



# A guide to employee engagement trends in logistics and distribution

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Practical tips and tricks to help you boost employee satisfaction and productivity

# Contents

- 3 Introduction
- 4 Key industry statistics
- 5 How to combat the strain on employees
- 5 - 10 Industry challenges
- 11 What is the impact of poor employee engagement?
- 12 - 13 'You work, I pay' - Let's fight the norm
- 14 Handy ideas for employee engagement
- 15 What is the 'ripple' effect?

## Introduction

Let's take a look back at the impact of the previous year on your people

2020 was a turbulent year for every industry, but organisations in logistics and distribution have almost certainly bore the brunt of the impact.

At its highest in June 2020, 38% of the UK were exclusively working from home<sup>1</sup> with many more splitting their time between the office and home as part of a hybrid working model. The impact on the logistics and distribution industry? An extreme increase in reliance on home deliveries.

Add on top the closure of non-essential shops, online deliveries have become a key part of consumer life all over the globe. The pandemic has permanently impacted our online shopping habits according to the United Nations<sup>2</sup>. The percentage of shoppers making at least one online purchase every two months has increased in almost all areas, but most dramatically in Tools, Gardening and DIY, ICT/Electronic Goods and Pharmaceutical/Health.

Whilst this boom in logistics and distribution services has provided much opportunity for organisations like yours, it has also placed a huge strain on your employees responsible for delivering these vital services. Couple this strain with the pressure on HR departments to recruit faster than ever before whilst managing a stressed workforce, employee engagement has never been so vital.

This guide has been put together to reflect on some of the key challenges organisations are facing when it comes to engaging their workforce. It will provide tangible actions to help you combat these challenges, supported by the evidence that a more engaged workforce leads to improved performance.



# Key industry statistics

Online deliveries and click-and-collect are set to **double in size** by 2025  
(OC&C Strategy Consultants)

**55%** of employers are **struggling to recruit** supply chain professionals with the right skills  
(University of Northampton)

Global trade in goods and services is likely to rise more than threefold to **US \$27 trillion** in 2030  
(World Bank)

**70%** of professionals in supply chain are **struggling to retain and attract talent** due to negative perceptions  
(Occupop)

The percentage of logistics employees nearing **retirement** in Europe is **higher** than any other industry  
(European Union)

**32%** of people were pushed closer to **burnout** during the pandemic and **51%** are working outside of contracted hours  
(Safety and Health Magazine)

**45% increase** in demand for logistics and supply chain jobs since 2016 whilst the amount of people who can perform these **skills is decreasing**  
(Ajilon Professional Staffing Agency)

Top careers goals for supply chain professionals in 2019: **earn more money** (36%), improve **job satisfaction** (32%), improve **work/life balance** (23%) and **progress** within the industry (9%)  
(Occupop)

# How to **combat the strain** on employees

With increased employee stress due to the pandemic, leaders need to focus on keeping them happy, engaged and connected to the rest of the workforce.

## Communication is key.

36% of employees surveyed by The Workforce Institute<sup>3</sup> this year felt that the initial pandemic response from their employers was too slow; specifically for organisations in logistics and distribution. This could have been down to the lack of appropriate tools to maintain required communication levels with their staff. Another common issue in logistics is that not all workers have a corporate email address and/or access to a corporate device, leading to struggles gaining access to company updates.

## Have empathy.

The same study showed that a third of employees wish their organisation acted with more empathy during the pandemic. When managing employees from a head office, it's easy to forget the day-to-day pressures they are facing. The increasing expectations from leaders to hit targets often lead to employee wellbeing, satisfaction and mental health taking second place. By using employee listening tools (such as pulse surveys, polls etc) you can keep an eye on how your employees are feeling and implement action plans to ensure they don't burnout.

## Appreciate their efforts.

It's no longer considered enough to just provide a pay cheque in return for work. Whilst this is a fair exchange for some, many need the added support of recognition to make them feel valued. Being appreciated in this way is proven to positively impact an organisation's bottom line. Organisations with employee recognition programmes experience a 31% lower employee turnover, saving huge costs in recruitment<sup>4</sup>. If you extend recognition to peer-to-peer as well as manager-to-reports, 41% of companies experience an increase in customer satisfaction<sup>5</sup>. These findings are highly relevant and important when logistics relies so heavily on a positive end-customer experience.

## Reward top performers.

In an industry where performance is often measured (shipping time, order accuracy, delivery time, customer satisfaction etc) there is an open opportunity to reward employees based on desired outcomes. Many organisations are adopting easy-to-manage reward programmes, linked to recognition, that help to bolster the appreciation felt by their employees, leading to reduced absenteeism and employee turnover.



# What challenges are the industry facing?

## TURBULENT TIMES

### The world is changing.

The pandemic has led to an increased reliance on deliveries that the world has never experienced before. For many, online shopping has shifted from a preference to a necessity, meaning the end consumer has a huge reliance on deliveries being accurate, on-time and satisfactory in customer service.

In the UK, 96% of people say they've ordered a parcel since March and 51% said they felt more reliant on having goods delivered<sup>6</sup>. 47% of British adults also claim to have had issues with parcel delivery since lockdown. This indicates the industry is buckling under the pressure and employees are struggling to cope with the increased workload.

Your employees are under the spotlight for their handling of deliveries, errors and customer service. This knock-on effect of this pressure on your workforce is likely to be increased stress, lack of motivation and higher absenteeism.

Add to this strain the uptake in global trade, the increase in goods will mean the industry needs to drastically keep pace. Implementing internal training programmes will be a vital part of managing this shift, but employee listening will also be important.

### The unknowns of Brexit.

Putting aside the continuing impact of the global pandemic, supply chain businesses are also attempting to predict Brexit's long-term impact on its employees. Organisations are increasingly becoming anxious about the effects of the change, with many stocking up on products and supplies to avoid supply chain issues.

The most challenging part of this is the unknown. Employers must consider this from the employees point of view, particularly for those working across EU and UK borders. All you can do is maintain staff communication to ensure they are kept up to date with any developments as you learn of them. Even if the impact to their workload is negatively impacted by Brexit, transparency and openness from their employer will ensure that employees feel prepared and more in control.



## MANAGING THE MARKET

### Battling low wages.

There is one inevitable within this industry – it is one of the lowest paid. Transport & Logistics is listed as a key sector where low-wage employment is concentrated, according to the Global Wage Report from the ILO<sup>7</sup>. Whilst some employers may be able to offer a slightly enhanced rate of pay, the sheer volume of employees and tightening margins means this is unfeasible for most.

The low wage expectations means employers need to give something else back to employees to make them want to work in your industry. With salaries 42% lower than the best-paying industry, studies in Europe have shown the additional benefits perceived as most important by logistics employees are:

1. Pension plans - 57%
2. Variable cash bonus - 50%
3. Company car 43%
4. Company phone 43%
5. Expense reimbursement 42%

(Data from Europhia<sup>8</sup>)

Whilst benefits like these can positively impact an employee's intention to stick around, there are other areas that contribute to dissatisfaction. A toxic workplace with company politics is said to be one of the top turn-offs for logistics employees<sup>9</sup>. This can be hard to change within an organisation and essentially all comes down to company culture.

If your organisation has committed to a set of company values, how do you recognise employees who exude them? Rather than punishing those facilitating company politics, recognise and reward those who demonstrate the positive attributes sought by your organisation. Demonstrating this praise in a public forum will lead to employees wanting to imitate good behaviour and a slow (but steady) change to your culture will develop.

Finally, employees often speak of a lack of room for advancement in the industry. If you have training and development programmes, they should be made available and communicated to all levels of employees. Even those joining as temporary or seasonal workers may wish to stay on with your company in a permanent position, but may not feel confident to do so unless opportunities are made clear to them and they feel inclusive as part of the workforce. Opening up development opportunities and positively recognising employees who live and breathe your company values will put your organisation in a strong position over your competitors.



# What challenges are the industry facing?

## Rejuvenating public image.

The first step to improving your employer brand is ensuring your current workers are satisfied. Whilst staff perception isn't the only factor in building your brand, it is an important element. Improved satisfaction can be supported by the ideas highlighted on Page 5 as well as improving working conditions and taking action on employee feedback where possible.

Enhancing your corporate social responsibility (CSR) will help too, especially when trying to attract younger workers. This could involve providing opportunities for your employees to take short periods of time out from work to focus on professional or personal development, or to offer their time to a local charity or community project.

When considering CSR internally, you could involve employees in decisions around the charitable organisations you support, ensuring they feel involved and part of the initiatives. You can also champion employees who are top volunteers or community representatives. Showing ample appreciation in this area will not only benefit your employees, but will alter the way potential candidates view your brand.

The logistics market continues to be fiercely competitive, with pressure on efficiency and cost-effectiveness to help counteract shrinking profit margins. There are thousands of operators in Europe alone, meaning exceptional customer service is required - this isn't always possible if you have disengaged, disinterested employees.

Add to this the ease of employees 'jumping ship' to a competitor, it's increasingly difficult to retain talent which brings us back to the question - what can you offer that other organisations can't?

Satisfied employees, a well-respected company and a robust corporate responsibility programme are key building blocks for a strong employer brand, and will be the stepping stone to setting yourself apart from competitors in the recruitment market.



# The BIG issue: The skills shortage

For those reading this who are involved with employee recruitment and retention, you'll understand that there is an extreme skills shortage. This is mostly due to an ageing workforce where, in Europe, the percentage of people nearing retirement age in the transport sector is higher than the average percentage for any other industry.

Not only does this mean that your employee workforce is likely to be getting older and potentially less able to carry out a heavier workload, it means that the available pool of talent is becoming more competitive for recruitment. Organisations can make use of technological advancements to create elder-friendly workforces, but training is required to ensure that all of your employees are confident in your processes.

Alternatively, consider switching older employees from night shifts to day shifts or place them into office roles to make their jobs more achievable. These changes will increase the likelihood of retaining experienced workers for longer.

This continued shortage in workers is likely to be causing issues for fleet managers across the globe. Exacerbating the situation is the lack of young people considering a career in the industry, meaning there is nobody to fill the soon-to-be-created gaps. As previously mentioned, making logistics financially rewarding is one way of attracting new talent, but leaders also need to address the sector's poor public image.



# What challenges are the industry facing?

## Technology disruption.

74% of HR managers rated 'outdated systems' as a core challenge at work according to Kronos<sup>10</sup>. Perhaps your organisation is also suffering from old systems or a multitude of tools that makes the employee experience unnecessarily complicated or dysfunctional?

The move to mobile has also thrown in a lifeline for logistics companies. With almost all of your employees being 'deskless', there is a now a realisation that these workers can still be reached with the right mobile engagement platform.

By providing an engagement tool that can be accessed via a mobile device, you will be opening up a window of opportunity for communication and recognition that was previously only achievable through traditional email communications, posters in warehouses or by cascading information from regional or site managers.

## Elevating HR.

Human resources is sometimes a support arm of a business but really should be a central pillar of the c-suite. Too often, there is a focus on finances at the cost of forgetting about the middle man – your employees. Making changes to your processes to become more effective and efficient is important, but ignoring your employees and not recognising their value can be detrimental.

HR teams should become a strategic partner within a business to help boost engagement and employee happiness which will have a knock-on effect on the rest of the business.

For some traditional companies, investing in employees to improve productivity and business outcomes is still a fairly new concept; yet there is plenty of research out there highlighting the benefits.

A recent survey showed that the resilience of an employee triples when employers adopt a "well-rounded health and wellbeing programmes supporting physical, social, emotional, financial and professional needs"<sup>11</sup>. Having resilient employees means they are more likely to be committed to their job and are less likely to feel dampened by increased workload or daily stresses.

Resilience can only be achieved by creating 'engaged' employees, however, which Aon<sup>11</sup> defines as employees who are "enthusiastic towards work, motivated, feel that they will stay with their employer and love the company that they work for". It is important, therefore, to invest time and money into enhancing engagement to create loyal employees who will never want to leave.



# The impact of poor employee engagement

## Employee absence:

Your people are less likely to turn up to work if they are unhappy, which has a direct impact on your customers and delivery schedules

## Low productivity and motivation:

54% of employees<sup>12</sup> cite a lack of motivation and feeling valued as a daily challenge

## Poor communication:

If employees don't communicate well with their people, they are unlikely to share their own feedback, making it harder for organisations to improve

## Low satisfaction:

Leading to lack of motivation to carry out their daily duties, resulting in a lack of productivity and lower customer satisfaction

## Poor employee value proposition:

Unhappy existing workers and a poor brand image will lead to a lack of ability to attract new talent

## Increased resources and cost:

Constant recruitment or high absenteeism leads to more resource and investment required internally

## Unappreciated workforce:

This can contribute towards poor morale, affecting the mental wellbeing of your people



# “You work, I pay” Let’s fight the norm.

People need a reason to turn up for work other than their salary. Logistics can be a tiring and challenging job. If done with little support or recognition, it’s only a matter of time before they will want to leave. Here’s some tips on what can be done to combat these issues...

## Step 1: Ask for employee feedback

If you’re not already conducting employee engagement surveys, now is the time to do so. They should be regular to ensure you can track changes in sentiment and employee satisfaction. Most importantly, captured feedback should be shared back with your employees to increase transparency and boost trust.

If action plans are created based on survey results, share any progress with your workforce so they understand that their feedback matters and their opinions are valued.

If your employee surveys are only conducted every year or so, consider implementing pulse surveys on a more regular basis or use polls to gauge feedback quickly when required.

## Step 2: Enhance communication tools

Expecting ‘shopfloor’ employees to use their own laptops or computers at home to access corporate resources is unlikely after a long and tiring shift. Consider adopting easy to access tools that allow you to push corporate updates, positive news stories and employee recognition to your entire workforce.

## Step 3: Share best practice & knowledge

How do your different departments/ regions/sites communicate with each other? Many logistics and distribution companies tend to have siloed teams who each follow local processes and this is usually apparent with recognising employees. Some teams will have managers who are excellent at employee engagement and others will have no form of recognition or engagement at all.

Providing a platform to share what’s going on in different sites will increase transparency and help share best practice. This means other managers can pick up tips and tricks to improve engagement in their own area, ensuring there is consistency across your employee base.

## Step 4: Coach your managers

Employee engagement often falls flat when managers don’t understand the value in creating satisfied and engaged employees. This mindset needs to become part of your company culture and you will only achieve that by coaching your leaders.

Run sessions or create training materials which guides your managers on areas such as:

‘Why is it important to recognise my direct reports?’

‘What types of recognition are there?’

‘How/when should I recognise an employee?’

## Step 5: Lead from the top

The easiest way to learn is by following those above you. If your organisation has a central head office, it’s important to practice what you preach with employee engagement. Having strong examples centrally will help influence those on a local or regional level.

Additionally, getting buy-in from senior leaders is vital in developing a strong culture. If you have engagement platforms where senior leaders (such as your managing director or CEO) actively engage by posting company updates, recognising top performing teams or celebrating success stories, other employees across the company will want to stay engaged and be part of the conversation.

## Step 6: Recognise and reward

There are lots of ways to recognise and reward your people. You can recognise based on performance or goal-tracking, such as hitting targets individually or as a team, or you can take a softer approach by rewarding those who demonstrate your company values.

In supply chain management, there is often a disassociation or lack of clarity around KPIs or what impact an employee is having. Offering a way for employees to track goals and linking this to reward and recognition can facilitate health competition and employee engagement.

Nomination campaigns are a great way of facilitating recognition in a methodical way. You could run a new campaign each month based on one of your company values, asking employees to nominate peers who they think are a living, breathing example of that value within their organisation. The positivity felt by nominated employees will make them feel valued and appreciated.

With turnover usually being so high, employers should also focus on long-service recognition. Whilst organisations in other sectors might reward employees on intervals of every 5, 10, 25+ years, consider recognising your employees at smaller intervals. Recognising an employee for completing their first six months or passing probation will increase their confidence, meaning they’re more likely to stick around. Sending a monetary reward after their first year and beyond will go even further in fostering loyalty.

## Step 6: Offer people development

Have you got any progression programmes in place? It’s important to showcase a career path not just for your apprentices or graduates, but for all employees, no matter of their role or length of service.

Progression could be in the form of training opportunities, the ability to take on line management responsibility or even having the opportunity to try a role in another part of the company to enhance their skills or understanding of the wider processes.

Providing development opportunities in this way will help keep employees interested and engaged whilst improving your employer value proposition from potential candidates considering a role at your organisation.

# Handy ideas for employee engagement

Once you have access to the appropriate tools to enable employee engagement, such as the [Rippl Incentives, Recognition and Reward Platform](#), here's some ideas on what you could do:

## 1. Employee spotlight

There are always fantastic stories available in your workforce but many of them will never be brought to the surface for everybody to enjoy. You could highlight employees celebrating their length of service, a community champion, a senior leader with interesting insight or experience, a new starter, your top salesperson with tips and tricks, or somebody with an interesting customer success story.

## 2. Support employee wellbeing

Staying healthy and able is extremely important for employees to be able to carry out their jobs effectively. So whilst sharing company updates and news with your employees is useful, it's also important to share information on wellness and mental health. Providing the resources your people need to take care of themselves will help to reduce absenteeism.

## 3. Regular newsletters

To focus on the softer side of work - personal stories, charity work, exciting projects or customer feedback.

## 4. Female-led initiatives

As an industry dominated heavily by males, why not make an effort to showcase some of the female success stories within your organisation? Use this content on external platforms to enhance your employer brand with potential candidates.

## 5. Activity opportunities

Give employees the opportunity to switch off from work to create a more pleasant working environment. Incorporating fun could involve providing quizzes with a small prize or rewarding entire top performing teams/sites so they can buy goodies for people to share, helping to boost camaraderie.

# What is the 'ripple' effect?

This is the idea that the actions of one person can have an infinite effect on others. Specifically, we talk about the ripple effect when considering the power of recognition in the workplace.

It's upon this theory that the people behind this guide, River Software, developed the "Rippl" Incentives, Recognition and Reward platform.

Rippl is a desktop and mobile platform designed to allow organisations to motivate and celebrate their frontline workforce. It combines powerful recognition tools with the option to amplify impact through monetary reward and incentives.

The platform is inclusive - meaning all employees (no matter their job title, location or length of service) can engage and recognise each other's hard work and contribution.

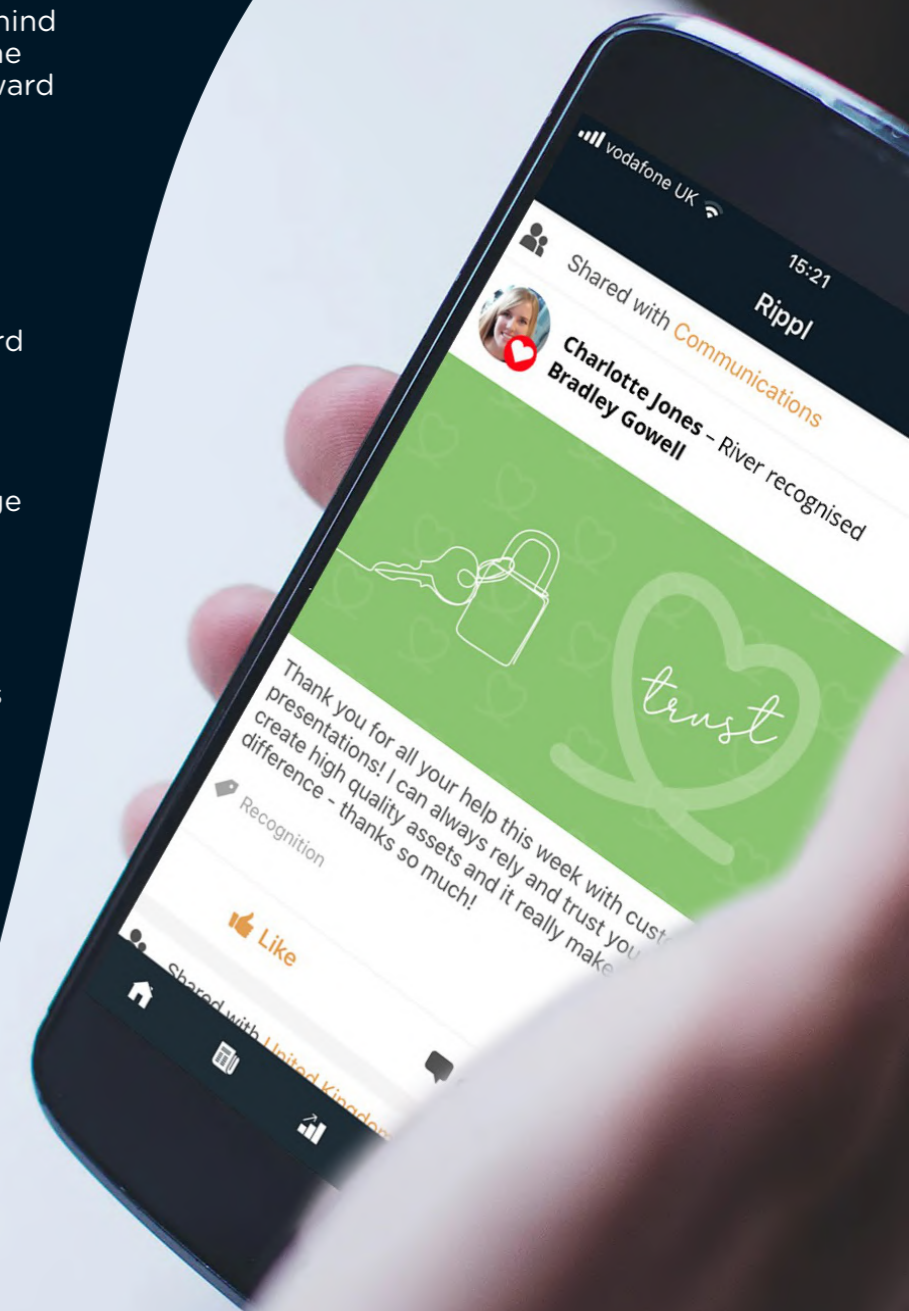
Providing employees with the tools to recognise their team mates creates a culture of appreciation. Your employees will feel more motivated to work, meaning productivity soars, staff turnover drops and revenues increase.

It's so simple, yet so powerful. Many global organisations such as Asda, Mercedes-Benz Vans and Volvo are taking advantage of the Rippl platform to maximise the potential of their people.

[Learn more about Rippl >](#)

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Find out how the **Rippl** platform can help you run an **impactful** employee engagement programme powered by **incentives, recognition and reward.**

**Book a demo** —→