

# WAREHOUSE AUTOMATION AND EMPLOYEE RETENTION: FRIENDS OR FOES?

October 23, 2023 • Forbes • Kevin Beasley

Many e-commerce operations constructed additional warehouses to accommodate demand at the height of the pandemic. Once built, however, operators faced a new challenge: a labor shortage that 57% of supply chain executives say has “hindered their ability to meet demand.” That shortage persists and many logistics professionals are turning to warehouse automation technology to help retain employees they have and increase their productivity.

It may seem counterintuitive to make the claim that increased automation can help retain employees. After all, the debate over worker displacement and new technology has raged for centuries. But that’s not what we’re talking about here. If you add two hours to the day of a warehouse worker, at best, you’ll increase the number of orders that worker fills by 25%. You also get an exhausted workforce.

That’s why automation and

employee retention go hand in hand. But some organizations are failing to capitalize on its full potential. For businesses that set up new warehouse operations or scaled existing ones in the last few years, technology implementations often occurred too quickly to maximize ROI.

Today’s supply chain professionals should consider how automation can improve efficiencies. One way to do this is by using a warehouse management system (WMS) as the foundation.

## **The Benefits Of Warehouse Automation**

By implementing a WMS, most businesses have already laid the foundation for more comprehensive applications of warehouse automation. The next step is to understand how advanced warehouse automation can deliver a greater impact.

Here are three main benefits your business could gain from WMS

automation:

### **Improved Recruitment And Retention**

Nearly three-quarters of warehouse workers are at least somewhat likely to accept a job at another company that pays less but offers technology that makes their jobs easier and gives them the opportunity for advancement and, eventually, increased pay. Here’s where automation can help. For example, goods-to-person (GTP) automation such as carousels, pick-to-light and robotics solutions can transport small products directly to warehouse employees instead of forcing employees to travel to the product. Simply reducing unnecessary travel for employees can go a long way toward improving retention. To continue these efforts, look for other common pain points that warehouse workers experience and consider how automation can help.

It’s important for organizations

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to continuously train employees and to cross-train them as well to provide adequate backups. Cross-training can also provide new avenues for advancement among warehouse employees. Businesses might want to work with partners that can provide comprehensive training resources, ensuring users can adapt to changes or expanded functionalities in the system.

### **Increased Efficiencies**

In many industries, warehouse efficiency is a necessity. Take healthcare, for instance. When shipping medical devices, delays and a lack of visibility into the status of shipments can have safety-critical consequences for customers.

Fortunately, automation reduces the potential for human error in warehouse management. For example, voice picking, which offers multilingual capabilities, is a form of automation that combines speech recognition software with hands-free headsets. After hearing a specific prompt from an employee, the voice-picking system directs that employee to the right location and provides the order in which items should be picked. The system offers optimized recommendations by recording and processing orders from your WMS, ultimately allowing

you to filter through more orders in a shorter amount of time.

### **Increased Competitiveness With Major Players**

WMS automation is increasingly becoming table stakes, with major e-commerce operations reaping its full benefits. Walmart and Amazon rely heavily on warehouse automation, and they consistently outbid competitors due to the lower costs and faster delivery outcomes it provides.

To compete with large enterprises, automation will need to be the foundation of your warehouse. Other forms of automation that can help include automatic guided vehicles (AGVs) and autonomous mobile robots (AMRs). AGVs are robots that use magnetic sensors to travel in a fixed path throughout the warehouse. An AMR operates autonomously, navigating more complex environments.

### **Today's Warehouse Automation Challenges**

Clearly, warehouse automation has many benefits. So, what's stopping organizations from implementing it? Simply put, many businesses never stop moving. Taking the time to change the way things are done, install new equipment and train staff is time-consuming. Some have likened the situation to

“assembling the aircraft mid-flight.”

### **System Integration**

One of the challenges supply chain managers may face is the disparate nature of the systems they use. Accounting uses one system while the logistics team uses another. It's not uncommon to see companies that have mixed on-site retail, wholesale and e-commerce operations using different inventory management systems. Add to that the effect of acquisitions and expansions. To help with this issue, dedicated ERP systems can integrate these silos and provide a foundation for building a more comprehensive WMS process.

### **Scalability**

A growing business needs a system that can expand and adapt alongside it. Organizations can help ensure future scalability through cloud integrations for data storage and processing. Also, real-time, predictive analytics can offer insights into areas in which efficiency can be improved, allowing for proactive adjustments before scalability becomes a more significant issue. If the interface of a warehouse automation system doesn't enable adaptive workflows, operations may have difficulty changing with the times.



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## Expertise And Training

A WMS system only works if employees know how to use it. And we frequently see a couple of stumbling blocks on this point. At one level, IT talent can be hard to find. At mid-market firms, we may only see one or two key players in the organization. And then there's the user level. In many organizations, we see a

concentration of expertise in how to operate a system among long-tenured "go-to" employees. When one of those employees is absent or leaves the company, balls can get dropped.

## **Building A Business For The Future**

As warehousing leaders from companies of all sizes struggle

to compete with major brands amid labor shortages, warehouse automation offers one sustainable path forward. By understanding the potential of automation and how it connects with your WMS, you can better position your organization to invest in automation solutions that drive efficiency and promote retention.

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