

ssen
**Shared Services &
Outsourcing Week**



Automate Talent Acquisition:
A Case Study in HR Shared Services Innovation

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Talent Acquisition at UPS

UPS Hiring Highlights

Multi-year journey focused on perfecting our hiring process through a digital candidate experience and hiring process.

2024 Hiring Data Highlights

391K

Total
Global Hires

92%

Accounts for Hires in U.S.

77%

Accounts for Hires during
Peak Season

97%

Of U.S. Hiring
is Hourly
Hires

58%

Package Handler (Job 06)

27%

Helper (Job 01)

12%

Driver (Job 61)

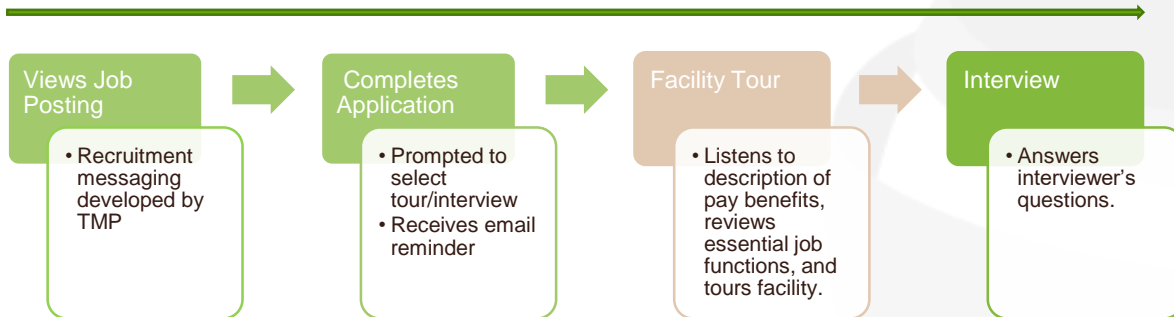
Key Insights

In 2024...

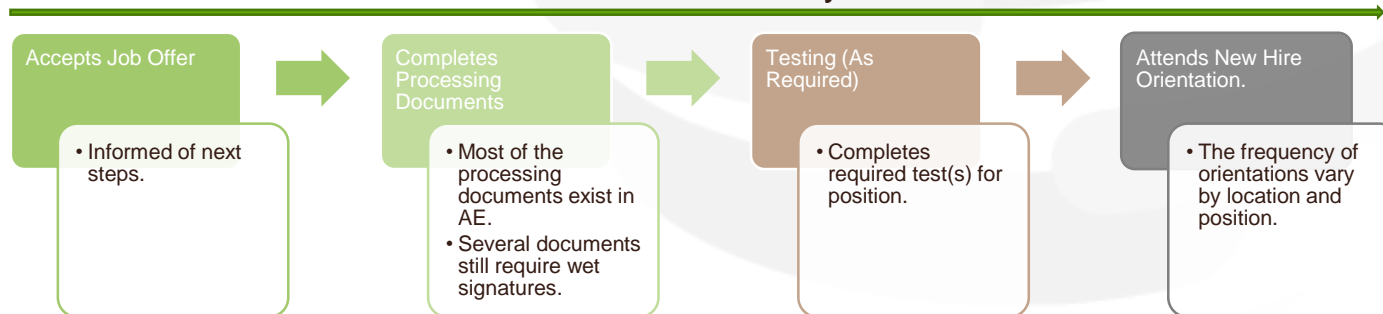
- There are **361,000 total U.S. annual hires**
- **Three hourly job types** account for 340K U.S. hires – of which, 269K are hired during peak season (Sept-Dec)
- Peak hiring of three US hourly job types accounts for **69% of global UPS hires**

Decentralized Hourly Hiring Process

1 to 5 Business Days



1 to 10 Business Days



Hourly Hiring Process. Scope & Vision for Initial Pilot

- A comprehensive solution can address a wide range of pain points while driving business outcomes across multiple areas of the organization for the Recruitment and Onboarding Processes

Pain Points

- **Time to fill** hourly positions can take upwards of **18 days**
- **Intense manual process** to hire and onboard
- **50% drop off** rate from scheduling/showing up for interview
- **High attrition rates** for manual labor
- **Discrepancies** between IE plans and operating plans
- Decentralized and inefficient process for **Market Rate Adjustments (MRAs)**
- Ability to **provide efficient lead time** for planning adjustments
- **Lack of success metrics** for hourly hiring



Expected Outcomes

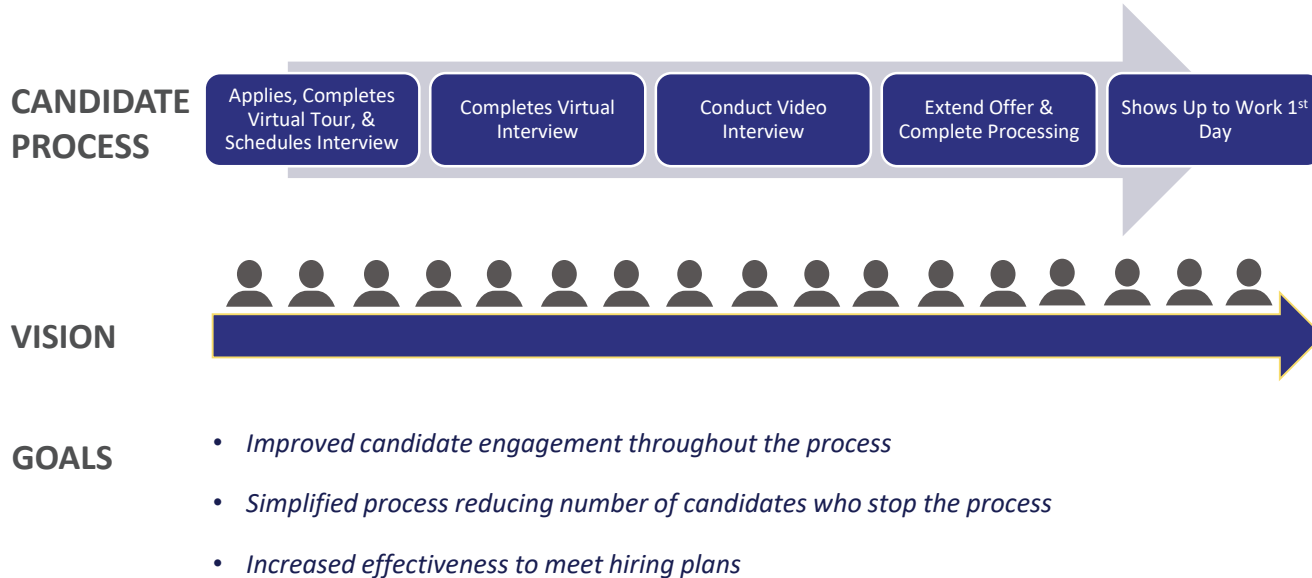
- Dramatically **reduce hiring time**
- Improve **digital candidate experience**
- Reduced HR touchpoints that lead to **HR headcount savings**
- **Decreased fallout** rate of candidates
- Improved candidate selection and **employee retention**
- Agreed upon **hiring plan**, in advance, by all stakeholders



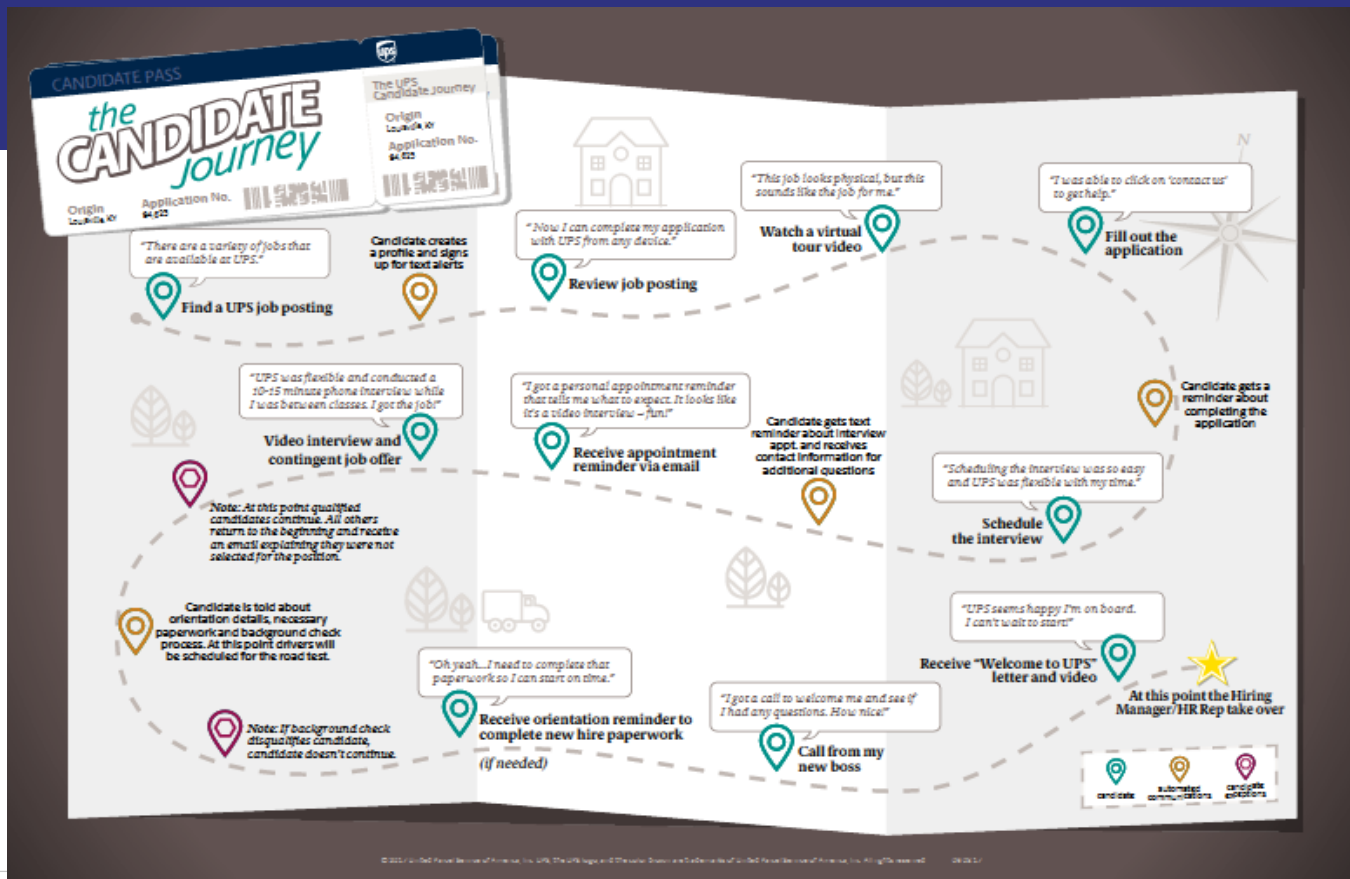
Pilot #1: Centralize Hourly Hiring Support

Pilot 1: Vision & Design. Centralized Hourly Hiring Support

Time to complete the application/onboarding process has a direct impact on the funnel ratio to hire. Keeping candidates engaged throughout a seamless process in an hour converts a candidate to a hire and prevents them from looking at other job opportunities.



Pilot 1: Design of Candidate Journey



Part 1: Key Lessons Learned

At the end of year 1, the team successfully completed 227,709 hires - 107,231 helpers, 107,220 manual operations, 1,462 feeder drivers, 9,133 package drivers, and 2,679 personal vehicle drivers

Key Lessons
<ul style="list-style-type: none"> • It works!! We can successfully centralize portions of the hiring process.
<ul style="list-style-type: none"> • Pursue technology to automate more of the end to end hiring process. <ul style="list-style-type: none"> • Face to face interview can be centralized using technology; however, candidate evaluation could be effectively carried out via an assessment • Requests for SSN via the phone are met with resistance by candidates. • Process required manual work outside the system to track performance, hiring plan effectiveness, and interview scheduling.
<ul style="list-style-type: none"> • Timing of pilot roll out and risks associated with running a pilot during peak season; no room for error.
<ul style="list-style-type: none"> • Initial learning curve at Centralized Employment Center requires more work to effectively manage cost and service. <ul style="list-style-type: none"> • Understanding candidate no show rates. • Determining appropriate ratios of interviews for difficult to fill shifts (i.e. Sunday to Thursday). • Managing high volume hiring, operational visibility and reporting needs. • Improving new Employment Specialist interview handle times. • More managerial oversight needed at the HRSC than expected.
<ul style="list-style-type: none"> • Need to address the hiring plan creation so that hiring plans can be locked down 2 weeks out.



Pilot #2: Digitize Hourly Hiring

Part 2: Vision & Design. Digitize Hourly Hiring (Pilot Take 2)

Time to complete the application/onboarding process has a direct impact on the funnel ratio to hire. Keeping candidates engaged throughout a seamless process in an hour converts a candidate to a hire and prevents them from looking at other job opportunities.

CANDIDATE PROCESS

Applies & Takes Assessment

Receives Offer & Accepts

Initiates Background Check
& Schedules 1st Day

Shows Up to Work 1st Day

VISION



GOALS

- *Improved candidate engagement throughout the process*
- *Simplified process reducing number of candidates who stop the process*
- *Increased effectiveness to meet hiring plans*

Guiding Principles



Digitally Enhanced
Process to enable a
seamless and simple
Candidate Experience



Global end-to-end,
simplified processes to
drive efficiency,
compliance, cost structure
visibility, and metric-
driven accountability to
the business



Digital AI Assessments
and Virtual Interviews
to obtain top talent
effectively



Single and Direct
Access across
platforms



Candidate Self-
Scheduling for
Interviews and
Assessments



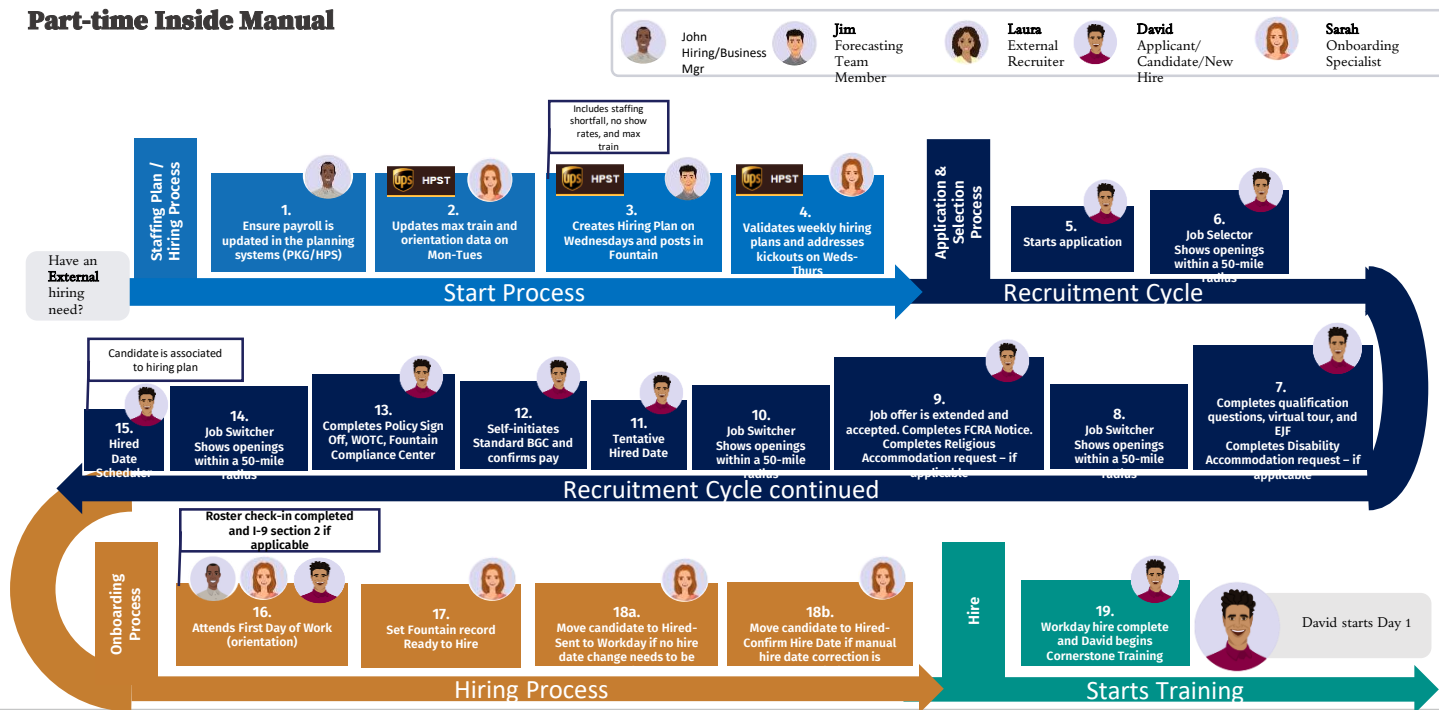
Automated reminders
and touchpoints
throughout the
Experience to keep the
Candidate engaged



Role Assignment
specifically for U.S.
Hiring (i.e. IE Staffing
Plan resource, Hourly
EIB resource) based on
the new HR Operating
Model

Pilot 2: Design of Candidate Journey

Part-time Inside Manual



Part 2: Key Lessons Learned

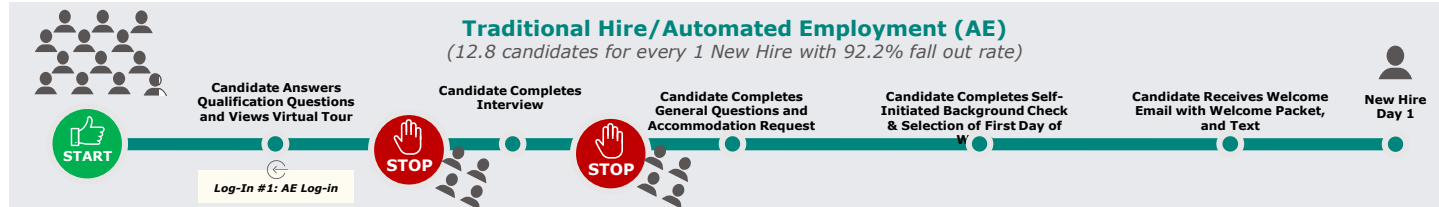
Through the current experiences along with the U.S. Pilot and the Canada Recruitment launch the team has collected notable key lessons that need to be incorporated into the next hourly hiring process design.

Key Lessons
<ul style="list-style-type: none"> Candidates require a process that is easy to navigate. <ul style="list-style-type: none"> Candidates are not understanding how to proceed through a process that requires multiple logins and links
<ul style="list-style-type: none"> Determine which positions require an assessment <ul style="list-style-type: none"> What type of candidate does UPS require? What is root cause of our candidate pools inability to pass the assessment? What kind of candidate pool does UPS want to attract? Is this different for Permanent vs. Seasonal?
<ul style="list-style-type: none"> Self-scheduling functionality needed (i.e. validate availability, send placeholders to candidate & hiring manager)
<ul style="list-style-type: none"> UPS business requires multiple compliance forms requiring automatic population of collected data to increase ease of use and accuracy in form completion (i.e. USPS Authorization & Release - Background Investigation, USPS FCRA Background Disclosure, USPS Questionnaire, USPS Cover Sheet, MA Paid FMLA, Security Threat Assessment (STA) Application, and Form i9)
<ul style="list-style-type: none"> Need to automatically populate rates and union codes into the system
<ul style="list-style-type: none"> Process of hiring into high volume facilities adds complexity in several areas of the business process <ul style="list-style-type: none"> Maximum training capacity within operations team Holding organizations due to need to offer jobs and hire candidates before FT Supervisor is known
<ul style="list-style-type: none"> Collectively agreed upon method for determining hiring plans (HR, IE, and Operations)
<ul style="list-style-type: none"> Additional work needed on the MRA approval process in districts
<ul style="list-style-type: none"> Strategic decision needed on what competitive rate UPS will offer to attract the right candidates
<ul style="list-style-type: none"> Conversion of existing candidate pipeline needs to be tested (Consider sunrise/sunset approach for hiring)
<ul style="list-style-type: none"> Attrition is too high on the backend to keep up with the hiring demand



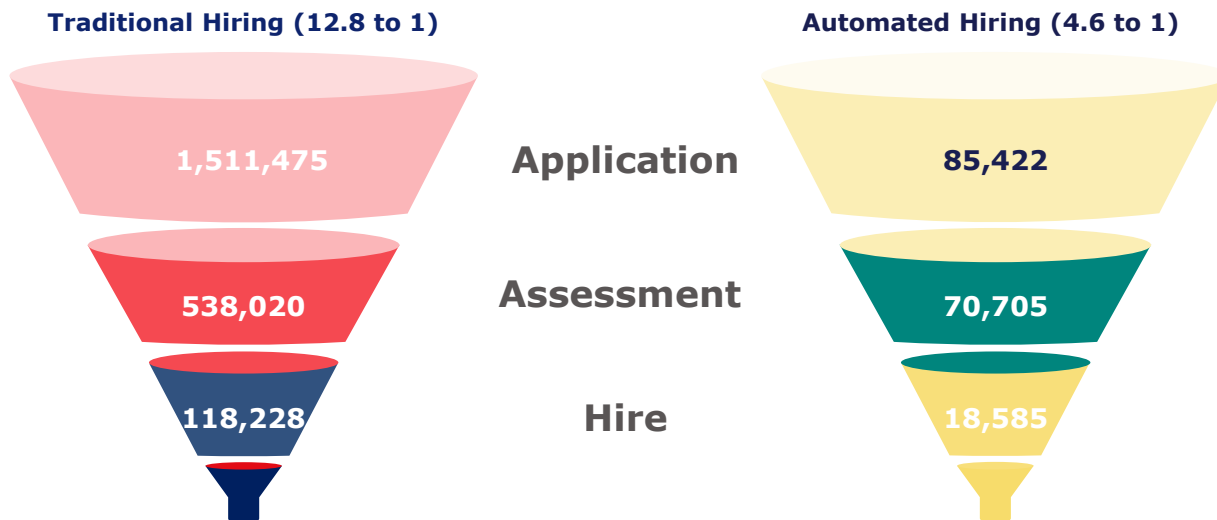
Outcomes

Pilot Outcomes: High-Volume Hourly Candidate Experience



Pilot Outcomes: Comparison of Candidate to Hire Ratios

- Traditional Hiring Data vs. Automated Hiring Pilot



Note: Data source AE 4/13/2020 to 10/03/2020

Thank you