

Motivating and Retaining Employees in an Increasingly Competitive Labor Market

COVID-19 Labor Market Disruption

In April 2020, the U.S. unemployment rate peaked at 14.8% - the highest rate recorded since data collection began in 1948.¹ Many businesses shifted to a work-from-home model when possible or made substantial job cuts to accommodate decreased demand, therefore decreased profit, while maintaining a constant overhead.

A large number of workers qualified for unemployment benefits and received a comparable amount of money, if not more than their regular pay. Because of this, workers opted to continue receiving unemployment when given the opportunity to return to their jobs, adding to the already challenging labor crunch. Business owners have had to rethink their strategies for recruiting employees and presenting themselves as a more enticing workplace than their competitors.

Employment in transportation and warehousing grew by 50,000 jobs in July of 2021, according to the Bureau of Labor Statistics.² While on-premises beer consumption fell sharply, other segments remained strong, bolstering distributorships

- and their workforces - through the pandemic. However, competition for these workers remains high and outside wage pressure has encouraged many business owners to consider employee retention measures.

Remind staff of lesser-known benefits that your company offers

Let's take a look at how you can increase your employee retention and cut down on operating expenses.

1. Salary and incentives

A competitive salary is your best tool for attracting and keeping talent, but don't neglect offering - and promoting - other incentives. Use your employee handbook as a tool for reminding employees what they already have.

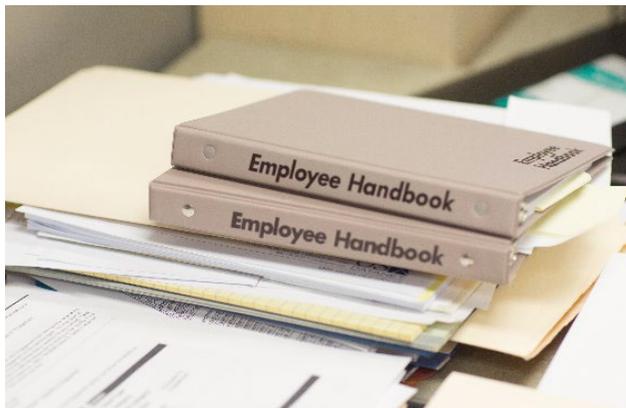
Initially, the handbook may seem like just a way to cover your legal bases, but you can use it as a motivational tool, too. Remind staff of lesser-known benefits that your company offers such as: bonus programs,

¹ <https://fas.org/sgp/crs/misc/R46554.pdf>

² <https://www.bls.gov/web/empsit/ceshighlights.pdf>

discounts, floating holidays and paid time off. These are all perks that may have attracted employees in the first place and can help you remain competitive as an employer.

According to the Society for Human Resources Management, younger workers tend to find flexible scheduling to be an increasingly attractive perk.³



2. Work environment and company culture

In an article published by SHRM, HR and technology journalist Mark Feffer explains that “warehouse work is physically demanding and often entails long hours, but employers try to create the best working environments they can by, for example, keeping facilities spotlessly clean, understanding that warehouse workers often regard things like culture and benefits in ways that are markedly different from their white-collar colleagues, and, most commonly, being present on the warehouse

floor and looking for opportunities to have personal interactions with workers.”⁴

Even small gestures of goodwill can show appreciation to your workforce. That goes for drivers, warehouse workers and administrative staff alike.

“warehouse work is physically demanding and often entails long hours...”

Since distributorships employ a blend of blue-collar and white-collar workers, different methods of communication may be necessary for effective company-wide communication. Administrative personnel are easier to reach via email than drivers and warehouse workers, so don’t assume that a company announcement made via email covers all bases. In addition to using posters for important information, Adam Calli, SHRM-SCP, principal consultant of Arc Human Capital in Woodbridge, Virginia, recommends making company announcements live at each pre-shift meeting.⁴

3. Work-life balance

If your administrative personnel were able to work remotely during the pandemic, they may want to retain this perk, especially if it allowed them the flexibility to care for young children or aging parents. Some employees

³ <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/documents/retaining-talent.pdf>

⁴ <https://insulation.org/io/articles/finding-and-managing-warehouse-workers-is-in-the-trenches-hr/>

may still prefer your physical office, because it bookends their workday. If you opt for a hybrid workforce, be sure that remote employees use a virtual private network (VPN) for data security and have sufficient training about the latest email scams that could make you vulnerable.

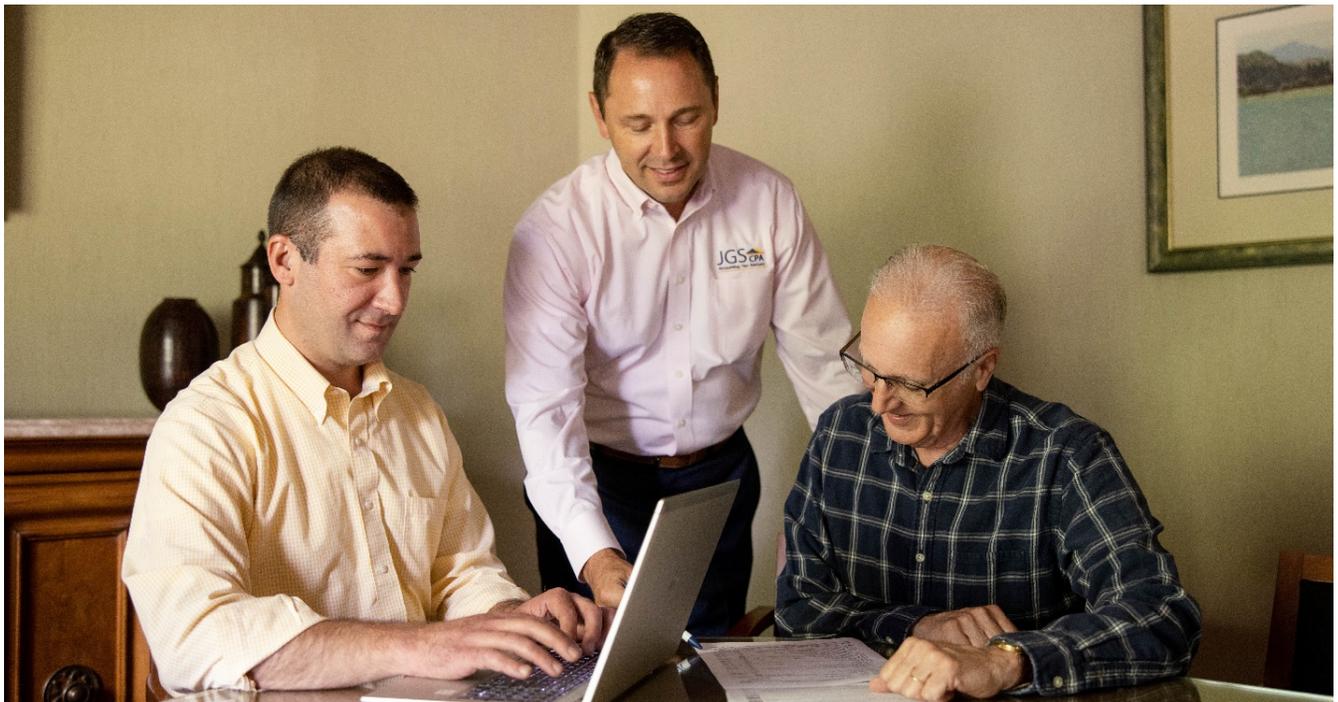
Your blue-collar workers won't be afforded this option, so make sure they are aware of other options that enhance work-life balance, such as shift selection and optional weekends, like Romark Logistics has done with success.⁴

Even as the pandemic hopefully recedes into the rearview mirror, an increased desire for work-life balance will likely persist. Your accountant can help you with the tax implications of having remote workers that have moved out-of-state.

Final thoughts

Building a strong framework for your business may seem daunting at first glance but will prove to be worthwhile over time. Listen to your employees, examine your business and come up with a unique plan that would result in the greatest changes to the workplace and bottom line. Lower expenses paired with increased productivity and team morale will set you up for success no matter what comes your way. Implementing strategies to incentivize and motivate your employees will have positive effects on all levels of operations.

A Professional Employer Organization (PEO) can help you implement these strategies if you're really stuck, but we believe that most of the concepts described here can be implemented by you and your team independently.



© 2021, Judelson, Giordano & Siegel, CPA, PC All Rights Reserved.