforce. A majority of boomers will retire in the next 10 years. However, there are 4 million fewer Gen Z members (67 million), so the worker shortage will continue, meaning not only do you need to replace a generation of workers, but you have fewer people to do it with.

Not only will the generation of workers replacing Boomers be significantly smaller, they will be very different in terms of attitudes around loyalty, work-life balance and employee engagement and satisfaction. Building on our recent **Voice of the Warehouse Worker Insights**, where we surveyed more than 500 warehouse workers, Lucas Systems did a series of in-depth interviews with dozens of workers representing different generations, levels of experience and attitudes to capture their feelings about their work and lives both now and in the future.
In the following pages we’ll define a vision for the future supported by insights from those on the warehouse front lines. We’ve combined that insight with the knowledge gained from 25 years of having our solutions used in more than 400 warehouses by thousands of workers every day to provide a blueprint for the path forward. We believe that warehouse and DC operators must make the following four elements part of their strategic plans to capture and retain the warehouse workforce of the future:

1. Create an environment that wins the worker
2. Invest in automation that benefits and advances the on-floor worker
3. Go beyond zero training with intuitive and evolutionary tech
4. Reimagine the warehouse division of labor and DC ecosystem
Create the environment that wins the worker

Warehouse and DC operators must think differently if they expect to compete. The warehouse is an overwhelming and intriguing place, but so much of the dissatisfaction voiced by workers was around leadership and environmental conditions. The bottom line is, if you don’t do the right things, you will fail. Workers will not come or stay.
Environment, and we mean both physically and culturally, is absolutely key, especially in attracting and retaining the younger workers of Gen Z. In the Voice of the Warehouse Worker survey, Z is the generation that rated physical stress the highest in terms of being the hardest part of DC work, with 79% sharing that opinion.

“Unless the environment is good, young people are not going to want to work there. Things like, are the facilities clean? Is it too hot or too cold? If companies improve the warehouse conditions and then the technology, I think they have a chance of attracting younger folks to work there,” said warehouse worker veteran, Greg, 45.

Many organizations are heeding the call. A recent Wall Street Journal article reported on companies including outdoor goods retailer REI and drug distributor McKesson adding features such as natural light and automation, fitness centers and outdoor work areas to make their sites more inviting to better compete for and retain workers in a tight job market.
Emphasizing this factor among Gen Z workers, Kerry, 23, pointed to a very basic, but often overlooked aspect of engagement, “I feel like showing more compassion to workers, in every industry, not just the warehouse, is important. I don’t feel like it would lower productivity. It would actually make it a lot more efficient. You have to realize these workers are still people.”

Kerry also stressed a critical driver of what many young workers value, and how they can thrive and make warehouse work a career. She has gained transferable skills that can be used in the future to enhance her opportunities. “That’s what I’m really happy about.” she shared.

Several other Gen Z workers echoed the importance of learning different tasks and having variety and flexibility in the day. Tara, 25, who has been in the warehouse industry since she was 18, values the pace of the warehouse and the ability to grow her skill set. “I like that it’s fast paced and there’s a lot going on at all times. Plus, they teach us every position on the floor if we want to learn it.” she said.
Jan is a 46-year-old warehouse worker from Tennessee who has worked in the warehouse industry for 28 years. She currently works in a 300,000 square foot facility with more than 150 employees per shift. She oftentimes is frustrated by the lack of upgraded equipment in her facility, which contributes to the physical toll the job takes on her body.

She took her first job in the industry because she needed a decent job where she could pay her bills and go to school. Over the years, she chose not to move into management so she could have more time with her daughter and growing family.

“What has kept me in it honestly, it’s just complacency. I’m a routine person, and I get so stuck in the routine. I know my job, I know what I have to do every single day. My day starts and ends at the same time. I know exactly the amount my check’s going to be and I know when my checks come.”

She sees a marked difference generationally between workers. “The new workers embrace technology more than the older generation because they’ve grown up with technology, like the cell phone, the computer and all that. So they’re more welcoming and expect tech to simplify their jobs.”
In our survey, we learned that workers are looking for a place to stay, but tech is an essential piece of the puzzle. 74% of warehouse workers said they hope to stay at their current job for at least three years, but technology plays a huge role in that. This is evidenced by the fact that 74% are also somewhat to extremely likely to go work somewhere else that has better technology, even if they have to take a slight pay cut.

The sentiment shared by Jan, 46, and a veteran of 28 years in the warehouse, is a scenario we will not likely see in the future. She told us, “Sometimes, my co-workers and I, we hurt so much we don’t know where the pain is coming from. I haven’t had any permanent injuries, but everything hurts.”

This reflects further survey findings that 88% of respondents believe investing in technology is investing in workers. But these beliefs differ by age segment. For example, 95% of Gen Z agree with this statement as opposed to 70% of the Boomer/Silent generation. “I strongly agree with that statement, said Kerry, 23, because less strain on the workers will result in better outcomes.”
The future workforce demands better tech

Workers also shared in our survey they believe voice, as well as scanners, conveyors and robots will be the most beneficial tech implementations. Len, 49, a Gen X worker and team leader, values the advantages that technology like handheld scanners bring his workers. “It’s difficult for even the newest worker to physically pick up the wrong thing and scan it. It’s definitely helped order accuracy.” This is especially valuable in an atmosphere where order-picking accuracy was ranked as the #2 most important metric by warehouse professionals in the 2022 WERC DC Measures Report.

To further increase warehouse accuracy and worker efficiency, in addition to the headsets driven by AI-based voice recognition software that Lucas employs, the company continuously works with partners like Zebra to certify new and innovative devices including wrist mounted and even “ring” scanners that workers can wear around their fingers. These include products such as the Zebra WS50, a complete Android device in a ring scanner, which is the world’s smallest all-in-one android enterprise-class wearable mobile computer.
Kerry is a 23-year-old female who works as a picker in a facility in New York. She has been in the warehouse environment for less than five years, and generally appreciates her co-workers and the high intensity, yet “pretty chill” environment.

She has gained a lot of transferable skills that she feels she can use in the future to enhance her opportunities. Kerry appreciates the chance to work with technology as it “makes everything operate a lot smoother, and it makes everything a lot easier for us.”

In addition to the pay structure, generally more than other opportunities that she had considered, such as the hospitality industry and fast food, she prefers warehouse work. “It’s more strenuous work, but the pay is better. So it makes up for it. But it’s also the freedom. There’s not a lot of micromanaging.”
Go beyond zero training with intuitive and evolutionary tech

Training was also a crucial discussion point for workers, with the strength of the training (or lack thereof) playing an enormous role in their engagement and satisfaction.

One consistently cited factor was the adaptability of training scenarios, and not a “one size fits all approach.” User-defined training is a wave of the future that workers are embracing. This means tech that empowers workers and devices that can help train you, and vice versa. Warehouse veteran Jan drove home a common problem of the traditional ‘your best workers train newer workers’ mentality. “You need the workers that know how to do the work to be working. They don’t have time to teach people how to work,” she said.
Give workers control of their tech user experience

Tara, 25, appreciates the ability to explore and adapt on her own. “They trained us in two hours, and then let us go out and do the job by ourselves. I liked that type of freedom,” she said. “It was very easy to learn the new tech because it’s as smart as can be these days. It’s a quick process.”

For warehouse and DC operators, this means making sure your technology has features like Easy/Standard/Advanced workflow modes, adjustable verification steps, shortcut keys, and New/Veteran user group settings, which can have a dramatic impact on engagement and efficiency for workers, within a relatively short time frame. For example, the Lucas voice-directed system allows workers to control voice playback speeds to their own preference and comfort level.
Uncovering a labor attraction and retention tool

With the voice recognition system utilized by Lucas, warehouses can implement a nearly instantaneous, no-training-necessary enrollment process that delivers initial voice samples to create a user voice model. The benefit here is two-fold, allowing the system to begin learning a user’s voice while introducing the user to the system and accompanying equipment. Examining the numbers, say 20 minutes is saved in beginner training. For a warehouse with 24 workers, every 20 minute time savings equals one eight-hour work day. Using voice-directed technology became a competitive advantage when trying to hire new workers for Lucas customer Cengage. “One major benefit for Cengage is how easy it is for new workers to learn to use Jennifer (the voice system),” said their director of distribution. “The simplicity of training with Jennifer helps us attract new employees.”

Given the proliferation of different dialects, accents and the multi-lingual warehouse, the need for maximum flexibility, recognition and accuracy, is even more acute. The spoken and heard voice, as well as displays should each be adjustable per user language preference. For instance, if a worker is speaking Spanish, and a manager prefers English as part of their management console display and interaction, that language preference can be accommodated.

As part of their scope of work, one Lucas customer included four languages, English, Arabic, Spanish and French in a single warehouse. The request actually came from the organization’s human resources department in order to target specific demographics within the geographic area where their building was located. Part of that reasoning was to be able to promote to specific ethnic groups that they could work in an environment using their native language. In the intense competition for workers, targeting specific communities and neighborhoods to bolster the workforce through the language advantage is one more unique card that can be played.
Bradley is a 24-year-old male who works as a picker at a large auto parts plant in the Southeast, USA. He has been in his current job for 2 years, but has also worked in other warehouse settings during his career.

One of the most critical factors he appreciates about his job is the flexibility. “The main thing for me is, you work 10 hour shifts, but it’s only four days a week. So you’re still getting your 40 hour weeks, but you have a lot more time off at home. And retail is annoying. I just like being able to stay there myself, do my work and go home.”

Having worked in much more physically demanding jobs in the warehouse previously, he also was looking at opportunities that weren’t as physically strenuous as more traditional warehouse tasks.
In the Voice of the Warehouse Worker survey, 73% of Gen Z workers feel like robots will help workers do their jobs, specifically in reducing physical stress. This is vitally important because as mentioned earlier, the generation who felt that physical stress is the hardest part of DC work is Gen Z (79%). This was supported by our conversations with workers, where regardless of age group, they were almost unanimous in their approval of working with robots.

Greg, 45, works closely with robots in a Michigan warehouse. He has been at his current job about one year, but has done a similar job in other warehouses over several years, and chose his current job based on his experience and opportunity to work with robots.

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**Ways workers think robots may help them in their jobs**

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<tr>
<th>Benefits</th>
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<tr>
<td>Reduce my physical stress</td>
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<tr>
<td>Helps me achieve better speed in item picking</td>
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<td>Assures my safety by taking over more dangerous tasks</td>
<td>37%</td>
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<tr>
<td>Reduces my mental stress</td>
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Playing to the strengths of your “workers”

Sharetasking, or having humans work alongside robots, breaking up the warehouse division of labor is a strategy that is gaining ground rapidly. As robots will continue to be a bigger part of the workforce, engage your employees in helping plan what jobs and tasks robots could do instead of workers. Focus on breaking up the job of the future so the division of labor changes. Hard physical work is moved to machines (or complex workflow, manual data entry, repetitive motion), while work that requires more human decisions and dexterity stays with humans.

Jan’s discussion around working with robots illustrates that point well. “I did not worry about the robot taking my job, because we worked together,” she said. “The robot loaded things and I pulled out the full containers and replaced them. I didn’t have to do all the lifting.” Len echoes this point strongly as well. “I prefer to be doing those things that are more challenging, and where I can learn, grow and develop,” he emphasized.

Reimagine the warehouse division of labor and DC ecosystem
How DC operators divide and conquer work more productively

A use case that illustrates sharetasking in today’s environment is full pallet moves and transfers. Robots can perform full-pallet putaway or replenishment moves, replacing people in one of the most travel-intensive activities in the DC. The benefits in this area include safely transporting large and heavy payloads autonomously, while creating a less congested and safer warehouse environment. It also allows DCs to repurpose forklift operators to higher value tasks, rather than spending labor hours on wasted travel. Common work types here include putaway, pallet picking and cross docking.

Several Lucas customers have implemented a custom box erecting solution, to create boxes on demand. This solution performs the building and taping together of shipping cartons – instead of assigning those repetitive and tedious tasks to employees, freeing them to do more engaging and productive tasks. This solution also significantly reduces shipping costs by eliminating wasted cardboard and dunnage. The space utilization of picking carts is increased and transportation reduced.
In conclusion - Inaction is not an option

While so many warehouse operators talk about the plan and necessity to implement technology programs or automation, the results of our survey showed that 66% of warehouses still utilize manual processes to perform basic functions. Finding and keeping workers continues to be a problem plaguing many DCs and it is a problem that will persist and likely become more acute as the sector continues to grow and longtime associates retire, with a much slimmer possible pool of employees waiting in the wings to replace them.

As confirmed by our discussions with workers from around the country, in different situations and stations in life, in the ultra-competitive chase to attract and retain good talent, pay is just one consideration. Organizations also need to display empathy and true interest, listening to employees, offering a healthy environment, both physically and mentally, and providing modern tools that keep workers happy in addition to being productive.

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It will require a true dedication to making the warehouse job experience better through technology and automation to help employees flourish, engaging workers in the problem solving of process and productivity challenges and creating workflows and systems that adapt and scale for all levels of experience.

Most Wanted Tech to Help Workers Do Their Jobs

- Scanning: 63%
- Conveyor Systems: 48%
- Voice directed tools with headsets: 46%
- AR/VR glasses: 36%
- Robots: 32%

Types of tech

- AR/VR glasses
- Robots
- Scanning
- Voice directed tools with headsets
- Conveyor systems

% of workers