

WMS – a Strategic HR Tool

Ask any manager of a manually managed warehouse that handles a wide assortment of product how he is managing it, the reply is likely to be relying on a team of "old" staff that remember where they place everything or almost. When referred to the rate of picking, it is of no surprise that it ranges from a couple of minutes to a few hours – depending on the person responsible for the storage of the item is available.

When a warehouseman resigns, the picking rate drops, frequently, drastically. And it takes months to recover – the times taken for the replacement to sort and memorise where each item is kept. This places the firm in a pernicious position and can become a nightmarish situation in a tight labour situation where warehouse staff turnover is relatively high.

Such scenario is typical of many warehouses that operate without some form of warehouse management system.

Growing awareness of the capabilities of warehouse management system has prodded more management to look at installing one. Yet many a time, justification on implementing the system is based on tangible and quantifiable return.

Human resources benefits are often overlooked.

As in a production line type operation, warehouse management system make it easier for warehouse management to train new staff and get them up to speed within a relatively short time. WMS thus enables warehouse to continue to operate efficiently and effectively even when faced with staff resignation or shortage. Of course, experienced staffs help the warehouse to operate even better.

It is a common practice in many warehouses to deploy temporary staff during holiday seasons to help cope with the increase in workload. It is of little surprise that the level of error is much higher during the period.

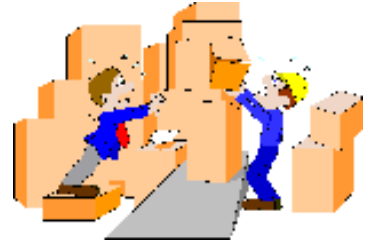
In a manual operated warehouse, productivity is directly linked to the experience level and the staff's familiarity of the warehouse and item's storage positions.

This scenario is hardly faced in a properly installed WMS-operated warehouse. Instead of remembering where each product is stored in a warehouse, the location is recorded in the system. With a real-time RF based WMS, the location is instantaneously validated and updated in the system. Effectively, you can have an item become putaway by one person and picked by another person within a second of each other – a scenario that you will never see in manually operated warehouse.

Of course, such scenario of being putaway and picked within seconds, minutes or even hours of each other should not arise – it is a loss of warehouse productivity. A good WMS will automatically crossdock the required stock.

Studies have shown that the actual time spent in actually performing a task accounts for 40% of a staff's time. The balance 60% is spent getting from one point to another.

The non-productive movement would further be increased when the warehouse operates at a high level of occupancy – the operator has to look for available slot to put away each SKU that has been received. Again, this "searching" is redundant with a WMS given that each slot, pallet or bin, status would be recorded accordingly. An operator would be directed to the appropriate location by the system.



Performance Measurement

Another area of benefits of WMS to HR management is performance measurement.

Pay increment and bonus payments have and will always be an area of contention and bargaining. This is a result of management inability or lack of the facility to support its decision with quantitative data. How much to increase a warehouseman salary or how big a bonus to give is usually made based on the warehouse manager's recommendation as he is deemed to know the performance of his staff. Although he is right most of the time, ugly scene often occurs on the rare occasion that he is wrong.

Furthermore, qualitative recommendation is subjected to prejudice of individual judgement. Statistical data, although by itself can be interpreted wrongly, are a useful supplement to qualitative judgement.

WMS with its database can provide and should be tapped for the quantitative data to measure and support the performance of each warehouseman and supplement the manager recommendation.

Conclusion

Warehouse management system is more than just a warehouse tool. Its contribution to the human resource management is incalculable. Organisation that seeks ways to overcome problems in the area of warehouse staff recruitment, performance bonus, etc. should take a look at the potential benefits that a warehouse management system can offer.