



Swift Transportation Heads in Right Direction with Compensation System



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LAVAWN MCCULLOUGH
DIRECTOR HRIS AND COMPENSATION
SWIFT TRANSPORTATION CO.

Nation’s Largest Transportation Fleet Reaches Budget Goals Using Workscope Compensation Planner

When it comes to moving the goods quickly and efficiently, no one is ahead of Swift, the holding company for Swift Transportation Co., Inc., and operator of the largest fleet of carrier equipment in the United States. Headquartered in Phoenix, AZ, with regional operations throughout the continental United States, the \$3 billion Swift is the carrier of choice for retail and discount department store merchandise, manufactured goods, paper products, non-perishable food, beverages and beverage containers, and building materials.

Since 1988, Swift has acquired 11 different motor carriers and expanded its operations to encompass a fleet of more than 18,000 tractors, 49,000 trailers, and 5,000 intermodal containers as well as a network of 29 full-service terminals in 25 states, and several smaller locations in an additional nine states and Mexico. Today, the company employs 25,000 employees and independent contractors across the continent.

Managing a Distributed Workforce

For Swift’s human resources team, the decentralised nature of the workforce presented several challenges. “Managing our compensation programs over those long distances was very difficult,” said LaVawn McCullough, director HRIS and compensation. “We needed to implement and control wages in marketplaces where we aren’t present in any administrative way. That made it very challenging to maintain budgetary control of both our regular workforce events and off-cycle events such as promotions, COLA, and other adjustments. We had no ability to tie in our budget to these workflows. As a result, our managers wouldn’t know until after the fact that the increase they’d approved put them over budget.”

While Swift has previously used manual processes, spreadsheets, and a commercial compensation planning tool to manage merit increases, none have been effective. “It was highly inflexible and required lots of IT resources to maintain,” McCullough noted. “And it didn’t include management of off-cycle events.”

“When it came to bonus payments, the process was strictly manual using simple spreadsheets,” McCullough said. “Auditing and reconciliation were difficult at best, comparing totals from our spreadsheets with payroll numbers. It was hard to build meaningful hierarchies, and rollups were difficult, too. That was simply not a feasible way to manage such an important component of our compensation program.”

Finding a Better Way to Manage Compensation

After more than a year of continually hitting obstacles with its previous comp-management solution — reporting, manual work, inflexibility, and more — Swift opted to evaluate some alternatives. “We were working harder to support the technology solution than if we were doing the work manually,” McCullough noted wryly. “We evaluated a few vendors, looking at factors such as ease of use, cost, and upgrade paths. What mattered most, perhaps, was the ability for the solution to address a very broad spectrum of user sophistication.

“We needed to satisfy a broad range of skill levels and provide a solution that was easy for managers to navigate and use.”

Swift selected Workscope for compensation management and workforce events. Workscope helps global companies reduce comp-budget overruns, compress their compensation cycles, ensure consistent compensation planning, increase manager productivity, and free up HR to focus on strategic initiatives. Swift contracted with Towers Perrin for implementation — a necessity, given the leanness of the Swift HR team.

Workscope Helps Swift Save Millions of Dollars

In addition to streamlining compensation planning and off-cycle events, Workscope gives Swift a single compensation planning tool for all of North America — including merit, equity, and promotions. “The tool has been very successful from a planning and use perspective,” McCullough said. “In addition to using Workscope for focal planning, we have managers all over the country who are using it every day for workforce events

— promotions, demotions, adjustments to the minimum, COLA, pay-type conversions, and more. We’ve seen savings of more than 30 percent compared to our old manual processes, and more than 20 percent improvement when compared to our old commercial application.

“We have 30–50 approved actions every day — we’re certainly not a static environment. A manager initiates a change; however — before it gets routed to an executive for approval, we do an HR review/validation. That ensures the request is well structured and complete before we request executive approval, which cuts down on their volume and prevents the frustration of approving a change multiple times because of some initial data entry or process re-do’s.

“Before we implemented Workscope, every one of our managers was over budget. They never knew when they were going over budget with merit increase dollars. Now, however, everything is highly visible.”

“If a manager requests a merit increase that exceeds budget, he can provide a justification. Or an executive can kick back that request and say, ‘Get it under budget.’

“We performed some pre- and post-implementation benchmarks and analyses. As a result of a combination of process efficiencies and improvements — time and money — we’re spending our promotion dollars more wisely than ever before, resulting in significant savings to the company and doubling our return on investment. Our managers have become more accountable and that’s creating an excellent level of predictability for our business.”