Culture Shift



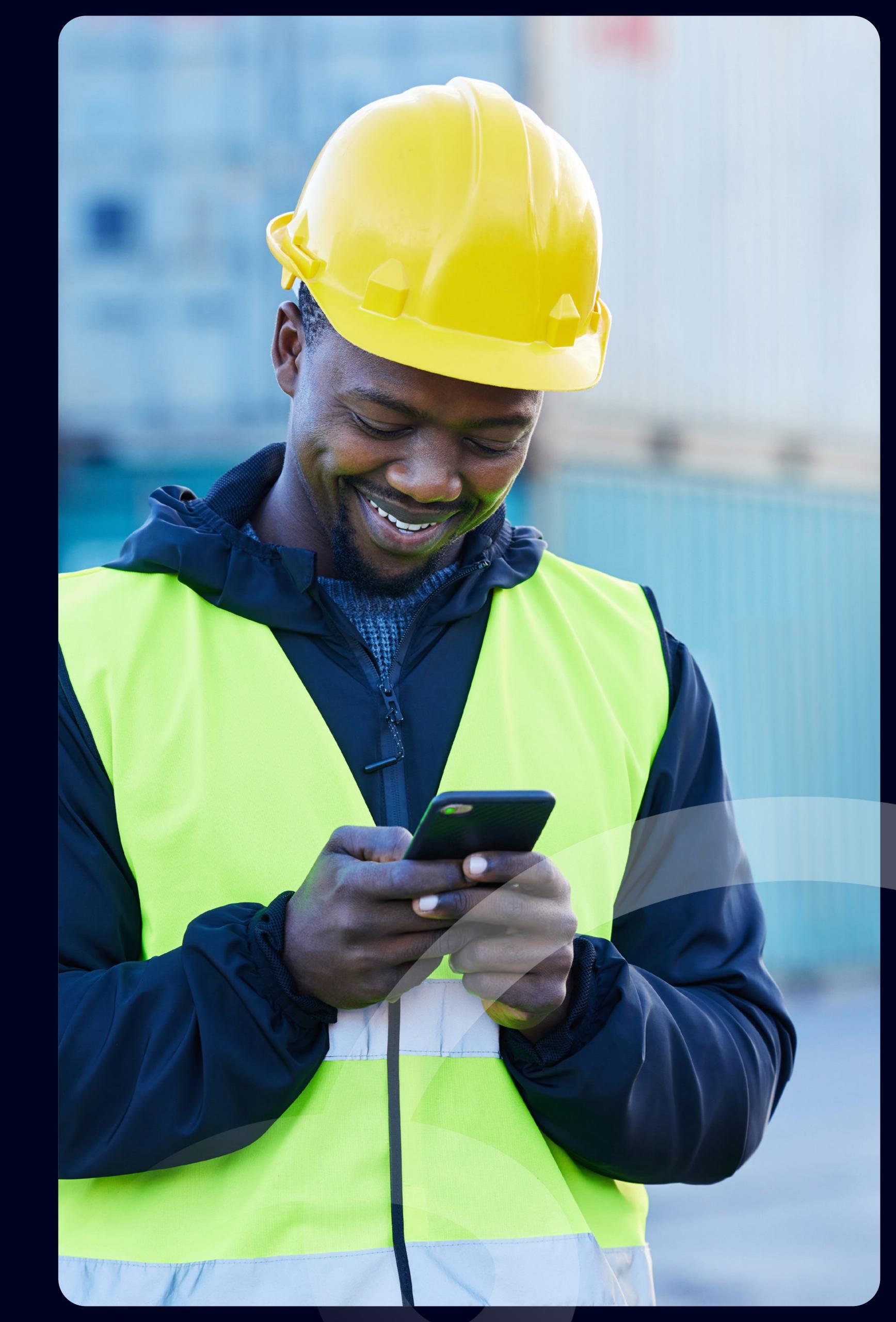


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01. INTRODUCTION

ANINDUSTRY ATACROSS-ROADS

Logistics is running into a lot of problems with, well, logistics.

Worldwide trade has never fully recovered from the impact of Covid, yet consumer demands for quick, cheap goods have continued to rise, all while companies are having difficulty hiring and retaining talent. It seems like it's always one step forward, two steps back, which can be a big problem when your business model depends on your ability to keep moving ahead.

In logistics, your success hinges on reliability. If shipments are delayed or unpredictable, the impacts cause a ripple effect down the entire line of commerce, from production to sales. And right now, reliability is hard to come by.

Geopolitical conflicts, climate change, and the dismantling of longstanding trade deals are **(S)** making it difficult for logistics companies to plan ahead, with severe price fluctuations and supply chain disruptions always just around the corner

Consumers expect seamless, convenient shipping experiences, with next-day, sameday, and last-mile delivery putting retailers, and by extension, logistics companies, in the hot seat to deliver

Competition for younger workers, an aging workforce, and difficulty finding ☆ experienced staff create a skills gap that's causing logistics companies to fall behind at a time when expertise is critical



The logistics companies that will win are the ones that can attract and retain a knowledgeable workforce that can navigate the complexities of an increasingly competitive and disrupted environment, finding innovative solutions to keep shipments moving quickly and reliably no matter what happens.



In this guide, we'll explore the most pressing challenges and concerns facing workers in the logistics industry today and the often-overlooked solution for attracting and retaining talent, increasing engagement, and improving employee output: culture.

We'll see how a strong company culture is the secret advantage that can elevate your company above the competition, and we'll offer actionable steps to help leaders build a resilient, dependable workforce that is equipped to take on the challenges of the future.



02.

LOGISTICS INDUSTRY OVERVIEW

A logistical nightmare

It's difficult to overstate how important the logistics industry is to our way of life. Without logistics, no products get to stores, no supplies get to manufacturers, nothing gets built, nothing gets sold. In terms of pure dollars, logistics makes up about 10.7% of global GDP, although that doesn't really account for how much we depend on it — if all logistics companies were to stop doing business tomorrow, it wouldn't take long for the world economy to grind to a halt. And lately it feels like that might be a real possibility, with challenges like supply chain disruptions, rising customer demands, and labor shortages constantly getting in the way of the industry's critical duties.



The supply chain is so fragile you wouldn't use it on your bicycle. It's up to logistics companies to keep the chain moving, but they have to be prepared to switch gears on a dime in a world that's getting harder to predict every day. World peace is no closer than it's ever been, and new geopolitical tensions regularly force companies to divert trade routes. Climate change keeps rearing its ugly head with unexpected natural disasters that disrupt manufacturing and transportation routes. Add to that an erratic stew of economic policies that are disrupting the world order and you've got a lot of issues keeping logistics leaders up at night.



Consumer considerations

While supply chains are causing trouble on a macro-level, consumer expectations are complicating logistics on the micro. Average shipping times are decreasing year over year, with customers now expectating most products to arrive by the next or even same day. The strategic warehousing and inventory tracking required to fulfill orders that quickly doesn't come cheap, making it harder for small businesses to compete. Amazon Prime and similar services from big box retailers have gotten

users accustomed to making more frequent, smaller orders, increasing the volume of shipments and, in turn, transportation costs. There's a growing disconnect between what people have come to expect after years of online shopping and the costs involved, leading to "last mile" delivery challenges that are only going to get more difficult.



Workforce woes

Logistics companies need more people than ever, so workers must be lining up for those sweet, sweet jobs, right? Not so fast. Seven in ten logistics companies report having trouble hiring. Turnover is high, with younger workers leaving for other industries (or never even considering logistics as an option) and older workers retiring, leaving a widening skills gap. So far, the industry has not figured out how to attract the workers they need for the future, creating a staffing crisis that may cause big problems in the years to come.



The state of logistics at a glance

37%



of logistics companies are experiencing labor shortages

13%



Only 13% of logistics workers are under the age of 25

49%



The <u>average turnover rate</u> in logistics is 49%, and can be as high as 90% in trucking

72%



of logistics workers who quit said they would be willing to stay if growth opportunities were on offer The challenges faced by the logistics industry are making a dependable workforce more important than ever, yet logistics companies are having a difficult time attracting and retaining the talent they need.



To build the logistics workforce of the future, it's time to turn the spotlight on your people.

03.

THE BIGGEST CHALLENGES IN LOGISTICS

Shaping up to ship out

You need a dependable, engaged workforce that can navigate the growing complexities of logistics to get your shipments where they need to be on time. But there are some worrying trends in logistics that are making it difficult to focus on the future, such as:



An aging workforce and challenges attracting younger employees

> Negative public perceptions of the logistics industry

High turnover rates

High stress levels



Let's take a closer look at these staffing challenges and the impact they have on your business.

The kids aren't alright

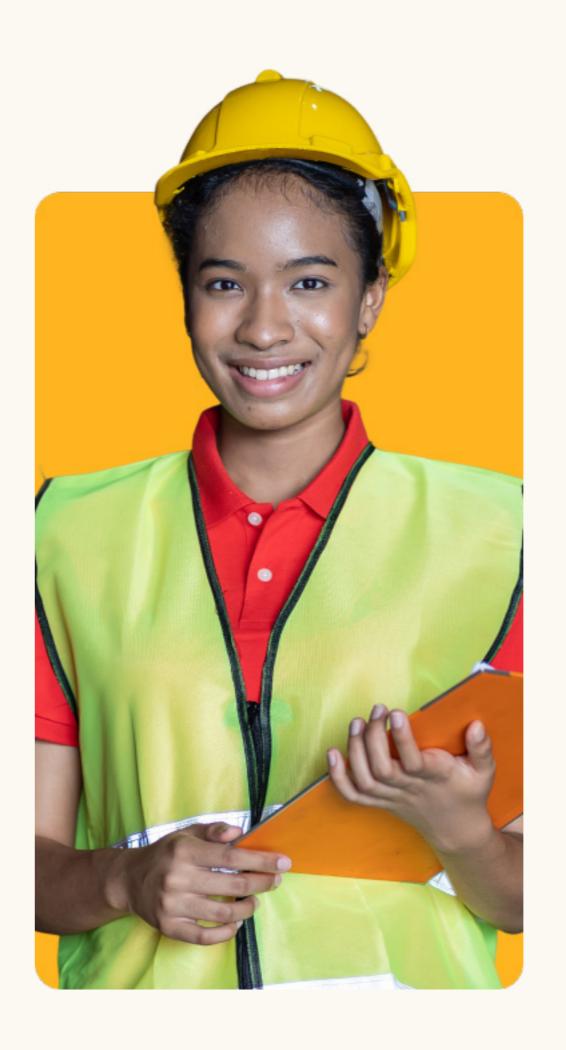
A robust job market since 2022 has given younger people more choices for where to work, and by and large, they aren't choosing to go into logistics.

Younger workers are looking for jobs with a lot of growth potential that aren't, frankly, as difficult to do as logistics. Many see logistics as a high-pressure environment with low pay and long hours, and that perception isn't going to be easy to shake in an industry that's getting more complex by the day.

THE IMPACT

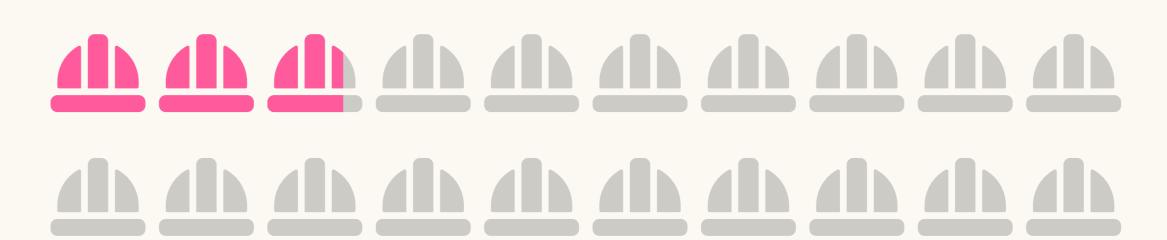
The logistics workforce continues to get older, with a <u>current</u> median age of 45. With all due respect to anyone over 45, logistics is a physically-demanding industry. Older workers are more likely to incur injuries or have a difficult time keeping up with the pace of deliveries, potentially leading to increased expenses and loss of revenue.

Logistics companies don't have the employees they need to meet customer demands, leading to late shipments, lost revenue, and angry customers. And when service quality declines, it damages long-term customer relationships, making it more likely your customers will find another option.



Only 13% of logistics workers are under the age of 25

Only 14% of Gen Zers say they would consider industrial work as a career



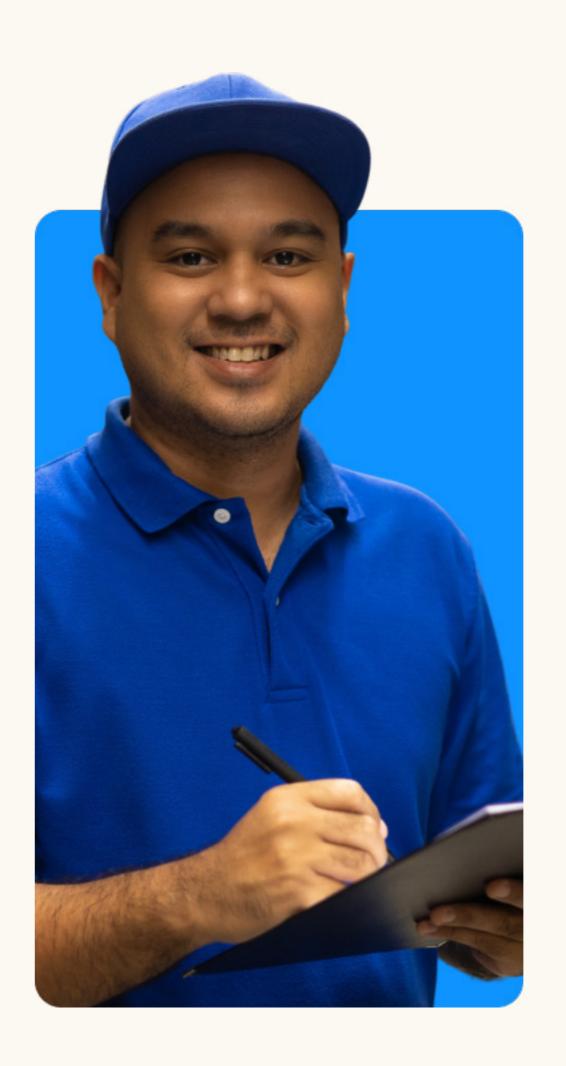
Logistics don't give a damn about its bad reputation

A study by <u>Supply Chain Management Review</u> found that "logistics and transportation careers are perceived to lag other industries in flexibility, benefits, defined career paths, as well as the availability of career-related education and training." In other words, pretty much everything that makes a job "good."

THE IMPACT

Companies struggle to build a sustainable workforce pipeline, which means every employee has to work that much harder, which makes the industry's reputation continue to decline. Workers don't see logistics as an industry where they can have a sustainable career.

The workers who remain feel disconnected from their company's mission and purpose. While older workers may not expect to feel an emotional connection to their jobs, for younger workers, that connection is critical: in fact 89% of Millennials and 86% of Gen Zers say having a purpose is very or somewhat important to their job satisfaction.



of logistics
companies are
experiencing labor
shortages

logistics companies are having trouble hiring

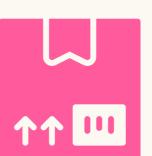








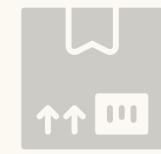












To everything, turn, turn, turn

Turnover rates in logistics are extremely high in comparison to other industries, especially in trucking, where turnover can reach up to 90%. The interdependence of all parts of the supply chain means that when employees are scarce, shipments aren't getting delivered on time. Add to that the loss of knowledge that occurs when employees leave and the amount of time it takes to find and retrain new employees and you've got a big financial headache for logistics employers.

THE IMPACT

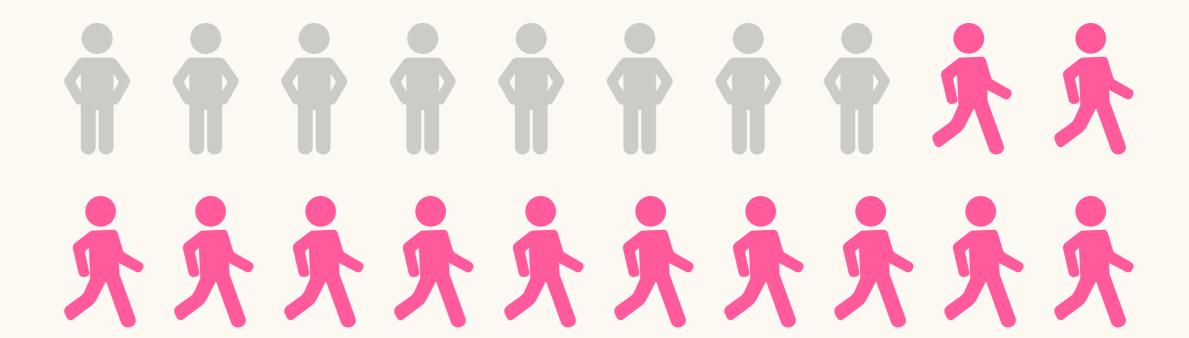
It's estimated that the cost of recruiting and training a new employee is equivalent to between <u>six to nine months</u> of the salary of the employee they're replacing. Ergo, it's far more costeffective to spend a little bit more on retaining employees than a lot bit more on getting new ones ramped up.

Institutional knowledge is constantly being lost, leading to a lack of consistency and reliability in operations. And as we mentioned before, reliability is the single most important factor in success for a logistics company. If your customers can't count on you, you can count on your customers to find another solution.



The <u>average turnover</u> rate in logistics is 49%

of logistics employees
have recently
considered leaving



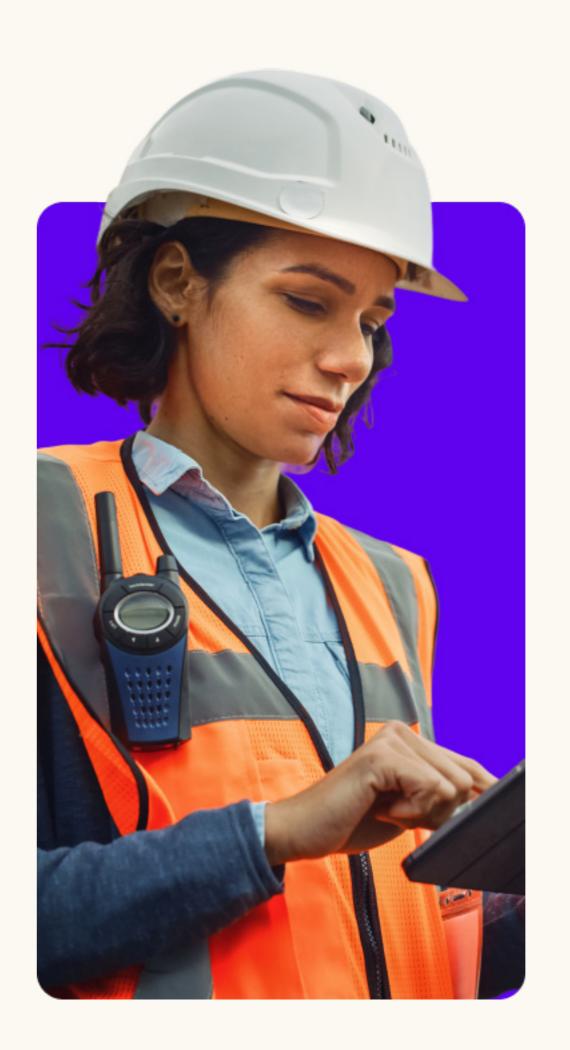
Stressed to impress

The levels of stress in the logistics industry are something employers should be stressing about. 71% of logistics workers report experiencing work-related stress, while over half have recently considered leaving their jobs. The high stress levels and poor work environment lead to burnout and apathy, with most of the 18-24 year old employees who considered quitting reporting that they "don't feel their employer values their work."

THE IMPACT

When stress and apathy are high, work quality is low, particularly in the realm of customer service. Unhappy workers often take it out on their coworkers and customers, creating a negative work environment that considerate workers want to get away from as soon as they can.

Companies are leaving a lot of money on the table by not leveraging their existing workforce's potential. Instead of elevating the employees who can help lead them into a brighter future, they're inadvertently causing the most promising talent to leave, so the only employees left are the ones who have nowhere else to go.



206
said they would
be willing to stay if
growth opportunities
were on offer



For 45% of workers considering leaving, lack of growth opportunities was the most important reason

04.

THE 4-POINT LOGISTICS SOLUTION: CREATING A CULTURE OF SERVICE EXCELLENCE

Logistics is the scaffolding undergirding commerce; when it's working properly, most people should barely know it's even there. But when shipments start getting delayed, it becomes obvious to your customers that something isn't working. The average consumer may not think about the long chain of interactions that get that order to their doorstep, but if their deliveries aren't coming in on time, your customers will hear about it.

Your customers need to know they can rely on you to deliver what they need, when they need it. It's important to make sure your company is equipped for the pace of today's logistics by investing in the digital tools employees need to track, plan, and automate shipments.



But the most important investment logistics companies can make is in your people.

For too long, logistics employees have felt ignored by their employers, treated like human capital instead of human beings. As a result, talented workers have left the industry entirely or never even thought of entering it. In order to provide excellent experiences for your customers, you have to start by providing excellent experiences for your employees.



To attract and retain the next generation of logistics talent, companies need to do more than just improve their workflows.

The key to building the workforce of tomorrow is to institute a thriving culture of service excellence that connects people with a higher purpose and growth opportunities so that they see logistics as not just a temporary stopping point, but as an industry where they can forge a rewarding and fruitful career.

We propose a 4-point solution to create a culture of service excellence:

Modernize your tech stack to give
 employees opportunities to innovate and stay ahead of challenges.

Help your workers feel a sense of purpose to inspire loyalty and a willingness to go the extra mile.

Focus on upskilling and promoting from within so employees feel they have a future with your organization.

Acknowledge that logistics is a stressful environment and show your employees you're actively working to improve their work lives.



If a trucker from the 1970s were to find a magical communication device that allowed him to talk to a trucker from the 2020s, they'd both probably be surprised by how little had changed.

(Note to Hollywood: contact our agent if you'd like to hear more about this idea.) Logistics has a reputation for being stuck in the past, with a way of doing things that hasn't evolved to meet the cultural and technological trends of the times. Logistics companies need to update their tech stacks with tools that help employees move quickly and efficiently, automate redundant processes to lessen employees' workloads, and build a modern infrastructure to show younger employees that you're invested in their future.

HOW TO DO IT

Show your employees that you value and reward innovation, encouraging them to be the force that will guide your company into the future. Listen to employee suggestions for how you could help them modernize their workflows and create a forum to give employees appreciation and shout outs for positive impact on the company.

Enhance real-time operational communication with digital tools that give everyone in the delivery chain instant updates about the status of shipments. If there are any unexpected bumps in the road, everyone down the line will know and be able to prepare, instead of having to scramble or becoming resentful that they don't have the information they need.





Leaders don't create followers. They create leaders.

Tom Peters
Author and management guru

Pride (In the name of logistics)

The logistics industry is vital to keeping the world economy humming, but you wouldn't know that by talking to logistics workers.

Too many employees feel like they're hired hands, with no insight into the bigger picture at their companies and no sense of mission. And when your employees are dispersed around the country or even the world, it's difficult to make them feel connected to a unified purpose. To give your workers the kind of loyalty and pride that will make them want to excel at their jobs, it's important to make them feel valued, appreciated, and all working together toward a common goal.

HOW TO DO IT

Give employees a sense of purpose. Use your internal and external communications channels to tell the story of how your employees' efforts are making a difference in communities around the world. By emphasizing the important role your company and industry play, it gives employees a greater sense of purpose and helps attract younger workers who want to work at a company they can be proud of.

Recognize employees for their efforts. A little bit of recognition can go a long way. Give employees the opportunity and space to praise their coworkers for a job well done, and encourage managers to use positive reinforcement to keep their team feeling appreciated and respected.





Not everything that is important can be measured, and not everything that can be measured is important.

<u>Adrian Gonzalez</u> President, Adelante SCM

Let your people grow

Many logistics workers feel stuck in a rut, without hope of advancing.

And too many employers aren't doing enough to counteract that perception, treating their employees as if they're easily replaceable — even as it gets harder and harder to find the workers they need. Putting a concerted effort into upskilling and promoting from within solves the problem for both parties, helping employers retain the workers they desperately need and giving workers the opportunity to build their futures.

HOW TO DO IT

Make education an ongoing part of the employee experience. Empower HR to create a robust education program that makes creative use of all your communication channels, from gamified daily quizzes to wiki articles to podcasts. Reward employees for upskilling and performance improvements with recognition and perks.

Give employees the opportunity to experience jobs outside of their normal duties so they can become more familiar with the business as a whole. Implement mentorship programs to connect experienced employees with newer ones, so older employees can share their wisdom and younger employees can learn new skills. By giving workers more exposure to the entirety of the business, you can help them find roles where they can shine.



66

One measure of your success will be the degree to which you build up others who work with you. While building up others, you will build up yourself.

James E. Casey Founder, UPS

Give 'em something to care about

It's hard to care about a company that doesn't seem to care about you.

45% of manufacturing and logistics workers say they've seen coworkers phoning in their performance due to apathy. It's easy to say "they're just lazy," but we firmly believe most people actually want to do a good job — they just need to have a reason to do it. If you want to get the most out of your workers, you need to put the most into your workers, by building a supportive, less stressful work environment that acknowledges the challenges of logistics work while providing the tools and support needed to succeed.

HOW TO DO IT

A visible leader makes employees feel more seen.

Company leaders are the human face of the organization, and when workers know who their leaders are and are able to have two-way communication with them, it makes employees feel respected and trusted. Often, workers have no sense of who they're working for, and a relatively small effort from leadership to make themselves more visible can go a long way.

It's a simple solution that we've already offered but it bears repeating: staff up. The biggest cause of stress and burnout in logistics is workers having to do more than is humanly possible. If you hire an appropriate number of workers — and keep them in your company by treating them well — you'll be amazed at how much better they'll perform, and by extension, how much better your company will do.





Leaders get out in front and stay there by raising the standards by which they judge themselves — and by which they are willing to be judged.

Fred W. Smith
Founder, Chairman, and CEO, FedEx

05.

TOOLS AND TECH: MOVING AT THE SPEED OF EXPECTATIONS



Technology has changed the way goods move around the world, optimizing everything from routes to shipment distribution to maximize profits, sustainability, and speed. Over the past decade, we've seen advances like:



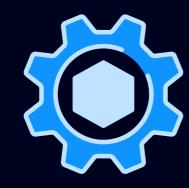
Real-time tracking that gives customers visibility into their shipments from warehouse to doorstep, creating transparency that was unimaginable just a decade ago



Warehouse automation and robotics that can sort, pick, and pack products faster and more accurately than ever before



Al-powered route optimization that reduces delivery times, cuts fuel costs, and minimizes environmental impact



Predictive analytics that anticipate demand spikes, supply chain disruptions, and maintenance needs before they become problems



Personal devices becoming a common accessory for workers, enabling everything from GPS navigation and delivery confirmations to instant communication and shift scheduling



Internet of Things (IoT) sensors that monitor everything from temperature-sensitive pharmaceuticals to the condition of delivery vehicles in real-time

THESE ADVANCES HAVE TRANSFORMED THE LOGISTICS INDUSTRY

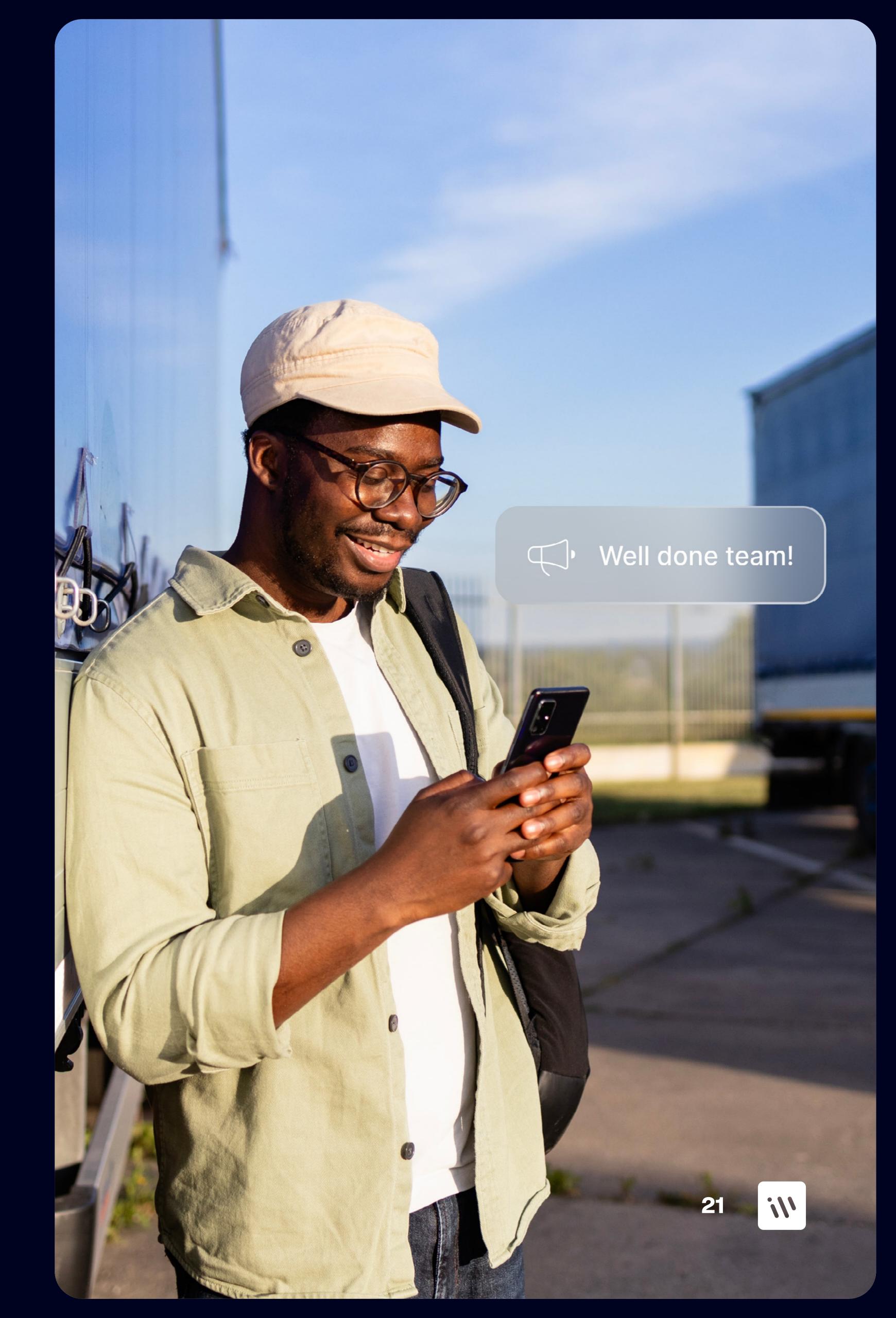


but instead of making humans obsolete, the opposite has happened: people are needed now, more than ever, to make sure these technologies are being used properly to create better experiences for their customers.



The grand irony of mobile devices is that the same technology that enables us to be more distributed and distant also brings us closer together. (Well, and also makes us more distributed and distant... it's a strange time.) Most logistics workers now carry phones and devices to help them in their daily tasks. These same devices can also transform how workers connect with their employer and coworkers, creating opportunities for engagement and communication that weren't possible when your workforce was scattered across highways, warehouses, and distribution centers with no easy way to stay in touch.

A holistic transformation requires internal communications and alignment from the loading dock to the C-suite to the customer service center. Logistics companies need to invest in technology that brings their entire organization together, breaking down silos between operations, dispatch, warehousing, and administration so the entire organization can move forward as one cohesive unit.



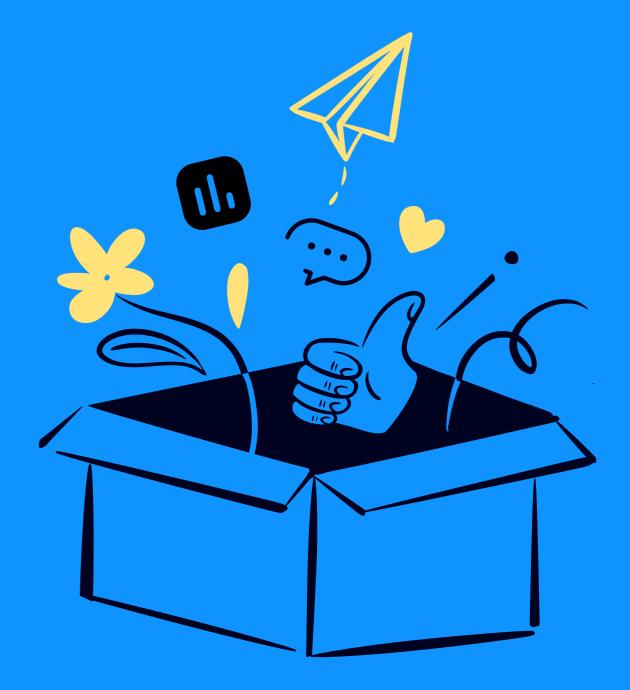
This means, implementing a tech solution that:

- Empower two-way communication across all shifts and locations
- Give workers instant access to critical information, updates, and procedures
- Enable employee rewards and recognition for achievements and performance excellence
- Assist in training and upskilling for new technologies and processes
- Create space for valuable feedback that can improve operations and prevent costly mistakes
- Bring the entire organization together in a unified digital workspace

Companies with highly engaged workforces see 23% higher profitability and 18% higher productivity.

of logistics appropriately app

of logistics employees believe technology will have a positive impact on their jobs.



06. CONCLUSION

ONE COMPANY, ONE CULTURE

The logistics companies that will dominate this year and beyond won't necessarily be those with the most sophisticated automation or the largest fleets. They'll be the ones that successfully unite their entire workforce — from executives to drivers to warehouse associates — around a shared commitment to reliable, exceptional service, enabled by tools that connect workers across every location and shift in pursuit of one unified mission.

The key to attracting and retaining skilled drivers and warehouse workers, increasing operational efficiency, reducing costly errors, and building customer loyalty is to create a culture where every team member feels connected to something bigger than their individual role.



This means:



Improving how your company communicates so drivers, warehouse workers, dispatchers, and office staff all feel like essential parts of one coordinated network



Investing in systems that keep everyone in your organization informed, aligned, and working toward shared goals

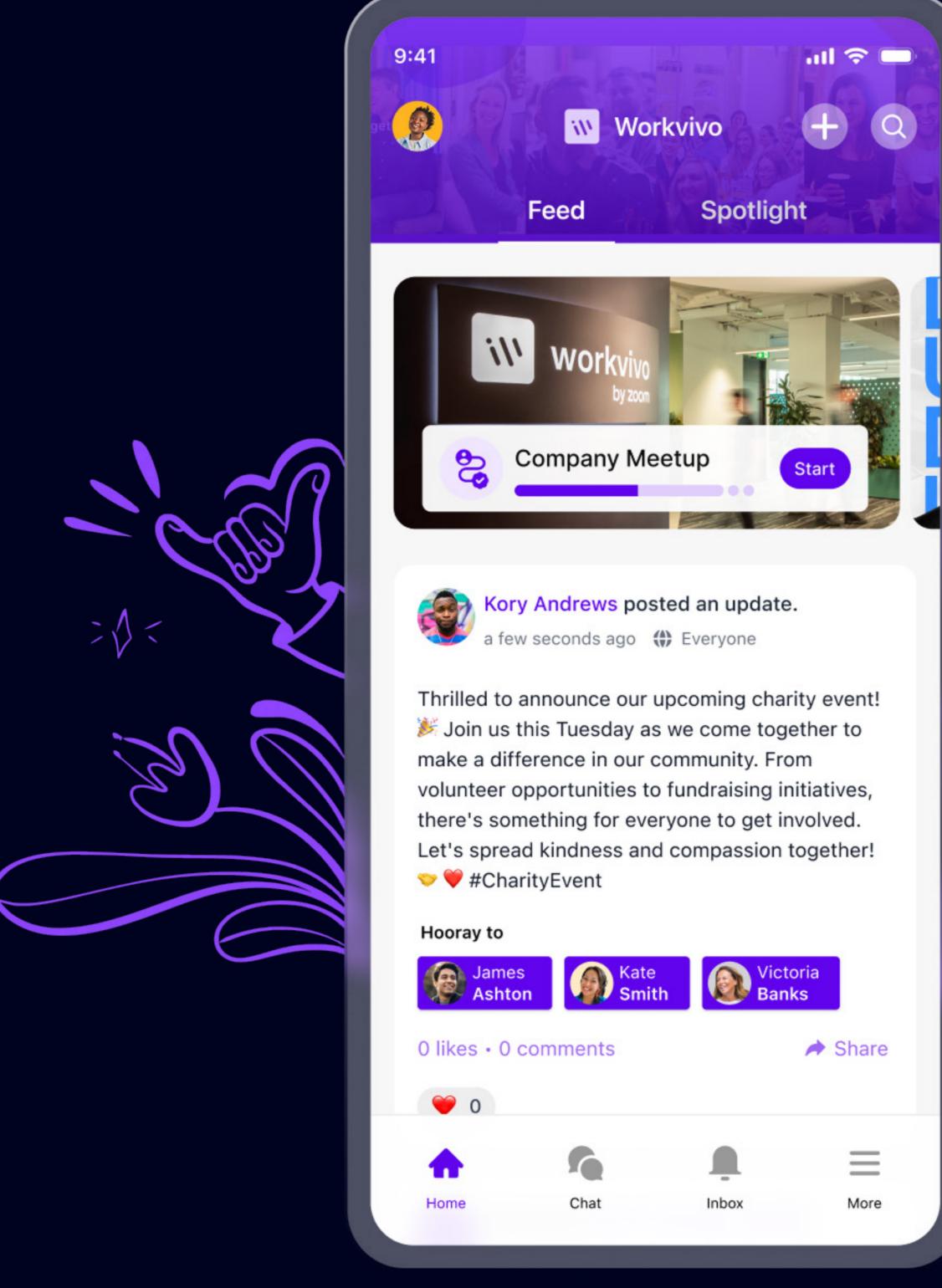


Creating a digital hub where critical information flows seamlessly and every employee understands how their work contributes to ontime deliveries and customer satisfaction



Most importantly, demonstrating through your actions that you value your people's safety, expertise, and professional growth. Your workforce will become invested in operational excellence because you've shown that you're invested in their success and well-being

By building this culture of connection, you won't just improve employee retention and job satisfaction — you'll create the operational advantage that will make your company successful in an increasingly competitive and demanding marketplace.





07.

About Workvivo

Workvivo is the all-in-one employee experience platform built to meet the complex needs of logistics organizations with dispersed, deskless, and shift-based teams. From warehouses to transport hubs, Workvivo provides a centralized digital hub that brings communications, culture, and operations together in one intuitive mobile experience.



With no email required, frontline workers can access updates, resources, and recognition from anywhere – whether on the road, in the warehouse, or between shifts. Workvivo supports real-time coordination and visibility across teams through powerful, easy-to-use tools and features, including:



Workvivo TV (Digital Signage)

Keep shift-based and non-desk teams in the loop with rotating updates, safety alerts, and recognition displayed in break rooms, loading docks, and depots.



Chat (1:1 and Group)

Enable real-time coordination between warehouse teams, drivers, and dispatch with secure, mobile-friendly chat — no email needed.



Voice and Video Calling

Supports urgent escalation and direct communication between managers, site leads, or dispersed teams, for those times when chat isn't enough.



Digital Forms (Coming Soon)

Streamline daily checklists, safety compliance, maintenance logs, and shift handovers with mobile-first, customizable forms – no paperwork or separate tools required.



Surveys & Employee Insights

Collect instant feedback from frontline teams – by location, role, or shift – to surface operational issues, engagement drivers, or training gaps.



Advanced Analytics & Sentiment Analysis

Combine structured survey data with platform interaction trends to spot sentiment patterns and surface early warning signals across sites or teams.



Workvivo Al'Ask'

Let employees instantly find policies, procedures, or shift updates using natural language, saving time and reducing reliance on managers for answers.



Document Storage

Give on-the-go teams easy access to SOPs, safety manuals, training docs, and routing guides – right from their phones.



Primary benefits of Workvivo for logistics teams include:



Improved communication across distributed teams

Benefit: Real-time updates, alerts, and shift-specific messaging ensure that drivers, warehouse staff, and site leads stay aligned – reducing errors and delays.



Higher frontline engagement

Benefit: Frontline teams feel more included, heard, and recognized — leading to better morale and lower turnover in a high-churn industry.



Operational efficiency at scale

Benefit: Digital Forms (coming soon), document storage, and targeted content reduce paperwork and manual processes, so teams can spend less time chasing updates and more time executing.



Faster onboarding & knowledge access

Benefit: Store SOPs, safety procedures, and company updates in one central place. With Al-powered "Ask," employees can self-serve answers, saving supervisors time.



Culture & retention in a tough labor market

Benefit: Peer recognition, company-wide shoutouts, and purpose-driven messaging help build community across shift-based and remote teams — keeping people connected to the bigger picture.



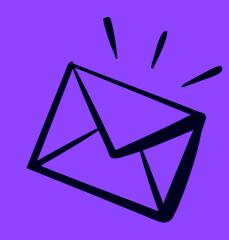
Increased visibility for managers & HQ

Benefit: Employee Insights and Surveys give leaders a pulse on engagement, sentiment, and local issues — so they can act quickly, before problems escalate.



Consistent, compliant messaging across sites

Benefit: Workvivo ensures the right people receive the right message, whether it's a safety update, shift change, or urgent policy update — via mobile, chat, feed, or Workvivo TV.



Ready to take the next step in creating a culture of service excellence?

Click here to schedule a demo and learn how Workvivo could work for you.





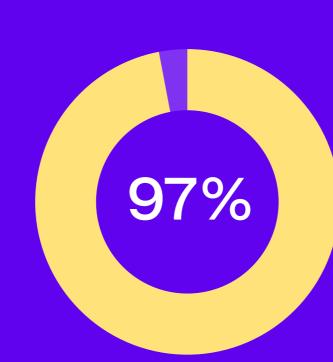
Workvivo has over 2 million global users, 100% YoY growth for the last 4 years

Workvivo was named a
Leader in the 2024 Gartner®
Magic Quadrant™ for
Intranet Package Solutions

Gartner

Learn more





Workvivo customer retention

#1Rated Employee App

Market leader per user reviews in 6 G2 categories













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