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Evolving Warehousing Strategies: Embracing Gig Workers and Flexible Scheduling to Meet Next-Day Shipping Demands



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The desire for speedy delivery has become deeply ingrained in modern consumers culture, thank you Amazon! This has challenged traditional warehousing operations to keep up with consumer expectations. Warehouses have had to evolve rapidly to optimize their processes, reduce delivery times, and maintain a high level of accuracy. So how are warehouses adapting to these high demands, especially during the holiday season?

Historically we have seen warehouses prepare for the rapid pace of the holiday season by hiring more full-time temporary workers. Around October logistics companies starts to hire more full-time temp workers, these workers serve as full-time employees while they are working but are let go around January. Companies use this extra help until the season starts to slow down. A model that has been successful for many years. But what if companies could improve it?

In today's world, fast, reliable delivery services have transitioned from being a luxury to a necessity due to the surge in e-commerce and the ever-growing demand for next-day shipping. Warehouses are now compelled to innovate and adapt to meet these new challenges. One-way warehouses are addressing these challenges is by exploring various approaches to staffing their workers. This case study delves into how warehouses are evolving to fulfill the rising expectations for next-day shipping and the high-volume demand during the holidays, with a particular focus on the integration of gig workers and flexible scheduling. Embracing the gig economy's flexibility allows logistics companies to attract and retain workers by offering more adaptable scheduling and shift choices, aligning with the practices of companies like Uber, and Instacart, where workers set their own hours. This shift toward flexibility is especially vital in a fiercely competitive labor market, and gig workers, similar to those using platforms like Uber and Lyft, are increasingly being leveraged by warehouses to bridge labor gaps.

However, hiring gig workers for warehouses isn't the same as hailing a ride through an app, as industrial jobs require specific skills and expertise. Employers are increasingly using platforms to find workers with the necessary qualifications to do the job. In the past, warehouses have had to pull from workers who might not have the best knowledge of each role and the specialty skills required. Workers on these platforms can choose their availability and undergo background screenings. Employers can view each worker's attendance and past employer rating before assigning shifts.

Warehouses are now adjusting staffing to match periods of high or low volume more efficiently, often with gig workers. This flexibility allows warehouse owners to respond quickly to expected and unexpected surges in demand. PepsiCo is another company that is testing platforms that engage warehouse workers to swap shifts using smartphones, taking inspiration from the gig economy's model to attract and retain employees. This adaptation helps tap into a broader labor pool, including those seeking part-time or more flexible schedules.

Instawork is a platform on the rise that allows companies to implement this dynamic scheduling. Operating in over 40 metro markets, Instawork staffs for retailers and warehouses such as Target, The Real Real, Neiman Marcus and more. From general labor to forklift drivers, Instawork helps logistics companies match with already specialized employees to hire for shifts that have historically been hard to fill. The platform also allows employees to decide which shifts they would like to work based off their schedule. The success of Instawork's model has them ranked as the top 10% of the country's fastest-growing companies by Inc. 5000. In 2022, Instawork earned a place on Forbes' prestigious Next Billion Dollar Startup list, received the 2022 ACE Award for "Best Innovation," and was also recognized as one of the "Best Business Apps" by Business Insider.

Platforms like Instawork have transferred to businesses being more confident to their ability to manage workforce demands compared to the previous year. According to a survey done by the *Entrepreneur.com*, 76% of businesses expected to be effective at recruiting workers (compared to 59% the previous year), and 85% believed they were effective at retaining workers (compared to 76% the previous year). Their increased confidence is attributed to improved access to flexible labor, which has grown from 57% to 69% between 2021 and 2022. Many businesses could fill at least three-quarters of extra shifts they needed, and they found flexible workers to be more skilled, better trained, and more reliable than the previous year's survey.

In conclusion, we are seeing many warehouses evolving to meet not only consumer demands, but adapting to how they meet their employee expectations. We don't often see the words "logistics" and "change" running along the same lines. Warehouses play a pivotal role in meeting high-volume shipping expectations, satisfying consumers' insatiable appetite for expected deliveries within an increasingly competitive market. As we approach the holiday season, these innovations provide solutions for a lot of concerns among warehouses and logistics companies.